میپل لیف
MAPLE LEAF CEMENT

ایکدم
SOLID

CEMENT
STRENGTH OF PAKISTAN

ANNUAL REPORT 2018

CEMENT STRENGTH OF PAKISTAN

Quality and development come through persistent effort and struggle. Our monuments symbolize our strength as a nation just like our growth symbolizes the strength of our product. The inspiration to reach new heights and strive for greatness comes from the magnificent structures of Pakistan that exemplify the tenacity to failure. Maple Leaf Cement is continuously working to reach new horizons by strengthening its product portfolio. Just like the long standing structures of Pakistan, Maple leaf anticipates to sustain its position in the market for generations to come.

CONTENTS

2018
YEAR AT A GLANCE
(CONSOLIDATED)

Cement Sales
3,761,875 Metric Ton

Profit After Tax
Rs.4,573 Million

Net Revenue
Rs.25,684 Million

EBITDA
33.29%

Return on Equity
14.84%

Earnings Per Share
Rs.7.92

Dividend Payout
38.58%

Market Value Per Share (Year End)
Rs.50.74 Per Share

WACC
7.31%

Interest Cover
7.30 Times

Contribution to National Exchequer
Rs.11,344 Million

Current Ratio
1.09 Times

Market Capitalization
Rs.30,124 Million

Gearing Ratio*
34:66

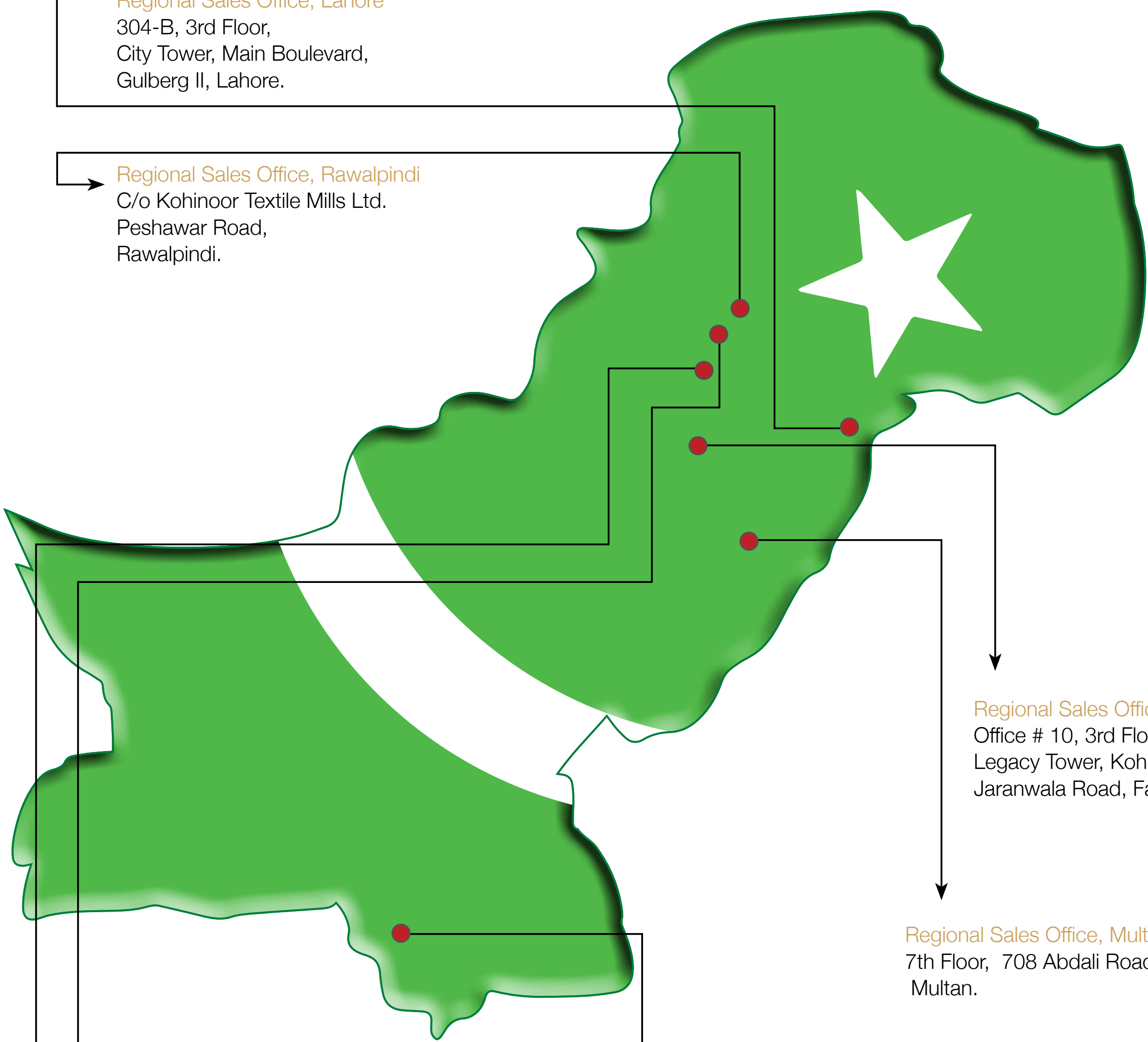
* For better comparison of debt/equity mix, equity excludes surplus on revaluation of fixed assets. Debt represents long-term loan including its current maturity

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, Faisalabad
Office # 10, 3rd Floor,
Legacy Tower, Kohinoor City,
Jaranwala Road, Faisalabad.

Regional Sales Office, Multan
7th Floor, 708 Abdali Road,
Multan.

Plant
Iskanderabad Distt: Mianwali.

Regional Office, Karachi
25 West Wharf Road, Karachi.

Regional Sales Office, Sargodha
Office No. 59, 2nd Floor,
Al Rehman Trade Centre,
University Road,
Sargodha.

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 two production lines for the production of grey cement and one line for white cement in which it owns more than 90% market share. All three lines are owned assets of the Company. Total installed capacity for clinker production is 3,360,000 tons annually.

An additional dry process clinker production line of 7,300 tpd grey clinker production to enhance grey cement capacity upto 18,000 tons per day at the existing plant site (brown field project) with an estimated project cost of Rs. 25 billion is in process. Commercial production from the new line is expected to commence within the 4th quarter of current financial year.

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

LEADING EDGE PRODUCTION CAPABILITIES

Today with a current clinker production capacity of 11,700 tpd and an ongoing brownfield expansion of 7,300 tpd to bring grey clinker production capacity to 18,000 tpd we stand as the largest single unit Cement Manufacturer 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, work on state of the art fuel-efficient dry process plant based on the FLSmidth technology with production capacity of 7,300 tpd is progressing at an impressive pace. This facility will enable the Company to increase its total clinker production capacity to approximately 6 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 over 1,200 professionals and highly skilled workers that make us what we are today.

NATURALLY ENRICHED

With a covered area of more than 3,000 acres, our factory is situated at Daud Khel, Punjab. Located 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

Product Portfolio – To cater to varying needs of the market, the Company produces the following cement:-

i) Ordinary Portland Cement

ii) Sulphate Resistant Cement

iii) Low Alkali Cement

iv) White Cement

v) Wall Coat

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.

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
Mr. Zamiruddin Azar
Mr. Shafiq Ahmed Khan
Syed Mohsin Raza Naqvi

Executive Directors
Mr. Amir Feroze ....Plant Operations
Mr. Sohail Sadiq .... Finance
Mr. Yahya Hamid .... Marketing

Audit Committee
Mr. Shafiq Ahmed Khan.........................Chairman
Mr. Zamiruddin Azar ....Member
Mr. Waleed Tariq Saigol ....Member
Mr. Danial Taufique Saigol........................Member

Human Resource & Remuneration Committee
Mr. Shafiq Ahmed Khan.........................Chairman
Mr. Zamiruddin Azar ....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 Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
Trust Investment Bank Limited
U Microfinance Bank Limited
United Bank Limited

Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road, Lahore, Pakistan.
Tel: +92 42 111-576484
Fax: +92 42 3742 9907

Legal Adviser
Mr. Shahid Ismail ....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 Centre (24 / 7)
0800-41111

Share Registrar
Vision Consulting Ltd
Head Office: 3-C, LDA Flats, First Floor,
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.

Vision Statement

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.

Mission Statement

The Company shall achieve its vision 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.

Founder of Pakistan the Quaid-e-Azam Tomb, Karachi

STRENGTH OF PAKISTAN

Mohatta Clifton, Karachi

Karachi Port, Karachi

Victorian Architecture - Karachi

KARACHI CITY

Karachi, the most populous city in Pakistan and the second largest city in Muslim world stands as the industrial and financial hub of Pakistan. Karachi, the capital of Sindh province is not only rich in terms of ethnic and cultural diversity but also in terms of architectural heritage.

Some of the renowned historical sites include Jinnah's Mausoleum, Mohatta Clifton Palace, Frere Hall, Karachi Municipal Corporation Building and the marvellous Karachi Port Trust Building.


Safety First
HSE

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 endeavors 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 that 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) performance 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 MLCFL 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 MLCFL, 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 tpd to 4,000 tons per day 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.

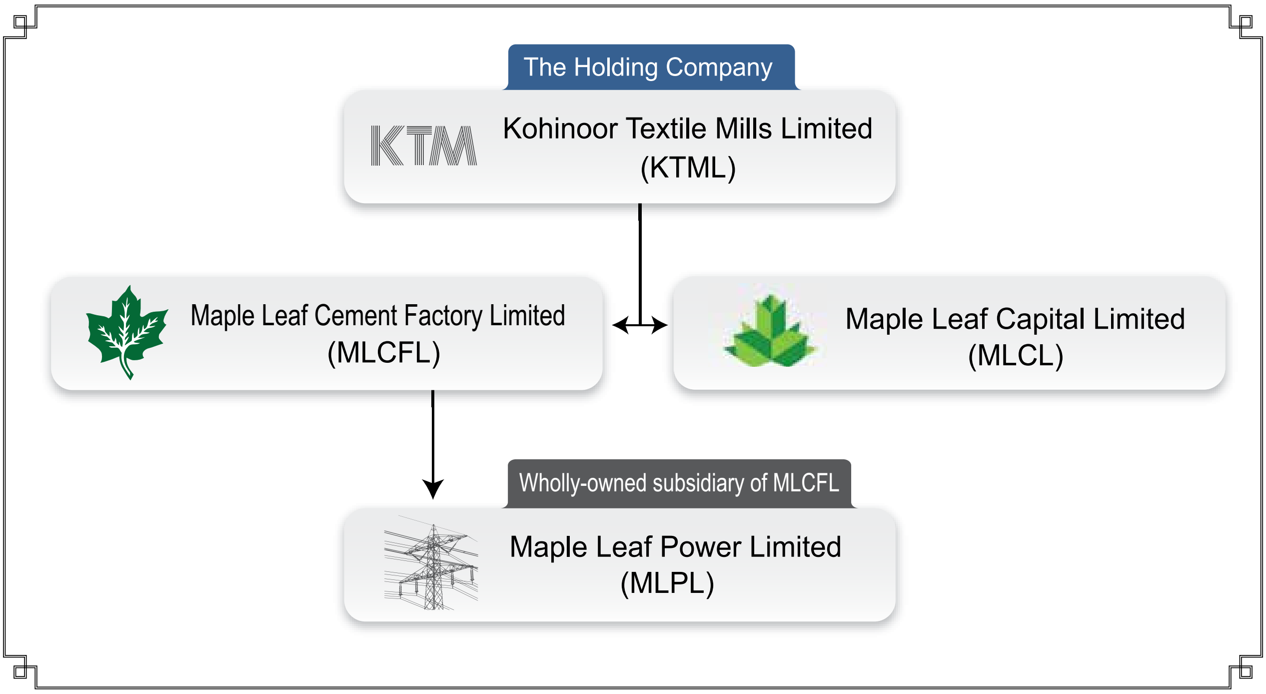
2016 The Company yet again recorded the highest ever turnover quantitatively (3.34 million tons) and value wise (PKR 23.432 billion), as well as highest profit after tax of Rs. 4.88 billion. The Company paid off its Rs. 8 billion debt in third quarter of the financial year much earlier than the deadline 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 7300 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.

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, the subsidiary of Kohinoor Textile Mills Limited and Maple Leaf Power Limited (MLPL), the wholly owned subsidiary of MLCFL (captive power project). MLCFL is a subsidiary company of KTML. The Group companies are ranked amongst the top companies in the cement, textile, power and investment sectors.



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").

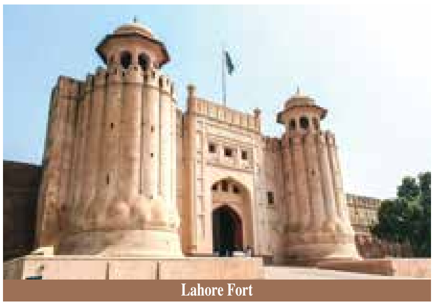
Maple Leaf Power Limited (MLPL) was incorporated in Pakistan on 15 October 2015 under the Companies Ordinance 1984 (now the Companies Act, 2017) as a public company limited by shares. The principal objective of MLPL is to develop, design, operate and maintain electric power generation plant in connection 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.

Badshahi Mosque, Lahore

STRENGTH OF PAKISTAN



Lahore Fort

Minar-e-Pakistan

Wazir Khan Masjid

LAHORE CITY

Lahore, the capital city of Punjab province, despite becoming the fastest growing commercial metropolitan city, Lahore has been able to preserve the true historical essence over the years. It is known to be the art and cultural capital of Pakistan. Over the years it has gained recognition as “foodies haven” and “Dill walon ka sheher” for its numerous festivities.

Equally rich in architecture, Lahore Fort, Masjid Wazir Khan, Badshahi Mosque and Minar-e- Pakistan are only a few gems to be found in Lahore that are cherished by tourists all over the world for its inimitable historical significance.

VALUE CHAIN ANALYSIS

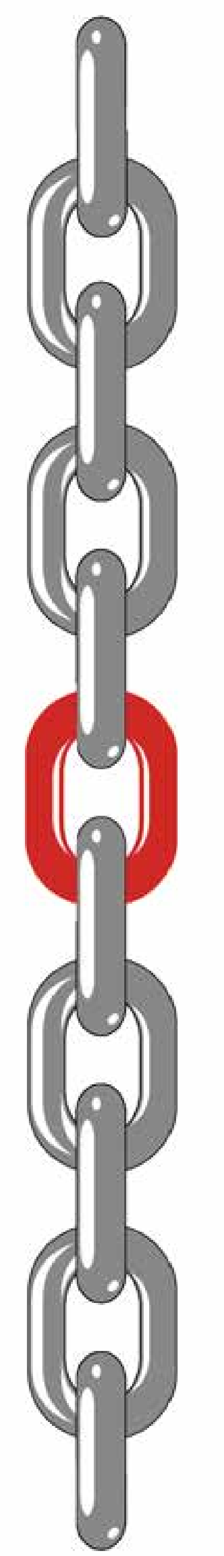
MLCFL principal business activity is to produce and sell cement products. Manufacturing cement involves blending a mixture of limestone and other minerals at a high temperature in kilns. Diesel is used to initially fire the kiln whereas coal is used to heat the kiln at desired temperature.

On the upstream part of value chain, raw material for cement manufacturing includes limestone, gypsum, clay, iron ore etc which are 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 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 Control and 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.

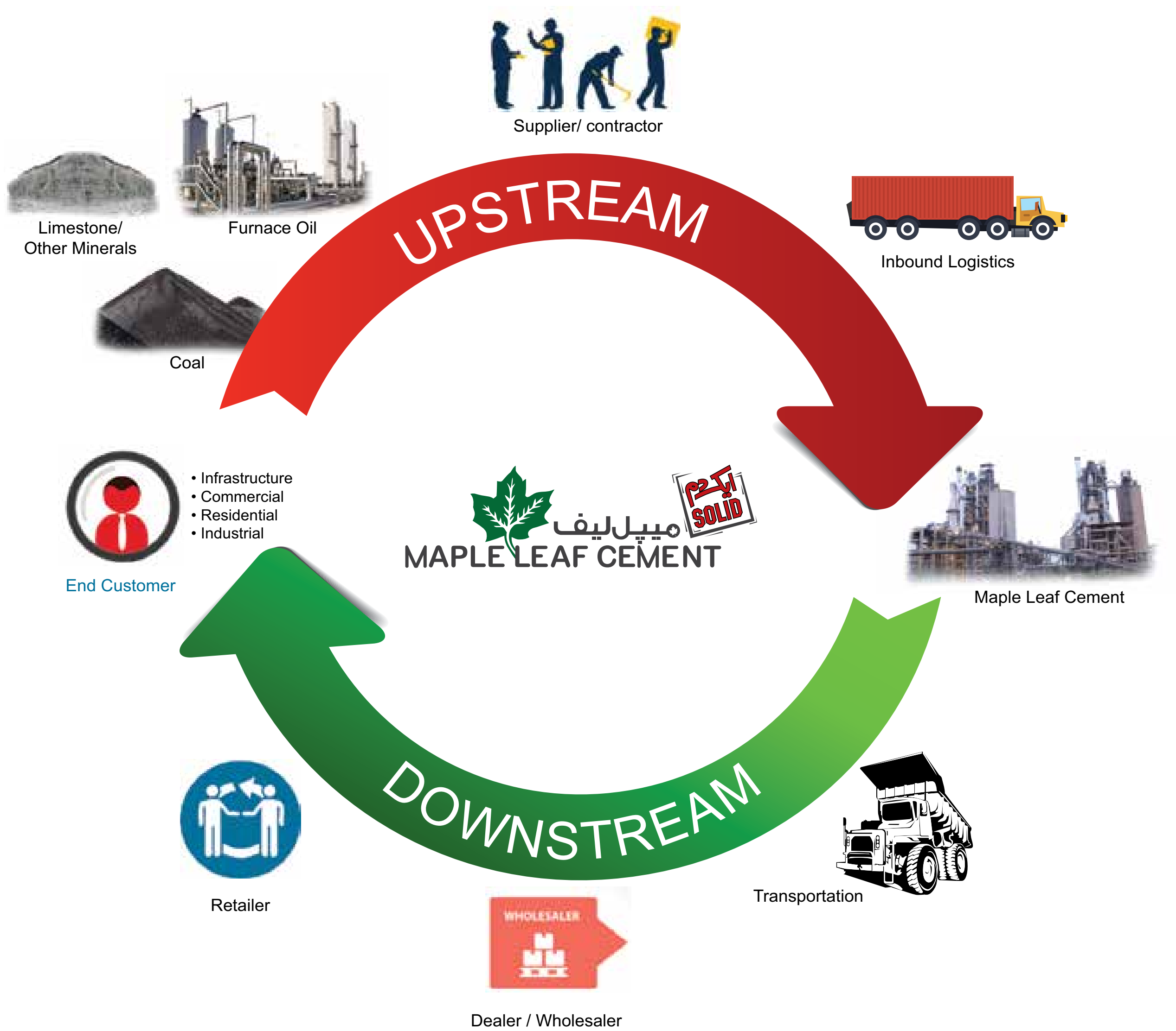
Facilitating downstream along the value chain, MLCFL has its own 24/7 Customer Service Centre, first ever in the history of the Pakistani cement industry. The objective of this service is to bring MLCFL a step closer towards our valued customer. Customers can obtain any information pertaining to our 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.



SIGNIFICANT FACTORS EFFECTING EXTERNAL ENVIRONMENT AND MLCFL'S RESPONSE

External Component	Factors	Organizational Response
Political	• Transition of government from one political party to another has posed the risk of change of preferences on allocation of PSDP's. • 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 and power. • Devaluation of local currency. • Inflation.	• Commencement of commercial production 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. • 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. • The company avoided the mammoth forex hit by paying maximum portion of LC of its ongoing expansion project of grey cement in advance, by obtaining due approval of the State Bank of Pakistan (SBP).

External Component	Factors	Organizational Response
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). • Company has 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. Furthermore, company supports provision of educational facilities for public at large and the Board has approved the construction of Al-Aleem medical college in Ghulab Devi Educational Complex. • Company regularly contributes a handsome amount of donation towards hospitals, schools, mosques and sports centers.
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 expanding a new grey cement line from the same vendor. • Company continuously invests in the robust hardware and software for system up-gradation and MIS. Recently company has managed ERP and EMA modules for meeting latest reporting needs. • The company has ensured the provision of latest Microsoft outlook software to meet communication needs of all company personals internally and with all external stakeholder groups.

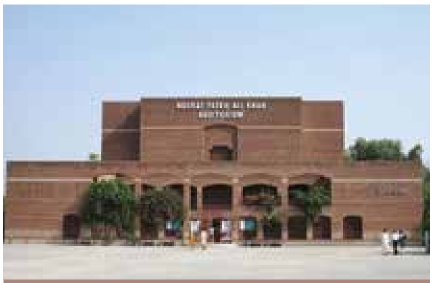
External Component	Factors	Organizational Response
Environmental	• Attitude towards and support for renewable energy. • Air pollution & deforestation • Lowering of underground water belt. • Growing attention towards "green" attitudes.	• Company is successfully operating waste heat recovery project (WHRP) for electricity generation from emitted heat of the kilns. • 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 in employment 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.

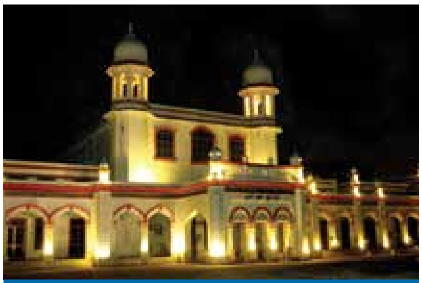
SIGNIFICANT CHANGES FROM PRIOR YEARS

In comparison to the prior years, there is no significant change in organization and group structure. However, the external environment is constantly changing and the rise in coal prices globally, followed by devaluation of Pak Rupee in comparison to US Dollar has affected profitability of the Company.

Clock Tower, Faisalabad

STRENGTH OF PAKISTAN


Nusrat Fateh Ali Khan Auditorium, Faisalabad


Zila Council, Faisalabad

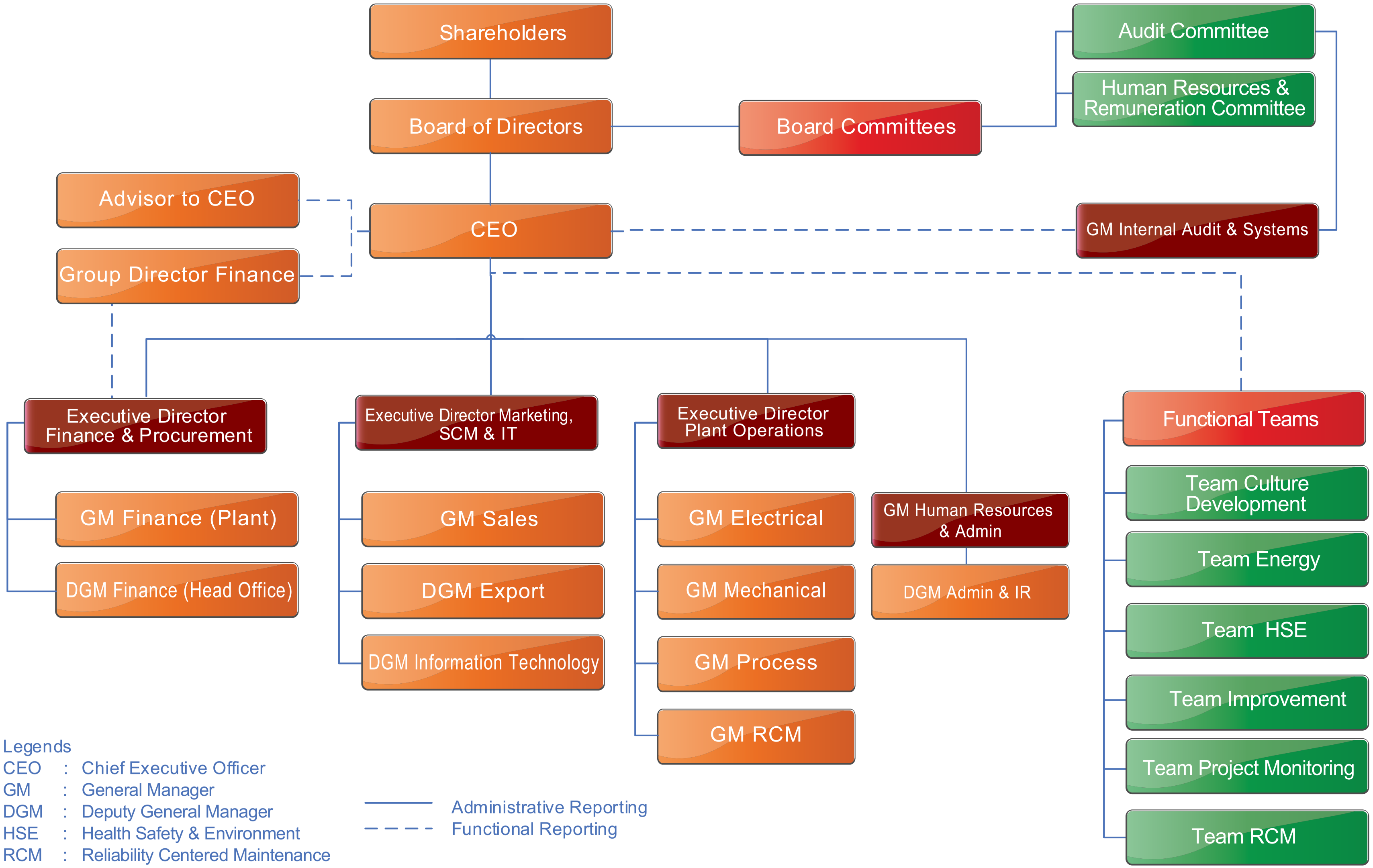

Umer Heyaat Mehal, Faisalabad

FAISALABAD CITY

Faisalabad is Pakistan's third most populous city and is the second largest in the eastern province of Punjab. Due to its central location in the region and connecting roads, rails, and air transportation; Faisalabad has become a major industrial and distribution centre. It is the hub of the textile industry.

Faisalabad is the hometown of the great legend Nusrat Fateh Ali Khan. He is popularly known as "Shahen-shah-e-Qawwali", meaning "The Emperor of Qawwali". One of the longest standing structures in Faisalabad is the Clock Tower that has been there in its original form since the time of the British Raj. The clock tower is the most important and most recognized building in Faisalabad. It is also the center of all the activities that happen in the city; from demonstrations to celebrations this building is the epicentre of all.

ORGANIZATION CHART



Legends
CEO : Chief Executive Officer
GM : General Manager
DGM : Deputy General Manager
HSE : Health Safety & Environment
RCM : Reliability Centered Maintenance

STATEMENT OF OVERALL STRATEGIC OBJECTIVES 2018-2019

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 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

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 top management were arranged during the year 2016-17 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 analyze 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

Our liquidity condition has significantly improved over the period with reduced payment cycle. 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. Capital structure mainly consists ordinary share capital and long term/ short term debts. Management believes that there is no inadequacy in capital structure in the status quo.

STRATEGY TO OVERCOME LIQUIDITY RISK

The Company is highly efficient to manage liquidity risk and in order to cope with it, we invest 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. The company continues with its plan to utilize the cash generated from operations for repayment of its debt on a timely basis, which will result in the reduction of financial cost and resultantly, net profit of the Company will be increased.

Furthermore, Company believes in employing an optimal debt and equity ratio for effective risk management. Hence, to partially finance the on- going brown field expansion of grey cement, company offered 12.5% right issue @ RS65/ share (including a premium of RS55/ share).

SIGNIFICANT PLANS AND DECISIONS DURING THE YEAR

Foreseeing the future of CPEC, increased construction activities in Pakistan and prospective growth in cement export markets, the Company is undergoing expansion of its production facility.

During the year, the Company availed new long-term loans amounting to Rs. 10,649 million to finance project cost of new production line and to partially finance the completion of coal-fired power project. At the close of current financial year 2017-18, the Company was operating at the debt equity mix of 34:66 as compared to 16:84 computed for the preceding financial year. The Company has adopted the strategy to utilize maximum cash profits with minimal reliance on debt, allowing higher returns to shareholders whereas long term financing was only obtained for meeting the capital expenditures after fulfilling the financial covenants in loan agreements. Net cash generated from operations increased by Rs. 146 million as compared to a decrease by Rs. 2,348 million in preceding financial year.

SIGNIFICANT CHANGES FROM PRIOR YEARS

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

KEY PERFORMANCE INDICATORS (KPIs)

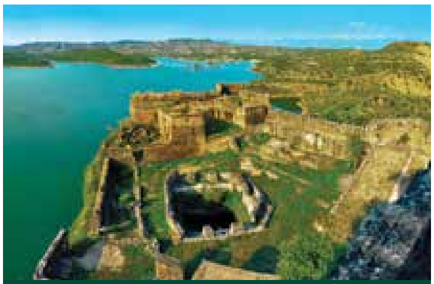
Following are some of the key performance measures and indicators against stated objectives of the Company.

Sr. No.	Objectives	Measures
1	Improved capacity utilization of the Company's production facilities	Number of days run factor
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

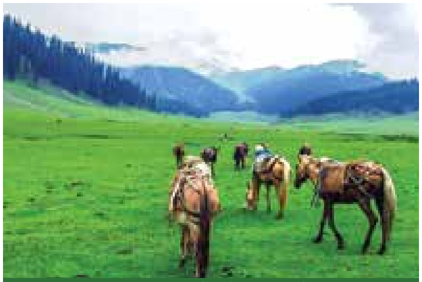
Management believes that current key performance measures continue to be relevant in future as well.

Rawalakot, Azad Kashmir

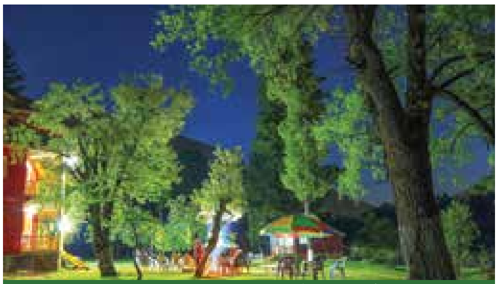
STRENGTH OF PAKISTAN



Ramkot Fort, Mangla-Lake, Azad Kashmir



Dao Khan Reshian, Azad Kashmir



Neelam Valley, Taobat Valley, Azad Kashmir

AZAD KASHMIR

Kashmir is known to be a heaven on the face of earth for its lavishness in terms of its stunning natural beauty. Ramkot Fort located on the top of a hill and surrounded by the River Jehlum from three sides presents a picturesque landscape. Lush and luminously green plateaus of Dao Khan Reshanian, snow covered mountain peak, ravishing Neelum and Taubat valleys, even marvellously refreshing seasons, ancient ruins and historic sites have made it the ultimate tourist attraction all over the world.

RISKS AND OPPORTUNITIES

OBJECTIVES:

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	Growing demand in local market.
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:

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 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. MATERIALITY APPROACH

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.

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:** Due to the significant focus of the present Government on infrastructure and PSDP, there is increased potential for major players of the industry. **Source: External**	**Likelihood:** Medium **Magnitude:** High	Through efficient use of marketing strategy, Maple Leaf is creating a pull effect by locking-in its customers and also to tap potential markets.
	Financial Risk: Increased packing cost 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.
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 upgradation 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.

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, average credit period of the Company is also being improved 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
Growing demand in local market Source: External	Social and relationship capital and Financial Capital	The Company is in the process of expansion by launching its line 3 of grey cement which will increase its grey cement production. 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 lasting relationships along 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 at site which converts heat from the kiln, which was previously lost, into energy. Furthermore, the recent launch of its coal power plant provides electricity to run its operations at a more economic rate.
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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 58th Annual General Meeting of the members of Maple Leaf Cement Factory Limited (the "Company") will be held on Saturday, October 27, 2018 at 11:00 AM at 42-Lawrence Road, Lahore, the Registered Office of the Company, to transact the following business: -

ORDINARY BUSINESS:

27 October 11:00 am

1) To receive, consider and adopt the audited accounts of the Company including consolidated financial statements for the year ended June 30, 2018 together with the Directors' and Auditors' Reports thereon.

2) To approve final cash dividend for the year ended June 30, 2018 at Re. 1/- per share (10%), as recommended by the Board of Directors. This is in addition to the interim cash dividend already paid to the shareholders at Rs. 1.50 per share (15%), thus making a total cash dividend at Rs.2.50 per share (25%) for the year.

3) To appoint Auditors for the year ending on June 30, 2019 and fix their remuneration. The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants, the retiring auditors and being eligible offer themselves for re-appointment.

SPECIAL BUSINESS:

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 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, 2018 to October 31, 2019 (both days inclusive) at the mark-up rate of one percent above the 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 26, 2017 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,000 million which is valid till October 31, 2018."

5) To consider and if thought fit to pass the following resolutions as Special Resolution with or without modification: -

   "Resolved that the Authorised Share Capital of the Company be and is hereby increased from Rs. 7,000,000,000 divided into 700,000,000 Shares of Rs. 10/- each, comprising 600,000,000 Ordinary and 100,000,000 Preference Shares to Rs. 9,000,000,000 divided into 900,000,000 Shares of Rs. 10/- each, comprising 800,000,000 Ordinary and 100,000,000 Preference Shares of Rs. 10/- each.

   Resolved further that the Memorandum of Association of the Company be and is hereby altered by substituting the existing clause V with the following new clause:

   V. The Authorised Share Capital of the Company is Rs. 9,000,000,000 (Rupees nine billion only) divided into 900,000,000 (nine hundred million only) Shares of Rs. 10/- (Rupees ten only) each, comprising 800,000,000 Ordinary and 100,000,000 Preference Shares with the power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017 and any rules made thereunder, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association or the Regulations of the Company for the time being, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association or Regulations of the Company.

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 holding company but not limited to filing of all the requisite statutory forms and all other documents including increase in Authorized Share Capital of the Company with the Securities and Exchange Commission of Pakistan (SECP), executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolutions.

6) To ratify and approve transactions conducted with the Related Parties for the year ended June 30, 2018 by passing the following special resolution with or without modification: -

   "Resolved that the transactions conducted with the Related Parties as disclosed in the note 43 of the unconsolidated financial statements for the year ended June 30, 2018 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, 2019 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, 2019.

   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

(Muhammad Ashraf)
Company Secretary

Lahore: October 06, 2018

Notes:

1. The Share Transfer Books of the Company will remain closed from October 20, 2018 to October 27, 2018 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Ltd, 3-C, LDA Flats, First Floor, Lawrence Road, Lahore, at the close of business on October 19, 2018 will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.

2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy. CDC shareholders shall attach an attested copy of his/her Computerized National Identity Card (CNIC) / Passport with Proxy Form. 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. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee should be attached with the proxy form.

3. Members holding aggregate 10% or more shareholding, residing in a city, may demand the facility of video link for participation in the annual general meeting.

   In this regard, please fill the following and submit at the Registered Office of the Company situated at 42-Lawrence Road, Lahore, at least 07 days prior to the date of Annual General Meeting.

   "I/We, ________________________ of _____ ________________________________, being a member of Maple Leaf Cement Factory Limited, holder of ___________ Ordinary Share(s) as per Registered Folio / CDC A/c # _______ hereby opt for video conference facility at ___________.

   Signature of Member / Attorney"

4. The Members, who desire for receiving the annual audited financial statements and AGM

Notice through e-mail, are requested to send their written consent on a Standard Request Form available on website www.kmlg.com in order to avail this facility. The audited financial statements for the year ended June 30, 2018 are available on website of the Company. Further, the Company has sent its Annual Report 2018 through CD/DVD/USB to the shareholders at their available Registered Addresses instead of hard copy. However, hard copy of Annual Report will be provided free of cost on written request of the shareholder.

5. Shareholders are requested to notify / submit the following information & documents, in case of book entry securities in CDS to their respective CDS participants and in case of physical shares to our Share Registrar, if not earlier provided / notified: -

a. Change in their addresses;

b. Pursuant to requirement of Section 242 of the Companies Act, 2017, any dividend payable in cash declared by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Accordingly, shareholders who have not yet provided / updated their International Bank Account Number (IBAN) details, are requested to furnish the information as provided on website of the Company on priority basis. In case of non-submission of IBAN of 24 digits, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017;

c. In case of non-submission of valid & legible copy of CNIC, the Company will be unable to comply with SRO 831(I)/2012 dated July 05, 2012 of SECP and will be constrained under the Companies Act, 2017 to withhold the payment of dividend to such shareholders;

d. Valid and legible copies of National Tax Number (NTN) or NTN Certificate(s) of corporate entities and must quote the company name and their respective Folio / CDC Account Numbers thereon while sending the copies to the Share Registrar of the Company;

e. Filer & Non-Filer shareholders will pay tax on dividend income @15% and 20% respectively. Therefore, please ensure that their name(s) have been entered into Active Taxpayers List (ATL) provided on website www.fbr.gov.pk of the Federal Board of Revenue (FBR), despite the fact that the shareholder is a filer, before the date of approval of cash dividend at the Annual General Meeting on October 27, 2018, otherwise tax on their cash dividend will be deducted @20% instead of 15%;

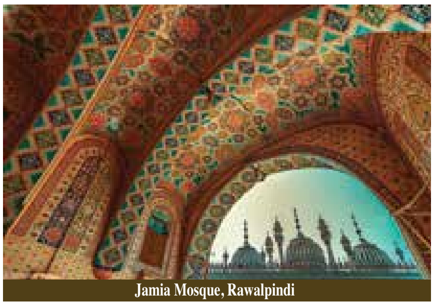
f. As per clarification of FBR, each joint holder is to be treated individually as either a 'Filer' or 'Non-Filer' and tax will be deducted on the basis of shareholding notified by each joint holder. Accordingly, such shareholder(s) may notify in writing within 07 days from entitlement date i.e. October 19, 2018 as per following format to our Share Registrar. If no notification is received to our Share Registrar, then it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s): -

Folio / CDC Account No.	Total Shares	Principal Shareholder		Joint Shareholder(s)		Signature(s)
		Name & CNIC No.	Shareholding Proportion (No. of Shares)	Name & CNIC No.	Shareholding Proportion (No. of Shares)	

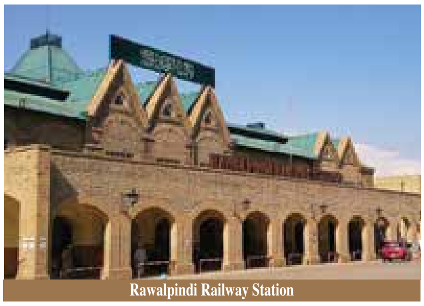
g. Valid income tax exemption certificate issued by the concerned Commissioner of Inland Revenue is to be furnished to the Company / Share Registrar in order to avail tax exemption u/s 150 of the Income Tax Ordinance 2001 (tax on dividend) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available and want to avail exemption u/s 150 of the Ordinance, otherwise tax will be deducted under the provisions of laws;

Faisal Mosque Islamabad

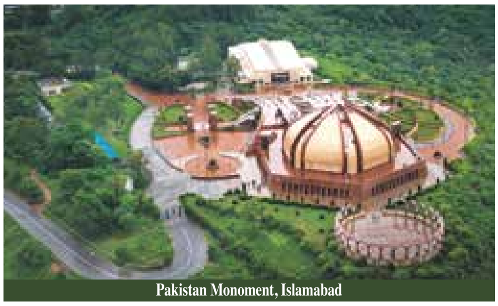
STRENGTH OF PAKISTAN



Jamia Mosque, Rawalpindi



Rawalpindi Railway Station



Pakistan Monoment, Islamabad

RAWALPINDI / ISLAMABAD CITY

Islamabad, the capital of Pakistan serves as the political epicenter of Pakistan. Supreme court, National Parliament of Pakistan, Aiwan-e-Sadar and Stock Exchange building are some of the most significant institutions of Pakistan located in Islamabad. Likewise, Pakistan Military's General Headquarters makes Rawalpindi the brain of Pakistan Army.

Pakistan's largest closed city dam i.e. Rawal dam, Faisal mosque and the artistically designed Rawalpindi Railway Station signify the cultural and architectural heritage as a strength of Islamabad and Rawalpindi.

h. Members are requested to submit their Notarized Declarations (CZ-50) as per Zakat & Ushr Ordinance, 1980 for zakat exemption, if they want to claim exemption towards non-deduction of zakat on cash dividend;

i. Pursuant to requirement of Section 244 of the Companies Act, 2017, shareholders who could not collect their cash dividends / physical shares, are advised to contact at the Registered Office of the Company to collect / enquire about their unclaimed dividends or physical shares, if any;

j. 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 Ltd, 3-C, LDA Flats, Lawrence Road, Lahore, Ph. No. (042) 36283096-97.

STATEMENT UNDER SECTION 134(3) OF THE ACT:

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 27, 2018.

Agenda Item No. 4 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 and its production comprise 157,488 ring spindles and 1,848 open end rotors capable of spinning a wide range of counts using cotton and man-made fibers. The weaving facilities at Raiwind comprise 288 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 17, 2018 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.

Directors of the Company have also provided their duly signed undertaking / due diligence report with recommendations that they have carried out necessary due diligence for the proposed investment in KTML and it has been kept at the Registered Office of the Company for inspection of the members along with audited accounts and the latest interim financial statements of KTML as required under the Regulations.

The information under clauses 3(1)(a), 3(1)(c) & 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

3(1)(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 30.06.2016 / 7.48 / 7.48 30.06.2017 / 8.25 / 8.25 30.06.2018 / 5.64 / 5.64
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2018 With revaluation surplus Rs. 52.86 Without revaluation surplus Rs. 40.02
(v)	Financial position, including main items of statement of financial position and statement of 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 2018, the financial position of KTML is as under: -

Particulars	Amount Rupees (000)
Paid up capital	2,992,964
Reserves	8,984,618
Surplus on revaluation of freehold land and investment properties	3,843,044
Current liabilities	7,200,654
Current assets	6,716,065
Revenue	17,833,540
Gross Profit	2,477,752
Operating Profit	2,516,291
Net Profit	1,664,322
Earnings per share (Rs.)	5.64

General Disclosures: -

<table>
<tr><th>Ref. No.</th><th>Requirement</th><th colspan="2">Information</th></tr>
<tr><td>(i)</td><td>Maximum amount of investment to be made;</td><td colspan="2">Rs. 1,000 million (Rupees one thousand million only).</td></tr>
<tr><td>(ii)</td><td>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;</td><td colspan="2">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 mark up at the rate of one percent above the three months KIBOR or one percent above the average borrowing cost of the Company, 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, 2018 to October 31, 2019.</td></tr>
<tr><td rowspan="2">(iii)</td><td>Source of funds to be utilized for investment</td><td colspan="2">Loan and/or advance will be given out of own funds of the Company.</td></tr>
<tr><td>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;</td><td colspan="2">N/A</td></tr>
<tr><td rowspan="6">(iv)</td><td rowspan="6">Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;</td><td>Nature</td><td>Loan / advance</td></tr>
<tr><td>Purpose</td><td>To earn mark-up / profit on loan / advance being provided to KTML which will augment the Company's cash flow</td></tr>
<tr><td>Period</td><td>One Year</td></tr>
<tr><td>Rate of Mark-up</td><td>One percent above the three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.</td></tr>
<tr><td>Repayment</td><td>Principal plus mark-up/profit upto October 31, 2019</td></tr>
<tr><td>Penalty charges</td><td>@ 3-months KIBOR plus one percent in addition to the outstanding amount(s).</td></tr>
</table>

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 Seven 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	A similar nature of loan/advance facility of Rs.1,000 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 26, 2017 which is valid till October 31, 2018. 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

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 6.98% for the year ended June 30, 2018.
(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 the 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.

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, 2018 to October 31, 2019 (both days inclusive). KTML will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2019.

Six Directors including Sponsor Directors of the associated company i.e. KTML are also the members of the Company and are 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 & his spouse	14.3755	0.0194
Mr. Taufique Sayeed Saigol	14.5090	0.0015
Mr. Sayeed Tariq Saigol	0.1286	0.0010
Mr. Waleed Tariq Saigol	0.0112	0.0010
Mr. Danial Taufique Saigol	0.0010	0.0005
Mr. Shafiq Ahmed Khan	0.0010	0.0014

Agenda Item No. 5, Increase in Authorized Share Capital

Maple Leaf Cement Factory Limited (the "Company") is a Listed Public Limited Company and its Registered Office is situated at 42-Lawrence Road, Lahore. 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").

At present the authorized share capital of the Company is Rs. 7,000,000,000 (Rupees seven billion only) divided into 600,000,000 ordinary shares and 100,000,000 preference shares of Rs. 10 each. The issued, subscribed and paid up ordinary share capital of the Company is Rs. 5,937,006,660/- divided into 593,700,666 ordinary shares of Rs. 10 each.

The Board of Directors has recommended that the Memorandum of Association of the Company be substituted with the existing clause V of the Memorandum of Association with a view to cover any future increase in the Paid up Capital of the Company as and when necessary. The Directors of the Company have no special or extra-ordinary interest in the above resolutions except to the extent of their shareholding in the Company. The said alteration(s) will not affect anyone's interest unfavorably in the Company.

The Memorandum and Articles of Association of the Company has been kept at the Registered Office and can be inspected from 9:00 AM to 11:30 AM on all working days upto October 26, 2018.

Agenda item Number 6 of the notice fi Ratiïcation 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 the Listed Companies (Code of Corporate Governance) Regulations, 2017. 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.

All transactions with related parties to be ratified have been disclosed in the note 43 to the unconsolidated financial statements for the year ended June 30, 2018. Party-wise details of such related party transactions are given below: -

Sr. No.	Name of Related Party	Relationship	Description of Transactions	Rupees in thousands
1)	Kohinoor Textile Mills Limited	Holding Company (55.22% equity held)	Sale of goods and services	50,361
			Sale of fixed assets	1,785
			Markup charged during the year	(4,592)
			Dividend paid	1,001,723
2)	Maple Leaf Power Limited	Subsidiary Company (100% equity held)	Sale of goods and services	1,507,771
			Purchase of goods and services	3,335,931
			Markup charged during the year	17,864
3)	Key management personnel	-	Remuneration and other benefits	282,472
4)	Employee benefits			
	Gratuity	Post-employment benefit plan	Contribution	30,513
	Provident Fund Trust	Employees benefit fund	Contribution	136,947

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 also been indicated in the unconsolidated financial statements for the year ended June 30, 2018. 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 number 7 – Authorization for the Board of Directors to approve the related party transactions during the year ending on June 30, 2019.

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2019 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, 2019, 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, 2018 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2017-18. 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, 2017, 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 2018 and I am pleased to report that the overall performance benchmarked on the basis of criteria set for the year 2018, 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 alongwith 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 behaviour 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.

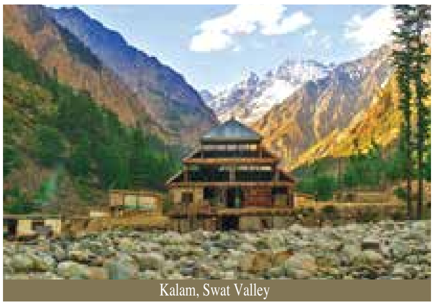
PRESENTATIONS: During the course of discussion and approvals of financial statements, comprehensive presentations are placed before the Board based on incisive, critical and strategic analysis of all functional areas relating to core business of the Company. Benchmarking compared with the industry's 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.

(Tariq Sayeed Saigol)
Chairman

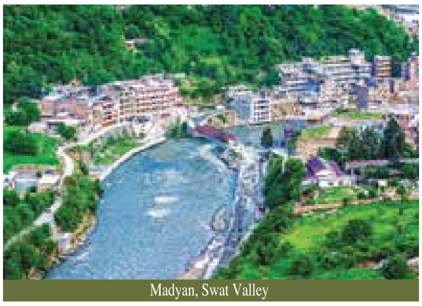
Lahore: September 17, 2018

Chimrain Peak, Swat Valley

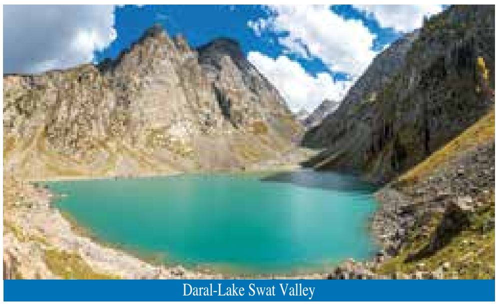
STRENGTH OF PAKISTAN



Kalam, Swat Valley



Madyan, Swat Valley



Daral-Lake Swat Valley

SWAT DISTRICT

Swat is renowned for its scenic beauty and historical heritage dating back to the Buddhist civilization. Swat has become one of the famous tourist destinations around the globe.

Swat, culturally enriched district of Pakistan, contributes significantly to the economy through tourism. Combination of some of the breath taking and fascinating places to visit in Swat include Jarogo waterfall, Kalam and Madyan valleys, and, Daral and Saidgai lakes.

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 2018.

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

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

	Year Ended			
	July to June		Variance	
	2018	2017	Amount	%age
	(Rupees in thousand)			
Net Sales Revenue	25,684,164	23,885,410	1,798,754	7.53
Gross Profit	8,525,344	9,375,633	(850,289)	(9.07)
Operating Profit	6,183,158	7,043,834	(860,676)	(12.22)
Finance Cost	847,318	174,247	673,071	386.27
Profit Before Taxation	5,335,840	6,869,587	(1,533,747)	(22.33)
Taxation	763,035	2,093,275	(1,330,240)	(63.55)
Profit After Taxation	4,572,805	4,776,312	(203,507)	(4.26)
Earnings Per Share (Rs.)	7.92	8.81	(0.89)	(10.10)

Standalone financial highlights of the Company, Maple Leaf Cement Factory Limited are as follows: -

	Year Ended			
	July to June		Variance	
	2018	2017	Amount	%age
	(Rupees in thousand)			
Net Sales Revenue	25,699,113	23,992,079	1,707,034	7.11
Gross Profit	7,515,924	9,482,302	(1,966,378)	(20.74)
Operating Profit	5,220,918	7,188,705	(1,967,787)	(27.37)
Finance Cost	825,682	318,349	507,333	159.36
Profit Before Taxation	4,395,236	6,870,356	(2,475,120)	(36.03)
Taxation	763,035	2,093,275	(1,330,240)	(63.55)
Profit After Taxation	3,632,201	4,777,081	(1,144,880)	(23.97)
Earnings Per Share (Rs.)	6.29	8.81	(2.52)	(28.60)

Standalone financial highlights of the Company are based on power cost supplied by MLPL at NEPRA approved base tariff of Rs. 12.92 /KWH.

During the financial year 2017-18, capacity utilization and dispatches improved in comparison to last year's performance, as evident from the data shown below: -

	July to June		Variance	
	2018	2017	Change	%age
	--------------------M.Tons---------------			
Production				
Clinker Production	3,529,876	3,299,047	230,829	7.00
Cement Production	3,760,120	3,341,970	418,150	12.51
Sales				
Domestic	3,487,492	2,931,708	555,784	18.96
Exports	276,343	432,694	(156,351)	(36.13)
	3,763,835	3,364,402	399,433	11.87

During the reporting year, the Company crossed the Rs. 25 billion net sales benchmark and recorded consolidated net sales of Rs. 25,684 million against Rs. 23,885 million in the corresponding period last year mainly due to robust quantitative growth of 18.96% in local sales mix from improved economic activity and ongoing CPEC projects. During the period under review, local dispatches grew from 2,931,708 metric tons to 3,487,492 metric tons i.e. by 18.96% as compared to last year. This growth is attributed to increased private sector construction activities during the year and accelerated materialization of public sector development program (PSDP) fund prior to the forthcoming general elections.

Prioritizing the need to fulfill the appetite of more profitable domestic market, export sale volumes declined by 36.13% registering a decrease of 156,351 metric tons. Main reasons leading to such decline in exports was lackluster margin on export sales and the most challenging, were the barriers erected by the countries we export to such as anti-dumping duty imposed by South Africa and non-tariff barriers in India. However, a record 18.96% growth in higher margin local dispatches has blunted the adverse effects of falling exports.

During the current financial year 2017-18, despite 18.96% volumetric increase in local dispatches, decrease in average sales price of domestic market has impacted net retention per ton for grey cement as compared to last year's net retention/ton. This decline in retention was triggered mainly due to Rs.250 per ton increase in Federal Excise Duty (FED) on local cement, effective 1st July 2017 vide Finance Act 2017 aggregated by a further increase of Rs. 250 per ton vide Finance Act 2018, effective 23rd May 2018 to take the FED charge on local cement sales to Rs. 1,500 per ton from earlier level of Rs. 1,000 per ton.

Coal prices in the global markets continued an upward trend mainly on account of increase in demand from Indian market where coal stocks are piled up in the monsoon season. Moreover, a ban imposed by the Indian Supreme Court on pet coke usage in power plants lead to upward push on coal prices due to increased demand. Environmental changes such as cyclone, extreme cold weather and production day cuts in coal mining also affected global coal prices. However, the Company partially derived benefit of relatively lower coal prices throughout the current period on account of utilization of lower cost inventory built up when prices were relatively low.

Islamia College Peshawar

STRENGTH OF PAKISTAN

Peshawar Museum

Mahabat Khan Mosque, Peshawar

Bab-e-Khyber, Peshawar

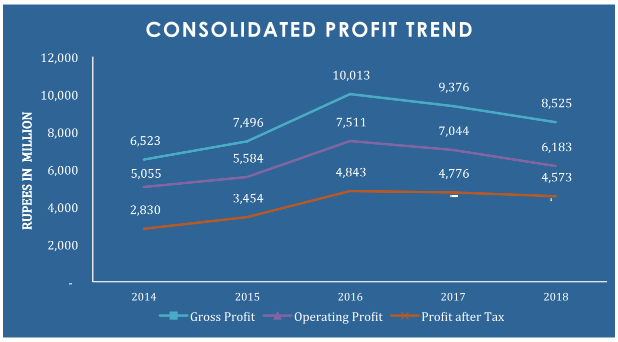
PESHAWAR CITY

Peshawar, the capital of Khyber Pakhtunkhwa province, is the center of Pashtun's art and culture in Pakistan.

It is home to one of longstanding mosques in Pakistan i.e. the Mohabat Khan Mosque which dates back to the Mughal Era of Shah Jehan and Aurangzeb. Bab-e-khyber is yet another standing monument that symbolizes great strength as it has survived through many battles and harsh weather conditions.

Coal fired power plant (CFPP) setup as wholly-owned subsidiary, Maple Leaf Power Limited (MLPL) started its commercial operations in October 2017 adding another cost competitive advantage to the Company. After Waste Heat Recovery Power Plant, CFPP is the cheapest source of electricity for the Company. Despite increase in fuel cost especially due to aforementioned hike in coal prices and recent devaluation of Pak rupee against US dollar, the Company was able to keep its fuel and power costs under control along with advantage derived by use of low-cost pet coke which is more cost effective due to higher energy content. The Company is also continuously benefitting from lower inland transportation costs through transport via the railway network resulting in reasonable savings.

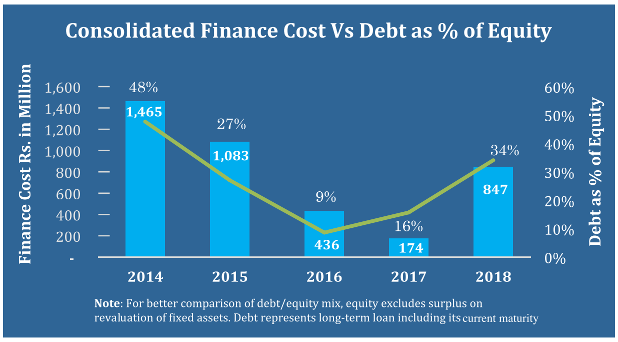
On account of aforementioned factors impacting cost of production, the Company achieved consolidated gross profit of Rs. 8,525 million during the current year with a decrease of 9.08% from Rs. 9,376 million last year.



CONSOLIDATED PROFIT TREND

The decline in gross profits accompanied by inflationary increase in operational expenses has impacted consolidated operational margins. Increased spending in marketing expenses for the year as compared to the corresponding period depicts accelerated branding and dealer engagement activities. Consolidated operating profit for the current reporting year is Rs. 6,183 million, with a decrease of 12.22% as compared to Rs. 7,044 million in the corresponding year.

Finance costs during the reporting period increased to Rs. 847 million as compared to Rs. 174 million in last year. As apparent from the graph below, debt equity mix has also moved from the level reported last year on account of additional debt raised to finance power project. Increase in debt component and the resultant increase in finance cost is mainly on account of loans raised to finance power project and drawdown from short-term lines to support increased working capital cycle to facilitate higher operational levels. Addressing the risk of Pak Rupee devaluation, the Company made early payment of its entire foreign currency debt in the first quarter of current financial year. Debt equity ratio and finance cost trend is as shown below: -



Consolidated Finance Cost Vs Debt as % of Equity

The Company recorded consolidated pre-tax profit of Rs. 5,336 million for the current financial year against consolidated pre-tax profit of Rs. 6,870 million in corresponding year. Consolidated tax charge for the reporting year decreased by Rs. 1,330 million in line with lower pre-tax profitability and reduced corporate tax rate as promulgated in Finance Act, 2018. This has resulted in charge for the current year at 30% and for the future years as low as 25% to substantially decrease the deferred tax component. Taxation charged during the year pertains only to Maple Leaf Cement Factory Limited's standalone operations and was Rs. 763 million for the current financial year as compared to Rs. 2,039 million last year. The profit earned from MLPL is exempt from charge of income tax. Above earnings performance has impacted post-tax consolidated profits at Rs.4,573 million for the current year against Rs.4,776 million in the bottom line in corresponding period last year showing a decline of 4.25%.

Appropriations

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

Description	2018	2017
	Rupees in ,000„	
Profit after tax	3,632,201	4,777,081
Final Cash Dividend for year 2017 Rs. 1.75/share (2016: Rs. 2.5/share)	(923,534)	(1,319,335)
Interim Cash Dividend for the year 2018 Rs. 1.5/share (2017: Rs. 2/share)	(890,551)	(1,055,468)
Total distribution of profit for the year	(1,814,085)	(2,374,803)
Balance Transferred to Retained Earnings	1,818,116	2,402,278

Dividend

Keeping in view the results, the Board of Directors has announced final cash dividend @10% i.e. Rs.1 per share. This is in addition to the already paid interim cash dividend @15% i.e. Rs.1.5 per share, thus making a total cash dividend @ 25% i.e. Rs.2.50 per share for the year ended June 30, 2018.

Right Issue

To partially finance the expansion project, the Board of Directors in their meeting held on 15th August 2017 decided to raise fresh equity through right issue. 12.5% rights shares (one right share for every 8 shares held) were offered at a price of Rs. 65/- per share (inclusive of premium of Rs. 55/- per share). A total of Rs. 4,288 million was raised through right issue. The Directors and Sponsors fully subscribed to their share of right subscription, 88.2% of public portion was subscribed by shareholders, whereas the remaining 5.3% of the total right issue was fully taken up by underwriters.

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 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 existing auditors of the Company M/s. KPMG Taseer Hadi & Co., Chartered Accountants, in their independent auditors' 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. KPMG Taseer Hadi & Co., Chartered Accountants, the retiring auditors and being eligible, they 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

Adhering to the best business practices, the Company recognizes its responsibility of timely repayments of due amount. No default on payment of loan/debts was recorded during the year under review.

Subsequent Events

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

Change in Nature of Business

No change has been 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.

New line III work in progress

CAPITAL PROJECTS AND THE RATIONALE BEHIND CAPEX ALLOCATIONS

Maple Leaf Power Limited

Maple Leaf Power Limited (a wholly owned subsidiary), established to install and operate 40 MW imported coal-fired captive power plant, has successfully started its commercial production from October 2017. The project was completed within budget and as per the planned timelines.

National Electric Power Regulatory Authority (NEPRA) has approved a tariff of Rs. 12.92/ KWH to be used as transfer price on sale of electricity to the Company, Maple Leaf Cement Factory Limited. The profits derived by MLPL are exempt from tax under clause 132 of second schedule of Income Tax Ordinance. This has resulted in tax free net profit of Rs. 758 million in MLPL during the current financial year. The successful power plant commencement on 12th October 2017, has led to decent savings in power cost on account of reduced electricity unit cost and favourably impacted consolidated results. Moreover, self-generation of power has reduced reliance on national grid.

Capacity Expansion Project

The Company has undertaken to set up an additional dry process production line of 7,300 tons per day grey clinker production with a brown field expansion at the Company's existing site in Iskandarabad, to enhance total grey cement capacity to 18,000 tons per day. Total project cost is estimated at Rs. 25 billion including project related finance cost to be capitalized and impact of recent devaluation of Pak Rupee. Total project finance is being sourced approximately 17% through right issue, 51% through bank loans and the rest through generation of cash from operations of the Company. The contract for the civil construction and mechanical erection work has been awarded to Descon Engineering Limited whereas overall project supervision is entrusted to M/s FLSmidth A/S, Denmark. The construction work at site is in full swing and approximately 75% of civil work has been completed. Following the pace of civil work progress, plant erection work has also gained momentum where 25% of the plant mechanical erection work has been completed as of the reporting date. Almost all the shipments related to main Letter of Credit have arrived at plant site. Commercial production from new line of 7300 tons per day is expected to commence within 4th quarter of current financial year.

Business Rationale of Capital Expenditure

Foreseeing the future of CPEC, increased construction activities in Pakistan and prospective growth in cement export markets, the Company is undergoing expansion of its production facility.

Capital expenditure for the next financial year 2018-19 is planned to be approx. Rs. 9 billion. This planned spending will cater the sum required for completion of new production line and also includes the capital expenditure to finance Balancing Modernization and Replacement projects for the financial year 2018-19. These projects will help to maintain and further improve the efficiency of existing plants.

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 the high-quality products which ensure maximum satisfaction to the customers. During the year, the Company has conducted various training courses 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.

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 natives. 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 the world class dust collection electrostatic precipitators and bag filters for environment protection.

iii. Massive Tree Plantation Program was carried out 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 centres 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 4th International Awards on Environment, Health & Safety for the year 2018 in the category of Waste Prevention Recycling.

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, during the current year, the Company's Board of Directors and the Board of the Holding Company have jointly decided to donate Rs.132.5 Million to Gulab Devi Educational Complex, Lahore towards construction of Al-Aleem Medical College in Gulab Devi Chest Hospital (GDCH), Lahore. A committee of the members of Board is formed for better monitoring and execution of this task.

The Company has also contributed in the past for medical social service projects and in this regard the Company had 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 "7th Corporate Social Responsibility National Excellence Award" on account of its performance of various social obligations.

PRINCIPAL RISKS AND UNCERTAINTIES

i. The growth trajectory in local demand of cement is based on improved economic activity, ongoing CPEC Projects and governments allocation on PSDP.

ii. Lacklustre margin on export sales, barriers erected by cement importing countries and anti-dumping duty imposed by South Africa.

iii. Further Rupee devaluation will be resulting in escalation in coal prices and squeezing margins.

iv. Overall inflationary increase in operational expenses.

v. Increase in finance cost due to additional debt and enhancement of mark-up rates by banks.

vi. Head on competition amongst cement manufacturers on price as well as sales owing ambitious capacity additions.

LEADERSHIP STRUCTURE

NAME OF DIRECTORS AND BOARD MEETINGS

Total Number of Directors:

a) Male	8
b) Female	-

Composition:

Independent Director	1
Other Non-Executive Directors	5
Executive Directors	2

During the year under review, five meetings of the Board of Directors were held in Pakistan and no meeting was held outside Pakistan. Attendance by each Director was as follows: -

CATEGORY	NAMES	MEETINGS ATTENDED
Independent Director	Mr. Shafiq Ahmed Khan	4
Other Non-Executive Directors	Mr. Tariq Sayeed Saigol Mr. Taufique Sayeed Saigol Mr. Waleed Tariq Saigol Mr. Danial Taufique Saigol Mr. Zamiruddin Azar	5 5 2 5 5
Executive Directors	Mr. Sayeed Tariq Saigol Syed Mohsin Raza Naqvi	5 4

Leave of absence was granted to the Directors who could not attend the Board meetings.

Following Executive Directors are also Non-Executive Directors in other companies: -

CATEGORY	NAMES	NO. OF DIRECTORSHIPS IN OTHER COMPANIES
Executive Directors	Mr. Sayeed Tariq Saigol Syed Mohsin Raza Naqvi	2 2

Pursuant to requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2017, the following Committees were re-constituted: -

AUDIT COMMITTEE

A total number of five meetings of the Audit Committee were held during the year. The attendance of each member was as under: -

NAME	DESIGNATION	MEETINGS ATTENDED
Mr. Shafiq Ahmed Khan	Chairman / Independent Director	5
Mr. Zamiruddin Azar	Member / Non-Executive Director	5
Mr. Waleed Tariq Saigol	Member / Non-Executive Director	2
Mr. Danial Taufique Saigol	Member / Non-Executive Director	5

Leave of absence was granted to the Member(s) who could not attend the meetings.

Mr. Zamiruddin Azar, the then Chairman Audit Committee was present in the last AGM held on October 26, 2017.

Board annually evaluate performance of Board Committees including Audit Committee.

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR & R COMMITTEE)

NAME	DESIGNATION
Mr. Shafiq Ahmed Khan	Chairman / Independent Director
Mr. Zamiruddin Azar	Member / Non-Executive Director
Mr. Danial Taufique Saigol	Member / Non-Executive Director

NUMBER OF MEETINGS HELD – 01 (All Members attended the meeting).

REMUNERATION TO NON-EXECUTIVE DIRECTORS / INDEPENDENT DIRECTORS

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. 10,000/- (Rupees ten thousand only) per meeting or as time to time determined by the Board for attending the Board and 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.

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at June 30, 2018 is annexed.

FUTURE OUTLOOK

Going forward, we expect compression in domestic demand for cement on account of reduced PSDP allocations due to austerity measures by the new government. 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. Despite political uncertainty arising during the recent election campaign, speedy progress is promised on CPEC projects due to collective measures of political and military leadership and this is expected to be a trigger to absorb future supply from new capacities. The recently installed government is committed to complete ongoing projects i.e. infrastructure schemes including power projects, motorways, Orange train, concentrate on low-income housing schemes and construct water reservoirs in the country which should provide a fillip to the cement industry.

Disorder in balance of payments, declining foreign exchange reserves, upcoming international debt repayments by Government of Pakistan is posing a risk of further devaluation of Pak rupee and could cause disturbance in macro-economic indicators.

On account of probability of demand compression in cement demand for the next year, sale prices are expected to remain under pressure. Gross margins are also expected to be impacted due to rising coal and fuel prices. Cost reduction efforts continue to be the focus in all operational areas and the Company has adopted various strategies to reduce cost including use of alternative fuels and optimized operations of the plant despite the recent rise in oil prices and increasing prices of coal.

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

(Syed Mohsin Raza Naqvi)
Director

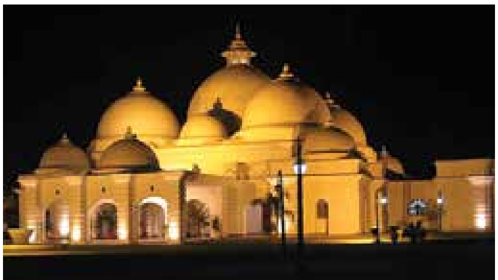
(Sayeed Tariq Saigol)
Chief Executive

Lahore: September 17, 2018

Tomb of Shah Rukn-e-Alam, Multan

STRENGTH OF PAKISTAN

Haram Gate, Multan



Garrison Mess MGM, Multan Cantt

Ghanta Ghar, Multan

MULTAN CITY

Multan, the city of saints is home to numerous archaeological sites dating to Early Harappan period. Multan is known for its epitomic strength in producing the best quality of blue ceramic ware and blue toned tile works. It is home to the shrine of Shah Rukn-e-Alam. The dome of the shrine was considered the second largest dome at the time of construction. Multan conserves the shrines of some of the most prominent saints and sufis, including Shah Gardez, Shah Ali Akbar and Shams Tabrizi. Multan Garrison Mess is another architectural masterpiece as it has a total of 13 domes of different sizes.

STATEMENT OF COMPLIANCE
With the Listed Companies (Code of Corporate Governance) Regulations, 2017

Name of Company: Maple Leaf Cement Factory Limited
Year Ended: June 30, 2018

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

1. The total number of Directors is eight as per the following: -

   Male: 8
   Female: -

   The requirement of minimum number of female and independent Directors on the Board would be complied by within the time allowed by these Regulations.

2. The Composition of Board is as follows: -

CATEGORY	NAMES
Independent Director	Mr. Shafiq Ahmed Khan
Other Non-Executive Directors	Mr. Tariq Sayeed Saigol Mr. Taufique Sayeed Saigol Mr. Waleed Tariq Saigol Mr. Danial Taufique Saigol Mr. Zamiruddin Azar
Executive Directors	Mr. Sayeed Tariq Saigol Syed Mohsin Raza Naqvi

3. The Directors have confirmed that none of them is serving as a Director on more than five 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations.

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

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

9. The Board had arranged Orientation Courses for its Directors during the preceding years from recognized institutions of Pakistan that meet the criteria specified by the SECP whereas some Directors having the requisite experience on the Board(s) of Listed Companies are exempt from the Directors' Training Program for which SECP's approval would be obtained within the time allowed in these Regulations. Further, the Directors have also provided declarations that they are aware of their duties, powers and responsibilities under the applicable law.

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

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

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

Audit Committee

NAME	DESIGNATION
Mr. Shafiq Ahmed Khan	Chairman / Independent Director
Mr. Zamiruddin Azar	Member / Non-Executive Director
Mr. Waleed Tariq Saigol	Member / Non-Executive Director
Mr. Danial Taufique Saigol	Member / Non-Executive Director

Human Resource & Remuneration Committee

NAME	DESIGNATION
Mr. Shafiq Ahmed Khan	Chairman / Independent Director
Mr. Zamiruddin Azar	Member / Non-Executive Director
Mr. Danial Taufique Saigol	Member / Non-Executive Director

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	Five 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 who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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

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

(TARIQ SAYEED SAIGOL)
CHAIRMAN

Lahore: September 17, 2018

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1,
Jail Road, Lahore 54000 Pakistan

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Fax +92(42)3742 9907
Internet www.kpmg.com.pk

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Maple Leaf Cement Factory Limited for the year ended 30 June 2018 in accordance with the requirements of regulation 40 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 personal 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 and also ensure compliance with the requirements of section 208 of the Companies Act 2017. 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. We have not carried out procedures to access and determine the Company's process for the identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2018.

KPMG Taseer Hadi & Co.

Lahore
Date: 17 September 2018

KPMG Taseer Hadi & Co
Chartered Accountants
(Bilal Ali)

BRIEF PROFILE OF DIRECTORS

MR. TARIQ SAYEED SAIGOL
(CHAIRMAN / DIRECTOR)

OTHER ENGAGEMENTS

CHAIRMAN / DIRECTOR
Kohinoor Textile Mills Limited
Maple Leaf Power 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, energy and cement manufacturing.

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 its critique prepared in 2006. He joined 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 in Pakistan. He has been a member of the Board of Governors of Lahore University of Management Sciences, Aitchison College, Founding Chairman of the Board of Governors of Chandbagh School, Founder Trustee of Textile University of Pakistan and member of the Syndicate of University of Health Sciences. He is conferred with Sitara-e-Isaar by 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 / DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR
Maple Leaf Power Limited

DIRECTOR
Kohinoor Textile Mills Limited
Maple Leaf Capital Limited

Mr. Sayeed Tariq Saigol is the Chief Executive of Maple Leaf Cement. 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

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

Shangrila Resort Skardu, Gilgit Baltistan

STRENGTH OF PAKISTAN

Karimabad Hunza Gilgit Baltistan

Shangrila Lower Kachura Lake, Gilgit Baltistan

Aqua Ambulance, Gilgit Baltistan

GILGIT BALTISTAN

Gilgit Baltistan is the land of glaciers with an area of over 72,971 km^2. It is the only Pakistani region that shares it boundaries with three neighbouring countries Afghanistan, China and India. Gilgit-Baltistan is home to K2, the second highest mountain on Earth.

Due to its scenic beauty, Gilgit Baltistan is a major tourist attraction for Pakistanis and foreigners as well. Karimabad Hunza, Shangrila Lower Kachura Lake, and Rama Meadow are some of the most popular areas in the region. The aqua ambulance service in Hunza Valley enables patients to move quickly and comfortably through the Hunza river.

of Pakistan. He graduated as an Industrial Engineer from Cornell University, USA in 1974. He widely traveled 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.

MR. WALEED TARIQ SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Kohinoor Textile Mills Limited
Maple Leaf Power Limited

CHIEF EXECUTIVE / DIRECTOR
Maple Leaf Capital Limited

Mr. Waleed Tariq Saigol is Director in all KMLG companies. He holds a bachelor's degree in Political Science from the London School of Economics & Political Science. Apart from his responsibilities in textiles, he is also involved in identifying and developing new areas of business for KMLG. 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 Power Limited
Maple Leaf Capital 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.

MR. ZAMIRUDDIN AZAR
(DIRECTOR)

Mr. Zamiruddin Azar has been actively involved in various corporate activities of the Kohinoor Maple Leaf Group. As a Non-Executive Director, he is also the Member of the Audit Committee as well as Human Resource and Remuneration Committee. With 35 years of experience at Glaxo Pakistan, Mr. Azar provides invaluable insight into project management, human resource development and administration.

MR. SHAFIQ AHMED KHAN
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Kohinoor Textile Mills Limited

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. In 1992, 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. 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.

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

OTHER ENGAGEMENTS

DIRECTOR / CHIEF FINANCIAL OFFICER
Kohinoor Textile Mills Limited

DIRECTOR
Maple Leaf Power Limited
Maple Leaf Capital Limited

Mr. Mohsin Naqvi is Fellow Member of the Institute of Chartered Accountants of Pakistan with over 29 years 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 former board member of Kohinoor Mills Limited, Al-Wazan Group, Kuwait and Trust Investment Bank Limited.

He has experience of working in several countries which include Saudi Arabia, Kuwait, Philippines, Morocco, Jordan and Pakistan.

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;
- 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.

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 4 of annexed standalone financial statements.

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.

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.

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.

FORMAL ORIENTATION TRAINING PROGRAM FOR DIRECTORS/ DIRECTORS' TRANING PROGRAM

The Board had arranged orientation courses for its Directors namely, Mr. Danial Taufique Saigol and Syed Mohsin Raza Naqvi, during the preceding years from recognized institutions of Pakistan approved by the SECP whereas some Directors having the requisite experience on the Board(s) of Listed Companies are exempt from the Directors' Training Program.

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.

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 the Listed Companies (Code of Corporate Governance) Regulations, 2017.

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.

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 surrounded community.

The Company understands and fulfil 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.

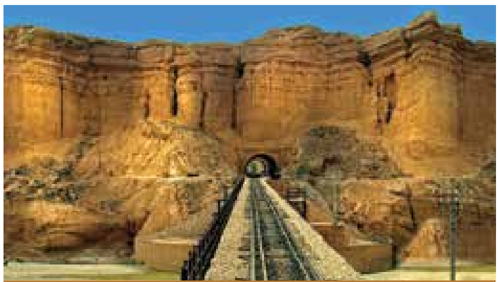
The Board ensures application of diversity policy through Human Resource department by ensuring that all talent hunting seminars, job fairs and advertisements specifically mention that we are an equal opportunity employer in all areas and we nourish an organizational culture where individual differences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

Bab-e-Ziarat, quetta

STRENGTH OF PAKISTAN

Quaid-e-Azam Residency Ziarat

Hanna Lake, Quetta



Sibi, Quetta

QUETTA CITY

Quetta, the largest city of the province of Balochistan is also knows as the 'fruit garden 'of Pakistan because of the fruit orchards that surround it. Many traditional dishes such as the 'Balochi Sajji' have emerged from this city. Quetta is also known in the international market for its superior quality of dry fruit that are exported.

Whether it's a family vacation or just going backpack by oneself, Quaid-e-Azam Residency Ziarat and Hanna Lake Quetta are the places which are on the must-see list.

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 noncompliance. 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.

Further, 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.

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 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.

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.

IT GOVERNANCE POLICY

MLCFL has properly documented and implemented IT Governance Policy to ensure an integrated framework for evolving and maintaining existing information technology and acquiring new technology to achieve the Company's strategic focus. The purpose of this policy is to define the IT governance scope, and its roles and responsibilities. IT Governance Policy consists of the following:

- It provides a structured decision-making process around IT investment decisions.
- Promotes accountability, due diligence, efficient and economic delivery of the Company's IT services.
- It lays down solid foundation for management decision making and oversight.
- Safeguard of Company's financial data.
- Development and up-gradation of different modules to provide reliable, efficient and timely information.
- To create a culture of paperless environment within the Company.

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.

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. In this relation, the Company also expends a lot in terms of finances and time for the training of its resources as is evident from the below trainings held during the year:

1. Emotional Intelligence
2. Effective Communication Skills
3. Project Management
4. Kiln Alignment
5. Supply Chain Management
6. Simatic Program Logic Controllers
7. Situational Leadership II
8. Building Impactful Brands
9. Benchmarking Session
10. Management Development Program
11. HSE Emergency Response Training
12. Developing Future Leaders

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 of 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. 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 received the "7th Corporate Social Responsibility Award 2018" demonstrating management's firm philanthropist attitude towards social welfare of the society at large through charitable contributions and compliance with CSR objectives.

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.

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), Head of Internal Audit and Company Secretary. None of the Directors, CEO, CFO, Executive Director (Finance), Head of Internal Audit and Company Secretary (including their spouses and minor children) traded in the shares of the Company.

However, 12.50% Right Shares were offered to the entitled shareholders and subscribed by them during the year including investors and Directors of the Company.

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 hereunder:-

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 throughout 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 of the Company include the following:

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

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

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

c. Review of preliminary announcements of results prior to publication;

d. 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);

e. Review of management letter issued by external auditors and management's response thereto;

f. Ensuring coordination between the internal and external auditors of the Company;

g. 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;

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

i. 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;

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

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

l. Determination of compliance with relevant statutory requirements;

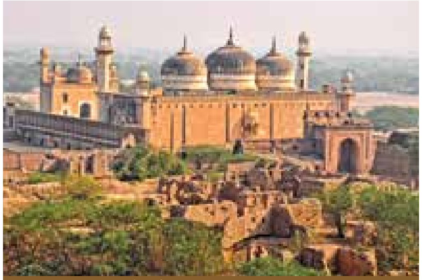
m. Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

n) Review of arrangement for staff and management to report to Audit Committee in

Derawar Fort, Bahawalpur

STRENGTH OF PAKISTAN

Derawar Fort Door, Bahawalpur



Abasi Mosque, Bahawalpur

Desert Rally, Bahawalpur

SOUTHERN PUNJAB

Thal desert, the identity of Southern Punjab on Sindsagar Doab, is a massive area between the Jehlum and Indus rivers near the Pothohar Plateau. The locals of Thal basically speak 'Seraiki' but Punjabi is also spoken by many in the desert. The key activity in the region is cattle rearing.

Derawar Fort, and Abbasi Mosque Bahawalpur are among the biggest attractions of Southern Punjab. One of the key entertainment activity for tourists is 'Desert Jeep Rally'.

confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

o) 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. 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.

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

The main terms of reference of the HR & R Committee of the Company include the following:

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 since four and a half years 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. AMIR FEROZE	MR. SIBT-E-HASSAN
MR. ARIF IJAZ	MR. SOHAIL SADIQ
MR. MUHAMMAD ALI REHMAT	MR. ZEESHAN MALIK BHUTTA

Number of Meetings Held – 38

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 ALI REHMAT
MR. ABDUL HANAN	MR. MUHAMMAD SAJJAD
MR. AMER BILAL	MR. NAUMAN AHMED
MR. AMIR FEROZE	MR. SOHAIL SADIQ
MR. ARIF IJAZ	MR. YAHYA HAMID
MR. FAROOQ AHMAD HASHMI	MR. ZEESHAN MALIK BHUTTA

Number of Meetings Held – 41

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. AMIR FEROZE	MR. TARIQ MIR
MR. ARIF IJAZ	MR. UMAR BUTT
MR. MUHAMMAD ALI REHMAT	MR. ZEESHAN MALIK BHUTTA

Number of Meetings Held – 45

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 SAJJAD
MR. ABDUL HANAN	MR. SOHAIL SADIQ
MR. AMIR FEROZE	MR. YAHYA HAMID
MR. ARIF IJAZ	MR. ZEESHAN MALIK BHUTTA

Number of Meetings Held -9

SWOT ANALYSIS

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

- Single largest cement producing site in Pakistan.
- State of the Art FLSmidth plants.
- Higher EBITDA %.
- 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 refined human resource.
- Lowest energy cost per ton of clinker.
- Self-power generation - owned coal-based power plant.

WEAKNESSES

- Cyclical industry.
- High transport cost.
- Highly regionalized and localized market.
- High electricity cost.
- Energy load shedding.
- High taxation.

OPPORTUNITIES

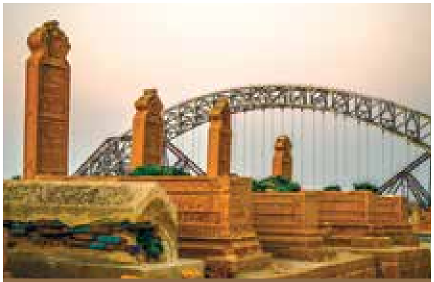
- Focus on cost optimization.
- Huge Govt. expenditure in infrastructure development.
- Availability of housing loan from financial institutions.
- Rising population works as a catalyst for housing boom.
- Low per capita consumption.
- Research to develop new products.
- Long term growth at the rate of 7% to 8%.

THREATS

- Rising cost of logistics.
- Rising cost of power.
- Currency devaluation risk.
- New entrant threats due to high potential market.
- High incidence of taxes.

Lansdowne Rohri, Sukkur

STRENGTH OF PAKISTAN



Satyan-jo-athan and sukkur bridge

Kalkaan Devi Mandir, sukkur

City View Mandir, Sukkur

SUKKUR CITY

Sukkur is the third largest city in Sindh after Karachi and Hyderabad. Sukkur, an important industrial city, is also categorized as the 14th most populous city in Pakistan. A dam across the Indus, the Sukkur Barrage, controls one of the largest irrigation systems in the world.

The rich history of Sukkur is evident from various structures and monuments which are located in the city. 'Satiyan-Jo-Asthan' also knows as 'The tomb of seven sisters,' is a major attraction of the city; story behind it is best told by the locals. The 'Ghanta Ghar' or The Clock Tower, Kalkaan Devi Mandir and Lansdowne Rohri are also amongst the popular places.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee comprises of one independent non-executive Director and three non-executive Directors. The Chief Financial Officer, the Chief Internal Auditor and the external auditors attend the Audit Committee meetings as provided in the Code of Corporate Governance. Five meetings of the Audit Committee were held during the year 2017-2018. 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. KPMG Taseer Hadi & Co., Chartered Accountants, were appointed as on October 31, 2011. 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. KPMG 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 KPMG Taseer Hadi & 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 KPMG Taseer Hadi & Co., Chartered Accountants, as external auditors for the year 2018-2019.

By order of the Audit Committee

(Shaïq Ahmed Khan)
Chairman, Audit Committee
September 17, 2018

CORPORATE SUSTAINABILITY

A) CORPORATE SOCIAL RESPONSIBILITY

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 consistent basis. The Company has been recognized by Pakistan Centre for Philanthropy as a leader in social and charitable contributions and strikes to be a constructive member of the communities in which it has a presence. Kohinoor Maple Leaf Group has received "7th Corporate Social Responsibility Award 2018" 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, during the current year, Company's Board of Directors and the Board of Directors of Kohinoor Textile Mills Limited (KTML) have jointly decided to donate Rs.132.5 Million to Gulab Devi Educational Complex, Lahore towards construction of Al-Aleem Medical College in Gulab Devi Chest Hospital (GDCH), Lahore. A committee of the members of Board is formed for better monitoring and execution of this task. The Company has contributed in medical social sciences project and in this regard, has donated a state of the art Cardiac facility to the GDCH in Lahore by constructing Sayeed Saigol Cardiac Complex (SSCC) at GDCH. The company has made sizable contributions to Daud Khel Healthcare Centre, Police Welfare Middle School, Jahanara Memorial Trust and many more. Other initiatives taken by the Company are as follows:

- 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 23rd of December 2017 to celebrate with the Christian community on their joyous occasion.

- Maple Leaf is continually committed to its Master Mistri Program which aims to enhance skills and standard of living of masons. To facilitate the program, Maple Leaf built a state of the art lodge at its plant site for boarding and lodging of masons;

- Civil defense week was held for training of staff in defense matters;

B) 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.

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. The Company also organized several rewards and recognition programs for acknowledgment of work done by its employees.

c) Energy Saving Measures

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, installation of LED lights and other alternatives including waste, rice husk and carbon black. Company's 100% owned 40 Mega Watt Coal Fired Power Plant after successful commissioning has reduced our dependence on national grid. Moreover, augmenting the energy conservation derive, occupancy based sensors are installed in head office to control air-conditioning and office lighting based on physical presence in the room. Moreover, currently we are studying the adoption of solar based electricity at non-production areas.

d) Consumer Protection Measures

We ensure that our products are shipped in a safe manner complying with safety standards 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 strict policy to control any activity which is against the consumer rights.

e) Employee Engagement Activities

The company believes that in order to maximize employee performance recreational activities are also important. For this purpose, the management organizes various activities. These activities are designed to engage employees from all levels of the organization. The Maple Sports day which was held on 17th March 2017, brought together the entire staff for a friendly competition. Other activities include:

- Maple Soccer Mania
- Maple Fusion Night
- Iftar Dinner
- Eid Milan Party
- 3 Day Outs in Lahore
- Independence Day Celebrations
- Women's Day

For Maple Leaf Cement Factory Limited, its not just the employees that matter but also their families. Going beyond cross-functionality, cultural events are planned for employees' and their families. Iftar Dinner was hosted on 1st June 2018 and a cheerful and lively Lala Night was hosted on 21st April 2018.

f) Employment of Special Persons

The Company has employed disabled persons in compliance with the rules set out by the Government of Pakistan which is 3% quota of the total workforce necessitated to be allocated to disabled persons.

g) Community Investment and Welfare Schemes

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

- Management of the Company, for maintaining healthy and green environment, celebrated the World Environment Day in coordination with District Officer Environment Mianwali along with other community stakeholders on June 5th, 2017. 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, Maple Plantation Day was carried out at Maple Leaf Cement Factory Limited Iskandarabad, Mianwali on 21st March, 2017. 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 neighbourhood of the Company.

- The Company celebrated "The World Water Day" on the 22nd of March 2017 at site with the collaboration of community and DO Environment. The main purpose of the seminar was to raise the awareness of water preserveness and right use.

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

h) 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. The management realizes the importance of its activities and continues to play an active role in this regard.

i) Families Club

Nurturing the spirit of employee-centrism, the Company has recently constructed a purpose-built club at factory site for the employees and their families. The new 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.

j) 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 recently launched an exclusive hotel to provide truck drivers a life time 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.

k) Education and Training for Corporate Sustainability

The Company is fully aware of its responsibility towards imparting education to future generations. Educating the children, ranks the best future investment for long term, continued to be the heart of the Company's CSR initiatives. The Company has fully

sponsored construction and furniture for 10 class-rooms for Police Public Middle School Mianwali. School is operational and ready to induct its first batch of students in September 2017. Moreover, the Company has established five 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 monthly subsidy to partly cover the running expenses. About 2,854 students are currently enrolled in these schools.

l) Health Care

Maple Health Care Centre operated by Al-Shifa International Hospital Islamabad, has completed during the previous financial year. It is a health facility concept with state of the art equipment for the health benefits of the employees of Maple Leaf and their dependents. Shifa International is a known name in Pakistan with hospitals in Islamabad and Faisalabad. Meanwhile, the free medical and hospital centre is treating patients with the help of quality human capital working there. 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.

QUALITY MANAGEMENT SYSTEM

The Company manufactures cement through the plant based on state of the art technology of world renowned FLSmidth 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:

- meets all the standard requirements to which the Company is certified and
- not only meets customers' requirements but exceed their 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

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENTAL (HSE) PROTECTION MEASURES

The Company is committed to achieve excellence in Occupational Safety, Health and Environmental protection. The Company encourages awareness in these areas amongst our employees, customers, suppliers and all those who are associated with us in our activities. 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.

Maintenance of health and safety standards at our plants and offices is our top priority. 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. 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. The environment friendly projects completed at our plants include:

Waste Heat Recovery Plant:

Through this project the Company has been able to replace 16 MW of grid electricity by utilizing exhaust gases emitted to the atmosphere through the stacks of clinker cooler and kiln. The emissions are significantly reduced and herewith it relieves the atmosphere radically.

Trees Plantation:

To enhance environmental standards and continuously promoting a better and green environment within the factory as well in the nearby areas the Company is arranging regular Tree Plantation activities twice a year and the Company has planted approximately 65,000 new trees during the year 2017-18, enabling the total count during last 3 years to cross 200,000 plants at different locations within factory premises and nearby areas to provide healthy environment to employees and other community living in surroundings. This activity will continue in the future and further trees will be planted to ensure healthy and green environment.

NATIONAL CAUSE DONATIONS

During the year, the Company has donated in cash to Gulab Devi Chest Hospital, DHQ Hospital Mianwali and Jahanara Memorial Trust for social cause. The Company also constructed class-rooms and donated furniture in schools improving educational facilities at Mianwali. The Company has also donated in the form of cement for construction of schools, mosques and other social projects.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year, Company has contributed an amount of Rs. 10,913 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$ 15 million.

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.

SAFA BEST PRESENTED ANNUAL REPORT AWARD

The Company added another feather to its cap by being nominated for the second time for the SAFA best presented accounts and was declared for runner-up award in SAFA countries' manufacturing category. The ceremony was held in Dhaka Bangladesh Maple Leaf was one of the two cement companies being nominated from Pakistan.

BEST CORPORATE REPORT AWARD

The Company keeping alive the tradition of winning the Best Corporate Report award in Sugar and Cement Sector jointly presented by ICAP and ICMAP throughout Pakistan, has once again won the award this year. This award was presented to MLCFL management in a graceful ceremony held on August 7, 2018 in Karachi. 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.

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 on annual basis.

In May, 2018 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 fulfill 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.

FORWARD LOOKING STATEMENT

Cement demand has been increasing in local market in past few years and financial year 2018 was the best among these mainly due to increased PSDP's allocation and CPEC projects. Although production costs were also increased due to non-controllable factors like coal rates, Pak Rupee devaluation and inflation, but, the Company has managed to maintain the profitability at good level.

Keeping in view the historical improvement in business environment in Pakistan and industry growth, the Company looks a positive future outlook. The successful and smooth transition of powers to newly elected government is also a good sign in national politics. Some of the plans announced by the newly elected government i.e. continuity of CPEC projects, building dams and construction of houses 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. We have taken moderate stance for the next financial year 2019 regarding demand of cement and are hopeful that it will increase afterwards when the work on these projects will practically be started by the Government. To get benefit from the upcoming demand of cement, the Company has already started the capacity enhancement project that is due to be completed in last quarter of the financial year 2019.

However, we expect that inflationary trends in cost of production will also be continued which can partially be translated in price. The Company is continuously monitoring all of its cost factors to keep them at the lowest possible levels.

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.

Future revenue projections based on management's best judgment and estimates are as follows:

Financial Projections

The Company expects local dispatches to further improve in coming period due to increase in demand of cement for public sector projects and construction activities in the private sector. Oil and coal prices are expected to rise slightly in the future which will affect profitability. The Company is working actively on the establishment of its coal fired power plant which is expected to reduce the power cost. Reduction in the Company's weighted average borrowing costs should also improve the profitability. Based on management's best estimates, future consolidated financial forecast of MLCFL and its wholly owned subsidiary MLPL are as follows:

Financial Year	2019 Rs. in Million
Sales - Net	28,106
Profit after taxation	3,614
Paid up share capital	5,937
EPS (Rupees)	6.09

Company Performance Against Last Year Projections

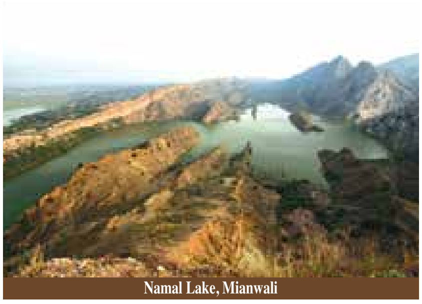
Your Company has achieved extra ordinary quantitative growth of 19% YOY in local market during the current financial year owing to the high PSDP's allocations and CPEC projects. However, export quantities reduced mainly due to reduction in dispatches to Afghanistan because of availability of low cost Iranian cement and border restrictions.

In addition to grab the increased cement demand in local market, the Company's main aim was to keep production costs at lower level. During the financial year 2018, the coal rates have been increasing in international markets directly along with devaluation of Pak Rupee affecting the cost of production of cement which was anticipated in last year's future prospects. The Company was keeping an eye on this increasing trend of coal rates and managed its coal buying at appropriate times to keep overall average coal cost at the levels lower than the actual price hike. Further,

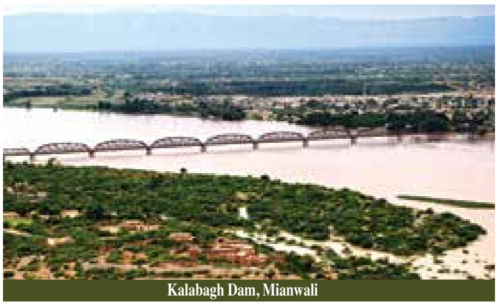
Maple Leaf Cement Plant, Mianwali

STRENGTH OF PAKISTAN

Namal University, Mianwali



Namal Lake, Mianwali



Kalabagh Dam, Mianwali

MIANWALI CITY

The Mianwali District is located in the northwest of Punjab province, Pakistan. It is border district between provinces of Punjab and Khyber Pakhtunkhwa and hence the cultures of both the provinces are prevalent in this region. Mianwali is known as the city of minerals. It is naturally rich in gypsum, clay, limestone, iron ore and many more. This makes it the ideal city for the location and further expansion of Maple Leaf Cement Plant which is located in Iskanderabad, Dist. Mianwali.

It also hosts one of the country's major operational and training air bases as well as the No. 1 Fighter Conversion Unit of Pakistan Air Force.

the Company installed Coal Fired Power Plant which became operational in October 2017 and contributed to lower the power cost at group level.

All of the above factors and trends were anticipated in last year's future outlook statement / future prospects and thoroughly worked upon during the year.

Status of the projects in progress

Maple Leaf Power Limited (a wholly owned subsidiary) started its commercial production of 40MW Coal Fired Power Plant in October 2017 after successful completion of trial run operations. This has contributed to reduce overall power cost of the Company at group level.

The company has undergone a capacity expansion project to increase its grey cement production by 7300 tpd. The civil work and plant's erection work is smoothly being completed. All the legal formalities were duly complied. Approximately 89% shipments from plant supplier were reached at plant till the year ended June 30, 2018. Plant is targeted to begin commercial operations in 4th quarter of financial year 2019.

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:

Estimating useful life of assets

The useful lives are estimated having regard to the factors as asset usage, maintenance, rate of technical and commercial obsolescence. The useful lives of assets are reviewed annually.

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 12 to the 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, three complete cement lines (including one white cement line) comprising of kiln, cooler, preheater, raw mills etc., 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) 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.

3) Engagement frequency:

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 INVESTORS	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
ANALYSTS	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 five years ago is in full swing in achieving 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 SHAREHOLDER

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:

- MENA & Frontier Conference at Dubai
- EFG Hermes London Conference
- South Asia Conference, Dubai
- 14th Annual One on One Conference EFG Hermes, Dubai
- Karachi PSX Brokers Meeting Organized by AKD Securites

STEP 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.

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 LAST AGM, DECISIONS TAKEN AND THEIR IMPLEMENTATION STATUS

On query of a shareholder, the House was informed that declining cement exports were alarming while local cement manufacturers were banking on local dispatches. Overall outlook of cement sector seems optimistic. The new capacity addition would add to Company's revenue. Pakistan's export share in Afghanistan was badly punching with cheaper Iranian cement. On another query, the House was informed about prevailing coal prices and added that due to costlier coal, margins might further squeeze. The management was eagerly making hectic and prolific planning to arresting adverse effects of inflated costs.

The House was informed that the management of the Company was firmly committed to a steady stream of pay-out by way of cash dividend after sizeable deleverage and strong operating cash flows. On the basis of half yearly financials for the period ended December 31, 2016, the Board recommended payment of 20% interim cash dividend which had already been paid to the shareholders of the Company. Keeping in view the improved financial results for the year under review, the Board recommended a final cash dividend (17.50%) to the shareholders for their approval in the forthcoming AGM.

INTEGRATED REPORTING

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 its 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 is in the process of adoption of IR Framework to continuously improve the quality of information produced, and communicate its operations, brand, financial structure to the stakeholders and be prepared to manage any risk that may affect the long-term sustainability of the business. The Company has incorporated in this report the following Content Elements of IR Framework: -

- Organizational overview and external environment
- Strategy and resource allocation
- Risks and opportunities
- Governance
- Outlook
- Position and Performance

IR framework is in its initial stages of adoption in MLCFL. 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, by doing so we believe 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.

Saif-ul-maluk, Lake, Naran Kaghan

STRENGTH OF PAKISTAN

Babusar Top, Naran Kaghan

Siri Paye Lake, Naran Kaghan

Shogran, Naran Kaghan

NARAN KAGHAN

The valley of Naran Kaghan exhibits the epitome of natural beauty of Pakistan. The greatest strength of the region is its scenery that leaves you in awe of the place. Lake Saiful Muluk located at the northern end of the Kaghan Valley, near the town of Naran in the Saiful Muluk National Park is one of the most prominent attractions of Naran Kaghan. The Lake Saiful Muluk is named after a legendary prince mentioned in the fairy tale called Saif-ul-Muluk, written by the sufi poet Mian Muhammad Bakhsh. Siri Paye Lake and Babusar Top are also some of the major tourist attractions of Naran Kagan.

CALENDAR OF CORPORATE EVENTS

JULY 2017 - JUNE 2018

15-AUG-2017
Board Meeting to Offer 12.5% Right Shares

13-Sep-17
Announcement of annual results for year 2016-17

13-Sep-17
Final Dividend 2017 Declared @ Rs. 1.75 / Share

12-Oct-17
Commencement of Coal Fired Power Plant

24-Oct-17
Declaration of 1st Qtr 2017-18 Financial Results

26-Oct-17
Annual General Meeting 2016-17

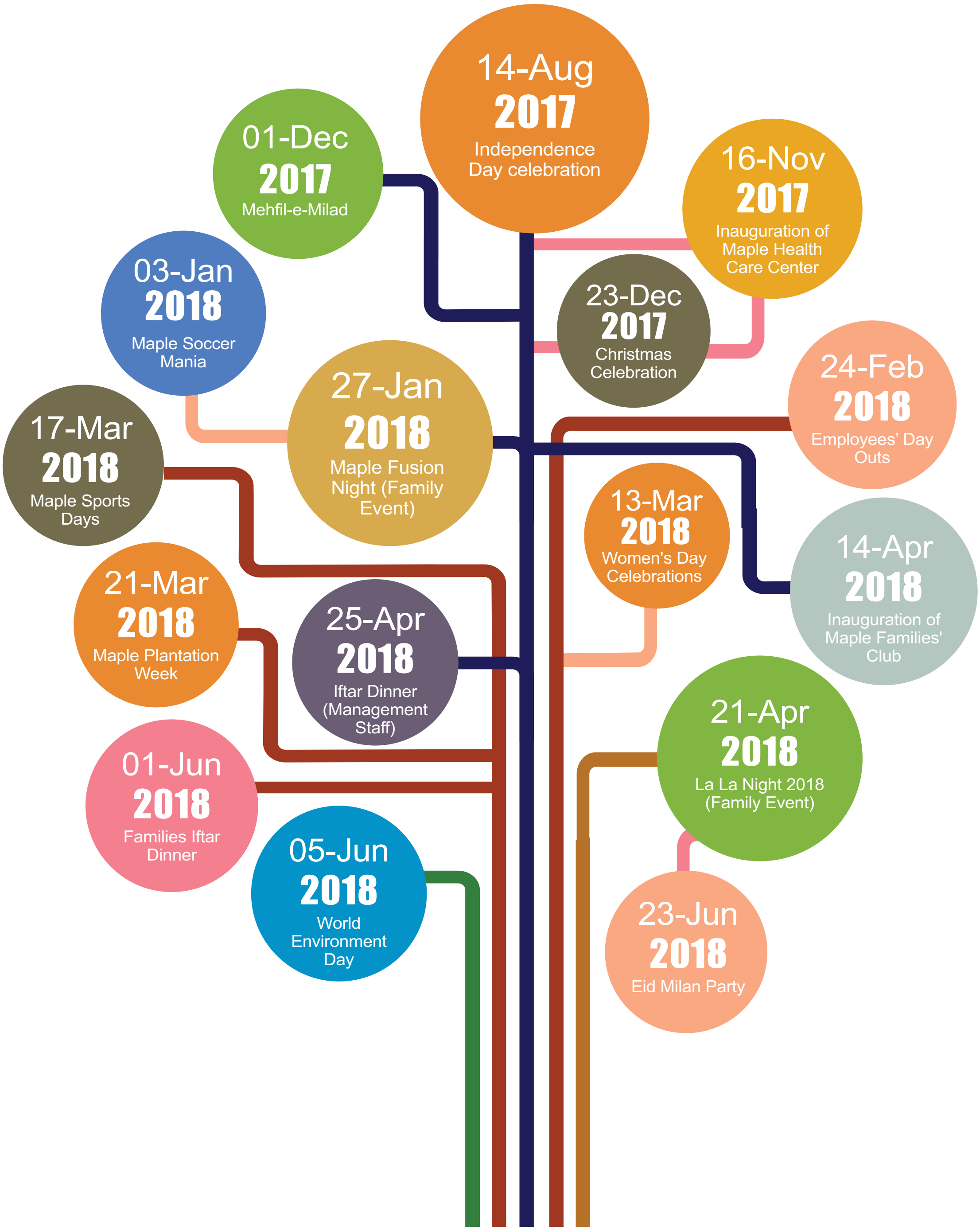
15-Feb-18
Declaration of Half Yearly 2017-18 Results

15-Feb-18
Interim Dividend 2017-18 Declared @ Rs.1.5/ Share

24-Apr-18
Declaration of 3rd Quarter 2017-18 Results

CALENDAR OF OTHER NOTABLE EVENTS

JULY 2017 - JUNE 2018



ANALYSIS OF THE FINANCIAL AND NON-FINANCIAL PERFORMANCE

Financial Indicators:

Actual Results:

The Company's sale increased in current FY 2018 by 7.11% as compared to FY 2017. The main contributing factor was increase in local dispatches on account of high PSDP's allocation and CPEC projects. Despite increase in Federal Excise Duty by 25% in FY 2018, overall sales increased mainly on account of increased sale quantities. However, profitability reduced due to increase in production costs especially high fuel and power costs. All other costs remained in line with normal inflationary trends. Following are the main highlights:

	2018	2017
	(Rs. In Million)	
• Net sales	25,699	23,992
• Net Profit	3,632	4,777
• Earnings Per Share (Rupees)	6.29	8.81

Budgeted Results:

Despite volumetric increase in sale, net sales decreased due to reduction in sale price as compared to budget. However, profitability observed a decline mainly due to high coal rate, major store & spares consumption and impact of devaluation of Pak Rupee. Following are the main highlights:

	Actual	Budget
	2018	2018
	(Rs. In Million)	
• Net sales	25,699	26,120
• Net Profit	3,632	4,731
• Earnings Per Share (Rupees)	6.29	8.17

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

Prospects of the Entity – The financial projections of the Company are very encouraging with continued growth expected locally as new potential markets 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 with special emphasis on white cement.
2. Reduced cost of production through:
   a. reduction in raw material cost per ton;
   b. savings in fuel cost per ton including more efficient yield;
   c. lower power cost including decline in per ton KWH power consumption; and
   d. lower weighted average cost of capital
3. Reduction in debt burden based on healthy cash flows to be generated from increased sales and reduced costs as mentioned above to reinforce the reduction in finance cost.

Non-Financial Measures – Non-financial measures are the many intangible variables that impact performance. These are difficult to quantify as compared to financial measures but they are equally important. Following are the non-financial measures of the Company:

1. Stakeholder's engagement – Through different committees and forums, management expects to further increase stakeholder's engagement and increase the awareness in different qualitative aspects of the business through cross functionality.
2. Customer satisfaction – The Company places great focus on customer satisfaction and 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 our product is demanded by consumers to 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.

SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

The 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. Sale during the year 2017-18 comprises 91% of grey cement and 9% of white cement. During the year, white cement segment has shown tremendous growth where margins are relatively higher as compared to grey cement profit margins. The Company operates in two principal geographical areas, Asia and Africa. Moreover, all assets of the Company as at June 30, 2018 are located in Pakistan.

MARKET SHARE

The Company is a leading brand in Pakistan with a diverse customer base and presence in almost all cities of Pakistan. Carrying on with the legacy of Leaf, Maple Leaf brand is widely acknowledged as best quality cement brand in all the markets, where it is exported. Presently the Company due to its unique marketing efforts and superior quality has 6.2% market share for grey cement (on capacity based) as evident from the All Pakistan Cement Manufacturing Association (APCMA) website. With the commencement of new production line during the last quarter of financial year 2018-19, our market share (based on installed capacity) is expected to exceed 10%. 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.

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 cost (mainly includes coal, power and raw material cost) may badly affect the gross margins and will exultancy fall in the profitability and all in EPS. This may badly affect the market price of the share downward.

3) INCREASE IN FIXED COST:
Fixed cost which mainly consists of financial charges, exchange losses, and other overheads. If SBP Discount rate goes up, rupee devaluation occurs and increase in inflation happens than net profitability of the company will be affected and will have negative effect on the EPS which results into fall in share prices. If the said factors happen on the positive sides than share price will improve.

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, otherwise vice versa.

HOW THE INDICATORS AND PERFORMANCE MEASURES HAVE CHANGED OVER THE PERIOD

Maple Leaf Cement Factory Limited 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.

Maple Leaf Cement Factory Limited has identified KPI's that are critical to its operations. While identifying KPI's, the Company analysed various indicators, their interpretations and accordingly their 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 in almost all cities of Pakistan. Carrying on with the legacy of Leaf, Maple Leaf brand is widely acknowledged as best quality cement brand in all the markets, where it is exported. Presently the Company due to its unique and unparalleled marketing efforts and superior quality has 6.22% market share for grey cement (on capacity basis) as evident from the All Pakistan Cement Manufacturing Association (APCMA) website. With the commencement of new production line during the 4th quarter of upcoming financial year 2018-19, our market share (based on installed capacity) is expected to exceed 10%. 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's operations can generate a higher rate of return than the interest rate on its loan than the debt is helping to fuel growth in profits. Nonetheless, uncontrolled debt levels can lead to credit downgrades or worse. On the other hand, too few debts can also raise questions. A 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. Due to ongoing company's expansion of line III, leverage has increased but the loans are acquired at very attractive markup rates.

Fixed Cost per unit: Higher production capacities of an entity help in bringing down the cost per unit of the item manufactured. In our company fixed cost per unit went down after commencement of production activities of line II. Production units inversely proportion to the fixed cost per unit, higher production means low per unit cost or vice versa. The Company is keen to bring its fixed cost per unit down in order to enhance its profitability. Upcoming brownfield expansion would further help to reduce per ton fixed cost

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. During the Company has successfully commenced 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 hardcore 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.

METHODS AND ASSUMPTIONS USED IN COMPILING INDICATORS

A performance indicator represents parameters and factors that may caste 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 noncash 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.

The Eastern Bay, Gwadar, Balochistan

STRENGTH OF PAKISTAN

Gwadar Port, Night View

Gwadar Port

Gwadar Port

GWADAR CITY

Gwadar, also considered as road to a brighter future of Pakistan, is a port city which hosts the world's largest deep sea and warm water port. Gwadar is located at the corridor of rich Oil and Gas producing countries in Persian Gulf and supply line. China Pakistan Economic Corridor has increased the importance of the port and the city itself; transforming Gwadar from an underdeveloped city to potentially the greatest strength and asset of Pakistan.

Horizontal Analysis - Six Years

	2018 Rs. '000'	18 vs 17 %	2017 Rs. '000'	17 vs 16 %	2016 Rs. '000'	16 vs 15 %	2015 Rs. '000'	15 vs 14 %	2014 Rs. '000'	14 vs 13 %	2013 Rs. '000'	13 vs 12 %
Balance Sheet												
Total equity	29,911,139	26.16	23,708,061	11.11	21,337,135	20.80	17,662,740	20.64	14,641,092	23.84	11,822,749	29.53
Total non-current liabilities	16,863,465	129.60	7,344,681	29.82	5,657,496	4.50	5,414,116	(46.59)	10,137,641	(15.39)	11,981,790	(7.80)
Total current liabilities	11,953,924	53.97	7,764,031	54.44	5,027,065	(38.28)	8,144,461	14.19	7,132,572	(16.76)	8,568,551	(19.20)
Total equity and liabilities	58,728,528	51.30	38,816,773	21.22	32,021,696	2.56	31,221,317	(2.16)	31,911,305	(1.43)	32,373,090	(1.08)
Total non-current assets	45,996,847	61.93	28,405,142	20.65	23,543,989	(1.00)	23,782,112	(3.97)	24,765,860	(3.60)	25,690,184	(4.29)
Total current assets	12,731,681	22.28	10,411,631	22.81	8,477,707	13.96	7,439,205	4.11	7,145,445	6.92	6,682,906	13.54
Total assets	58,728,528	51.30	38,816,773	21.22	32,021,696	2.56	31,221,317	(2.16)	31,911,305	(1.43)	32,373,090	(1.08)
Profit and Loss Account												
Sales - net	25,699,113	7.11	23,992,079	2.39	23,432,696	13.09	20,720,054	9.23	18,968,547	9.28	17,357,376	12.26
Cost of sales	(18,183,189)	25.32	(14,509,777)	8.20	(13,410,564)	1.41	(13,224,431)	6.26	(12,445,562)	10.02	(11,312,341)	(1.17)
Gross profit	7,515,924	(20.74)	9,482,302	(5.39)	10,022,132	33.71	7,495,623	14.91	6,522,985	7.91	6,045,035	50.57
Distribution cost	(1,229,515)	(3.58)	(1,275,182)	(6.23)	(1,359,896)	3.52	(1,313,696)	24.60	(1,054,336)	32.16	(797,751)	(5.71)
Administrative expenses	(730,551)	17.63	(621,076)	27.80	(485,959)	27.43	(381,363)	28.54	(296,689)	16.78	(254,065)	(1.69)
Other operating expenses	(390,875)	(27.13)	(536,369)	(18.69)	(659,631)	150.63	(263,187)	33.35	(197,372)	18.02	(167,239)	11.73
Other operating income	55,935	(59.77)	139,030	281.99	36,396	(21.17)	46,173	(42.70)	80,585	95.18	41,287	21.18
Profit from operations	5,220,918	(27.37)	7,188,705	(4.82)	7,553,042	35.27	5,583,550	10.45	5,055,173	3.86	4,867,267	74.16
Finance cost	(825,682)	159.36	(318,349)	(26.90)	(435,504)	(59.77)	(1,082,639)	(26.09)	(1,464,772)	(14.07)	(1,704,652)	(27.48)
Profit/(loss) before taxation	4,395,236	(36.03)	6,870,356	(3.47)	7,117,538	58.14	4,500,911	25.36	3,590,401	13.53	3,162,615	612.19
Taxation	(763,035)	(63.55)	(2,093,275)	(6.26)	(2,232,953)	113.35	(1,046,616)	37.67	(760,227)	(1,324.59)	62,080	19.09
Profit/(loss) after taxation	3,632,201	(23.97)	4,777,081	(2.20)	4,884,585	41.41	3,454,295	22.05	2,830,174	(12.23)	3,224,695	549.89

Vertical Analysis - Six Years

	2018		2017		2016		2015		2014		2013	
	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%
Balance Sheet												
Total equity	29,911,139	50.93	23,708,061	61.08	21,337,135	66.63	17,662,740	56.57	14,641,092	45.88	11,822,749	36.52
Total non-current liabilities	16,863,459	28.71	7,344,681	18.92	5,657,496	17.67	5,414,116	17.34	10,137,641	31.77	11,981,790	37.01
Total current liabilities	11,953,924	20.35	7,764,031	20.00	5,027,065	15.70	8,144,461	26.09	7,132,572	22.35	8,568,551	26.47
Total equity and liabilities	58,728,522	100.00	38,816,773	100.00	32,021,696	100.00	31,221,317	100.00	31,911,305	100.00	32,373,090	100.00
Total non-current assets	45,996,847	78.32	28,405,142	73.18	23,543,989	73.53	23,782,112	76.17	24,765,860	77.61	25,690,184	79.36
Total current assets	12,731,681	21.68	10,411,631	26.82	8,477,707	26.47	7,439,205	23.83	7,145,445	22.39	6,682,906	20.64
Total assets	58,728,528	100.00	38,816,773	100.00	32,021,696	100.00	31,221,317	100.00	31,911,305	100.00	32,373,090	100.00
Profit and Loss Account												
Sales - net	25,699,113	100.00	23,992,079	100.00	23,432,696	100.00	20,720,054	100.00	18,968,547	100.00	17,357,376	100.00
Cost of sales	(18,183,189)	(70.75)	(14,509,777)	(60.48)	(13,410,564)	(57.23)	(13,224,431)	(63.82)	(12,445,562)	(65.61)	(11,312,341)	(65.17)
Gross profit	7,515,924	29.25	9,482,302	39.52	10,022,132	42.77	7,495,623	36.18	6,522,985	34.39	6,045,035	34.83
Distribution cost	(1,229,515)	(4.78)	(1,275,182)	(5.32)	(1,359,896)	(5.80)	(1,313,696)	(6.34)	(1,054,336)	(5.56)	(797,751)	(4.60)
Administrative expenses	(730,551)	(2.84)	(621,076)	(2.59)	(485,959)	(2.07)	(381,363)	(1.84)	(296,689)	(1.56)	(254,065)	(1.46)
Other operating expenses	(390,875)	(1.52)	(536,369)	(2.24)	(659,631)	(2.82)	(263,187)	(1.27)	(197,372)	(1.04)	(167,239)	(0.96)
Other operating income	55,935	0.22	139,030	0.58	36,396	0.16	46,173	0.22	80,585	0.42	41,287	0.24
Profit from operations	5,220,918	20.32	7,188,705	29.96	7,553,042	32.23	5,583,550	26.95	5,055,173	26.65	4,867,267	28.04
Finance cost	(825,682)	(3.21)	(318,349)	(1.33)	(435,504)	(1.86)	(1,082,639)	(5.23)	(1,464,772)	(7.72)	(1,704,652)	(9.82)
Profit / (loss) before taxation	4,395,236	17.10	6,870,356	28.64	7,117,538	30.37	4,500,911	21.72	3,590,401	18.93	3,162,615	18.22
Taxation	(763,035)	(2.97)	(2,093,275)	(8.72)	(2,232,953)	(9.53)	(1,046,616)	(5.05)	(760,227)	(4.01)	62,080	0.36
Profit / (loss) after taxation	3,632,201	14.13	4,777,081	19.91	4,884,585	20.85	3,454,295	16.67	2,830,174	14.92	3,224,695	18.58

SUMMARY OF CASH FLOW STATEMENT - SIX YEARS

	2018	2017	2016	2015	2014	2013
				(Rupees in thousand)		
Cash generated from operations before working capital changes	7,805,066	9,573,733	10,042,012	7,673,904	6,987,258	6,578,095
Decrease / (increase) in cuttent assets						
Stores, spare parts and loose tools	245,303	(1,366,836)	(1,199,205)	(370,709)	(21,417)	(685,476)
Stock-in-trade	107,729	(428,415)	320,681	(123,798)	(252,033)	(35,504)
Trade debts	(474,227)	(105,665)	(2,867)	245,909	(86,152)	(190,327)
Loans and advances	(1,468,489)	(12,949)	180,084	(77,742)	(745,805)	19,464
Other receivables	217,102	69,131	(212,056)	(32,637)	68,614	26,530
Increase / (decrease) in Trade and other payables	1,815,694	28,381	(430,056)	(309,606)	306,320	(688,335)
Retirement benefits adjusted / (paid)	(40,084)	(27,256)	(23,023)	(17,963)	(21,737)	(11,242)
Workers' Profit Participation Fund paid	(175,916)	-	(89,119)	(71,867)	(57,301)	-
Workers' Welfare Fund paid	(135,635)	(112,622)	-	-	-	-
Taxes paid	(2,393,707)	(1,989,248)	(632,781)	(326,386)	(238,857)	(14,127)
Others	268,656	(2,851)	17,331	(18,667)	879	42,881
Net Cash generated from operating activities	5,771,492	5,625,403	7,971,001	6,570,438	5,939,769	5,041,959
Fixed capital expenditure	(19,445,846)	(2,917,312)	(1,106,002)	(786,684)	(768,756)	(496,784)
Intangible asset purchased	-	(29,032)	-	-	-	-
Proceeds from sale of property, plant and equipment	51,965	195,191	56,327	70,267	12,696	5,282
Redemption of long term investments	-	-	-	1,625	-	1,412
Dividend received	-	-	-	-	-	448
Proceeds from disposal of short term investments	-	-	-	-	-	8,455
Loss on short term investment - net	(21,997)	(15,000)	-	-	-	-
Long term investment	(350,000)	(4,010,000)	(660,000)	-	-	-
Profit on bank deposits received	28,970	16,628	14,191	15,848	11,844	-
Net Cash used in investing activities	(19,736,908)	(6,759,525)	(1,695,484)	(698,944)	(744,216)	(481,187)
Proceeds / (repayment) from long term loans from banking companies - secured - net	10,648,936	2,176,462	771,484	(397,744)	(1,674,205)	(613,591)
Proceeds from issuance of right shares	4,241,830	-	-	-	-	-
Repayment of redeemable capital - secured	-	-	(3,433,011)	(2,854,714)	(1,032,869)	(1,067,131)
Repayment of syndicated term finance - secured	-	-	(433,500)	(762,500)	(183,125)	(117,875)
Payment of liabilities against assets subject to finance lease - net	(480,615)	(164,614)	(132,746)	(108,574)	(152,545)	(134,768)
Short term borrowings - net	1,208,505	1,467,065	(1,065,150)	323,981	(322,891)	(770,120)
Finance costs paid	(643,732)	(255,224)	(483,813)	(1,123,209)	(1,646,567)	(2,053,219)
Redemption of preference shares	-	(478)	-	(20)	(163,780)	(362,903)
Dividend paid	(1,804,561)	(2,315,788)	(1,283,026)	(524,391)	(20)	(179,253)
Net cash generated from/ (used in) financing activities	13,170,363	907,423	(6,059,762)	(5,447,171)	(5,176,002)	(5,298,860)
Net increase/ (decrease) in cash and cash equivalents	(795,053)	(226,699)	215,755	424,323	19,551	(738,088)
Cash and cash equivalents at beginning of the years	158,068	384,767	169,012	(255,311)	(274,862)	463,226
Cash and cash equivalents at end of the years	(636,985)	158,068	384,767	169,012	(255,311)	(274,862)

COMMENTS ON SIX YEARS ANALYSIS

HORIZONTAL ANALYSIS

Balance Sheet

The Company's equity significantly increased during the past 6 years mainly due to increase in profit after tax. Profit increased mainly due to increase in cement demand in local markets as a result of CPEC and other government infrastructure projects. Further, the Company issued 12.5% right shares in the current financial year FY 2018 to partially finance its ongoing capacity expansion project. Non-current liabilities showed declining trend till FY 2015 financial year due to early repayments of long term finances, however, it increased from FY 2017 onwards to partially finance coal fired power project and new production line of cement. Increase in current liabilities depicted the need of more working capital requirements owing to increase in sales.

Increase in non-current assets of the Company in FY 2017 and FY 2018 was mainly due to its investment in coal fired power project and ongoing brownfield capacity expansion of cement respectively. Current assets increased in line with capacity utilization and sales volume.

Profit & Loss Account

Overall there has been an increasing trend in the Company's profitability mainly due to increase in sales on account of high cement demand in local market. However, in FY 2018 profit margins reduced due to high cost of production. Cost of production increased by 25.32% in FY 2018 mainly due to increase in coal rates in international market and increase in power costs. All other expenses were in line with normal inflationary trends. Taxation was lower in earlier years mainly because of available tax losses. In FY 2018 it again reduced mainly due to deferred tax provisions.

VERTICAL ANALYSIS

Balance Sheet

The equity of the Company continued to improve on account of healthy profits, its weightage also has increased except in FY 2017 & FY 2018 where its proportion decreased by 5.55% & 10.15% respectively on account of increase in non-current liabilities resulting from drawdown of long term finances for ongoing brownfield expansion project of cement.

Due to nature of industry, a capital intensive sector, ratio of non-current assets to total assets remained in the range of 73.18% to 79.36% as evident from last 6 years reported figures. On account of investment in ongoing expansion project, non-current assets have increased during the FY 2018 in rupee terms. The proportion of current asset vs. non-current assets significantly decreased during current year due to increase in non-current assets as explained above.

Profit & Loss Account

The Company's GP% has been on rising trend during the years from FY 2013 to FY 2016, however, for the last two years GP% declined by 3.25% in FY 2017 and by 10.27% in FY 2018 mainly due to increase in production costs specially increase in coal rates and power costs. However, power cost has been reduced in consolidated financial statements due to successful operations of Maple Leaf Power Limited (wholly owned subsidiary) in current FY 2018. Profit before tax observed the same pattern as gross profitability. Current year observed a sharp decline in taxation mainly due to deferred tax provisions.

COMMENTS ON CASH FLOW STATEMENTS

Cash generated from operations has been in line with profits earned by the Company throughout the past 6 years. In current year cash generated from operations decreased mainly due to increase in coal rates in international markets. This increase in coal rates was partially mitigated by increase in sale rates and local sale quantitative growth. The company's contribution to the national exchequer through taxes was the highest during current year. Loans & advances increased mainly on account of increase in claimable taxes and advance payments in lieu of Federal Excise Duty and Sales Tax. Trade & other payables increased mainly due to increase in payable w.r.t. new expansion line and bills payable.

The Company's financing activities increased in FY 2016 mainly due to its investment in coal fired power plant to reduce its energy costs. In current year, the Company has invested a considerable amount into its ongoing cement capacity enhancement i.e. new cement line of 7300 tpd.

The Company has financed the above mentioned capacity enhancement project by obtaining finances from scheduled banks and issuing right shares along with its own cash generation.

The Company has been consistent in distribution of dividend to its shareholders.

ANALYSIS OF FINANCIAL RATIOS

For Six Years from June 2013 to June 2018

Ratios Description	2018	2017	2016	2015	2014	2013
Profitability Ratios:						
Gross Profit ratio	29.25%	39.52%	42.77%	36.18%	34.39%	34.83%
Net Profit to Sales	14.13%	19.91%	20.85%	16.67%	14.92%	18.58%
EBITDA Margin to Sales	30.13%	40.00%	42.45%	37.91%	37.65%	39.34%
Operating leverage ratio	-3.85	-2.02	2.69	1.13	0.42	6.05
Return on Equity	12.14%	20.15%	22.89%	19.56%	19.33%	27.28%
Return on Capital employed	10.42%	19.26%	22.72%	16.16%	12.77%	15.40%
Effective Tax Rate	17.36%	30.47%	31.37%	23.25%	21.17%	-1.96%
Liquidity Ratios:						
Current ratio	1.07	1.34	1.69	0.91	1.00	0.78
Quick / Acid test ratio	0.42	0.30	0.44	0.25	0.31	0.23
Cash to Current Liabilities	0.05	0.05	0.08	0.03	0.03	0.06
Cash flow from Operations to Sales	0.22	0.23	0.34	0.32	0.31	0.29
Investment / Market Ratios:						
Earnings per share (EPS)						
Basic	6.29	8.81	9.00	6.37	5.22	5.94
Diluted	6.29	8.81	9.00	6.37	5.22	5.94
Price Earnings ratio	8.07	12.65	11.72	12.34	5.76	3.69
Price to book ratio	1.01	2.48	2.61	2.35	1.08	0.98
Market value per share						
Closing	50.74	111.36	105.51	78.56	30.05	21.93
High	119.60	139.89	109.25	84.30	30.25	22.54
Low	47.20	86.15	65.50	24.310	29.80	21.80
Break up value per share						
With revaluation surplus	50.38	44.92	40.43	33.47	27.74	22.40
Without revaluation surplus	43.20	36.73	31.74	24.47	18.47	12.83
With revaluation surplus including investment in subsidiary*	60.06	53.72	41.64	33.47	27.75	22.41
Cash Dividend per Share	3.06	4.50	2.50	1.00	-	-
Dividend Pay out Ratio	48.57%	51.10%	27.76%	15.70%	0.00%	0.00%
Dividend Yield Ratio	6.02%	4.04%	2.37%	1.27%	0.00%	0.00%
Dividend Cover Ratio	2.00	2.01	3.70	6.55	-	-
Capital Structure Ratios:						
Financial leverage ratio	0.64	0.28	0.14	0.42	0.79	1.28
Weighted average cost of debt	6.98%	5.86%	7.04%	10.02%	10.46%	10.94%
Net Borrowing/ EBITDA	2.51	0.69	0.28	0.96	1.67	2.25
Av. Operating Working Capital to Sales Ratio	23.84%	26.75%	19.05%	13.82%	11.21%	0.70%
Debt to Equity ratio	31:69	13:87	7:93	21:79	38:62	50:50
Debt to Equity ratio (Market value)	20:80	4:96	2:98	8:92	26:74	40:60
Interest Cover ratio	6.32	22.58	17.34	5.16	3.45	2.86
Activity / Turnover Ratios:						
Inventory turnover ratio	14.58	13.35	12.90	11.22	11.91	12.28
No. of Days in Inventory	25.04	27.34	28.30	32.54	30.65	29.72
Debtor turnover ratio	28.33	38.10	40.84	29.40	23.76	26.03
No. of Days in Receivables	12.88	9.58	8.94	12.42	15.36	14.02
Total Assets turnover ratio	0.44	0.62	0.73	0.66	0.59	0.54
Fixed Assets turnover ratio	0.63	1.01	1.03	0.87	0.77	0.68
Creditor turnover ratio	12.87	19.85	15.18	11.95	10.75	8.07
No. of Days in Creditors	28.36	18.39	24.05	30.53	33.96	45.21
Operating Cycle	9.56	18.54	13.18	14.42	12.06	-1.47

* Unquoted investment in subsidiary has been assumed on break-up value.

COMMENTS ON RATIO ANALYSIS

Proﬁtability ratios: The profitability ratios have seen an upward trend owing to higher margins on account of increased sales and reduced costs from 2013 to 2016. The profitability ratio of the Company, however, have declined during 2016-18 due to decrease in retention price, increase in fuel & power cost and finance cost. However, the Company has managed to increase its sales in quantitative terms. Cost of sales also increased due to increase in fuel and power cost resulting from increase in coal and pet coke in international market and Pak Rupee devaluation factor. The said increase in cost has also reduced the EBITDA margin from 40% to 30%.

Liquidity Ratios: Liquidity ratios have shown a handsome growth from 2013 to 2016 due to better working capital management policies and increased profitability. However, decline in the liquidity is witnessed due to expansion of Coal Fired Power Plant and Brown field expansion of grey cement line. This decline would be compensated in later year after completion of new plant.

Investment / Market Ratios: Prolonged political unrest in the country and transition of government process has severely impacted stock market performance resulting in massive decline in market capitalization of the Company. The Company's market share price remained in the range of Rs.47.20 to Rs.119.60, closing at Rs.50.74 in comparison to Rs.111.36 at the close of last year. The breakup value has also moved positively on account of better operational performance.

Capital Structure Ratios: The Company is operating at optimal level of debt equity mix. Relying mainly on internal cash generation to maximize shareholders' return. The results of this strategy are evident from improving trend in Interest cover ratio from 2013 to 2017. However, during the year, the Company increased its debt to cater the financing needs for expansion projects of grey cement line and Coal Fired Power Plant.

Activity/turnover ratios – The significant improvement in operating cycle from last year by a 100 percent is mainly due to increase in Payables days on account of better negotiated credit terms with suppliers of expansion projects. No. of days of Inventory and Receivable, however, have witnessed a small variation. Increased inventory turnover ratio over the past 6 years showing the Company's quick ability to convert inventory into revenue.

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
2018	16.39%	0.17	0.53	9.01%	1.82
2017	30.50%	0.29	0.68	19.40%	1.57
2016	36.50%	0.30	0.74	22.51%	1.62
2015	27.87%	0.22	0.66	14.26%	1.95
2014	27.13%	0.19	0.59	11.17%	2.43
2013	30.19%	0.18	0.53	9.72%	3.11

Following are the DuPont analysis highlights:

1. Operational results have declined due to reduction in local sale retention and increased variable cost that has reduced the profit margin percentage.

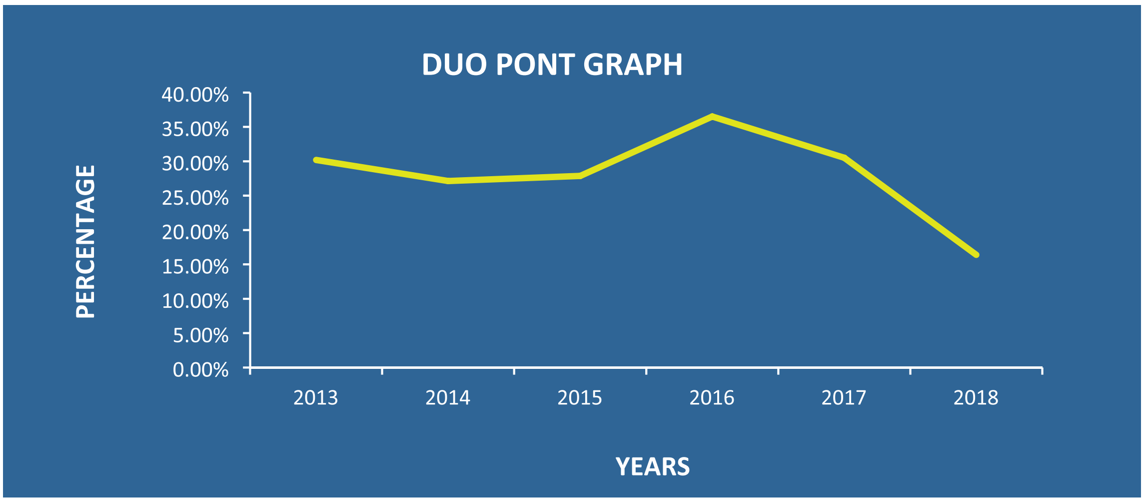
2. Assets turnover has declined, despite increase in sales, mainly on account of incurring high capital expenditures for ongoing cement capacity enhancement project to meet future demands.

3. Based on the above two factors, the Return on Assets which is dependent on the above two factors, has gone down.

4. Due to high capital expenditures for ongoing cement capacity enhancement equity multiplier increased in current year.

Conclusion:

The DuPont analysis depicts reduction in profitability and reduction in total assets turnover.



COMPOSITION OF LOCAL VERSUS IMPORTED MATERIAL AND SENSITIVITY ANALYSIS

	2018		2017	
	Rs. '000	%	Rs. '000	%
Local Components:				
Raw materials consumed	1,116,918	8%	964,601	8%
Packing materials consumed	1,530,733	11%	1,298,453	12%
Fuel	67,295	0%	51,876	0%
Power and associated costs	4,105,232	29%	3,159,400	28%
Stores, spare parts and loose tools consumed	481,028	3%	462,704	4%
Imported Components:				
Fuel	6,302,459	44%	4,716,489	42%
Stores, spare parts and loose tools consumed	790,561	5%	724,239	6%
Total	14,394,226	100%	11,377,762	100%

Sensitivity analysis

If US$ to Pak Rupee exchange rate fluctuates by 1% , the impact on cost of production would have been as follow:

	2018	2017
	Rs. '000'	Rs. '000'
Increase of 1% in exchange rate	70,930	54,407
Decrease of 1% in exchange rate	(70,930)	(54,407)

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

	2018	2017
	Rs. '000'	Rs. '000'
Net cash generated from operating activities	5,441,841	5,623,810
Capital expenditures	(19,795,846)	(6,956,344)
Net Debt	10,168,321	2,011,848
FCF - Total	(4,185,684)	679,314

Free cash flows represent 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

	2018	2017
	Rs. '000'	Rs. '000'
NOPAT	3,838,933	4,888,319
Less: Cost of capital	(2,280,754)	(2,488,745)
Economic Value Added	1,558,179	2,399,574

Economic value added (EVA) is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit, adjusted for taxes on a cash basis.

KEY OPERATING AND FINANCIAL DATA

For Six Years from Year 2012-13 to Year 2017-18

	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Quantitative Data (M. Tons)						
Cement:						
Production	3,760,120	3,341,970	3,340,410	3,005,456	2,753,142	2,715,643
Sales	3,763,835	3,364,402	3,340,324	2,960,501	2,740,901	2,687,911
Sales (Rs. 000)						
Gross Sales	35,990,524	31,799,079	28,890,304	25,393,341	23,263,584	20,671,865
Less:						
Excise Duty	4,436,086	2,931,708	1,194,966	935,201	838,618	820,596
Sales Tax	5,713,760	4,764,821	4,144,108	3,590,939	3,324,741	2,361,879
Commission	141,565	110,471	118,534	147,147	131,678	132,014
Net Sales	25,699,113	23,992,079	23,432,696	20,720,054	18,968,547	17,357,376
Profitability (Rs. 000)						
Gross Profit/(Loss)	7,515,924	9,482,302	10,022,132	7,495,623	6,522,985	6,045,035
Profit/(Loss) Before Tax	4,395,236	6,870,356	7,117,538	4,500,911	3,590,401	3,162,615
Provision for Income Tax	(763,035)	(2,093,275)	(2,232,953)	(1,046,616)	(760,227)	62,080
Profit/(Loss) After Tax	3,632,201	4,777,081	4,884,585	3,454,295	2,830,174	3,224,695
Financial Position (Rs. 000)						
Tangible Fixed Assets-Net	40,894,010	23,647,663	22,822,494	23,720,541	24,705,782	25,630,205
Other Non-Current Assets	5,102,837	4,757,479	721,495	61,571	60,078	59,979
	45,996,847	28,405,142	23,543,989	23,782,112	24,765,860	25,690,184
Current Assets	12,731,681	10,411,631	8,477,707	7,439,205	7,145,445	6,682,906
Current Liabilities	(11,953,924)	(7,764,031)	(5,027,065)	(8,144,461)	(7,132,572)	(8,568,551)
Net Working Capital	777,757	2,647,600	3,450,642	(705,256)	12,873	(1,885,645)
Capital Employed	46,774,604	31,052,742	26,994,631	23,076,856	24,778,733	23,804,539
Non-Current Liabilities	(16,863,465)	(7,344,681)	(5,657,496)	(5,414,116)	(10,137,641)	(11,981,790)
Shareholders' Equity	29,911,139	23,708,061	21,337,135	17,662,740	14,641,092	11,822,749
Represented By:						
Share Capital	5,937,007	5,277,340	5,277,340	5,277,340	5,277,340	5,277,340
Reserves & Un-appropriated Profit	19,709,589	14,106,812	11,472,540	7,634,318	4,472,237	1,493,573
Surplus on Revaluation of PPE	4,264,543	4,323,909	4,587,255	4,751,082	4,891,515	5,051,836
	29,911,139	23,708,061	21,337,135	17,662,740	14,641,092	11,822,749

STATEMENT OF CASH FLOWS
DIRECT METHOD

	2018	2017
	(Rupees in thousand)	
Cash flows from operating activities		
Cash receipts from customers	25,224,886	23,886,414
Cash paid to suppliers and employees	17,015,049	16,133,307
Net Cash generated from operations	8,209,837	7,753,107
Increase in long term loans to employees	(3,673)	(171)
Retirement benefits paid	(40,084)	(27,256)
Increase in long term deposits to suppliers	(80)	(607)
Increase in long term deposits from customers	15	2,200
Increase in retention money payable	310,735	-
Workers' profit participation fund paid	(175,916)	-
Workers' welfare fund paid	(135,635)	(112,622)
Taxes paid	(2,393,707)	(1,989,248)
Net cash generated from operating activities	5,771,492	5,625,403
Cash flows from investing activities		
Additions to property, plant and equipment	(19,445,846)	(2,917,312)
Intangible asset purchased	-	(29,032)
Proceeds from disposal of property, plant and equipment	51,965	195,191
Short term investment-net	(21,997)	(15,000)
Long term investment	(350,000)	(4,010,000)
Profit on bank deposits received	28,970	16,628
Net cash used in investing activities	(19,736,908)	(6,759,525)
Cash flows from financing activities		
Proceeds from long term loans from banking companies - secured - net	10,648,936	2,176,462
Proceeds from issuance of right shares	4,241,830	-
Payment of liabilities against assets subject to finance lease - net	(480,615)	(164,614)
Short term borrowings-net	1,208,505	1,467,065
Finance costs paid	(643,732)	(255,224)
Redemption of preference shares	-	(478)
Dividend paid	(1,804,561)	(2,315,788)
Net cash generated from financing activities	13,170,363	907,423
Net decrease in cash and cash equivalents	(795,053)	(226,699)
Cash and cash equivalents at the beginning of the year	158,068	384,767
Cash and cash equivalents at the end of the year	(636,985)	158,068

RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS AND FINAL ACCOUNTS

	Interim Results						Annual Results	
	3 Months Period Ended 30-09-2017		6 Months Period Ended 31-12-2017		9 Months Period Ended 31-03-2018		Year Ended 30-06-2018	
	Rupees ,000	%	Rupees ,000	%	Rupees ,000	%	Rupees ,000	%
Net Turnover	5,810,079		12,289,674		19,317,316		25,699,113	
Gross Profit	2,127,002	36.61%	4,108,920	33.43%	6,221,909	32.21%	7,515,924	29.25%
Operating Profit	1,601,181	27.56%	2,983,752	24.28%	4,444,769	23.01%	5,220,918	20.32%
Net Profit Before Tax	1,457,144	25.08%	2,653,328	21.59%	3,885,707	20.12%	4,395,236	17.10%
Net Profit After Tax	1,049,441	18.06%	1,973,190	16.06%	2,853,983	14.77%	3,632,201	14.13%
Debt Equity Ratio	3,793,995	13:87	4,383,045	13:87	8,466,893	23:77	13,752,696	31:69
	28,519,709		33,350,801		37,424,893		43,663,835	
Current Ratio	11,377,994	1.18	10,886,556	1.06	13,444,308	1.09	12,731,681	1.07
	9,619,997		10,288,258		12,282,593		11,953,924	

Analysis of Variation in Results Reported in Interim Financial Statements with the Final Accounts

3 Months Ended September 30, 2017

Gross Profit Ratio for the 1st Quarter was 36.61% as compared to annual GP of 29.25%, mainly due to lower coal and furnace oil rates and relatively high sale prices.

Operating Profit was 27.56% as compared to 20.32% in annual mainly due to high GP in 1st quarter.

Net Profit Before Tax was 25.08% as compared to annual 17.10%, mainly due to high GP %age in 1st quarter and increase in distribution, administrative and financial expenses in annual.

Net Profit After Tax was 18.06% as compared to 14.13% in annual due to low GP %age alongwith low NP %age in annual.

Debt Equity Ratio was 13:87 in first quarter as compared to 31:69 in annual, mainly due to drawdown of debt over the year for capital investment.

Current ratio was 1.18 as compared to annual of 1.07, due to extra balance of current maturities of long term debts falling due in next twelve months.

6 Months Ended December 31, 2017

Gross Profit Ratio was 33.43% as compared to annual GP of 29.25%, mainly due to increase in coal & furnace oil rates in subsequent periods. Further, gross profit ratio decreased as compared to first quarter mainly due to increase in coal prices.

Operating Profit was 24.28% as compared to 20.32% in annual.

Net Profit Before Tax was 21.59% as compared to annual 17.10%, mainly due to low GP %age in annual due to increase in coal rates and finance cost in annual.

Net Profit After Tax was 16.06% as compared to 14.13% in annual because of low net profit before tax in annual.

Debt Equity Ratio was 13:87 in first half year as compared to 31:69 in annual, mainly due to more drawdown of debts in annual for capital investment.

Current ratio was 1.06 as compared to annual of 1.07.

9 Months Ended March 31, 2018

Gross Profit Ratio was 32.21% as compared to annual GP of 29.25%, mainly due to increase in furnace oil prices and coal rates in international market gave unfavorable impact on gross profit ratio.

Operating Profit was 23.01% as compared to 20.32% in annual.

Net Profit Before Tax was 20.12% as compared to annual 17.10% mainly due to decreased gross profit margin in last quarter on account of high fuel, power cost, higher spares consumption on account of annual maintenance and increase in finance cost on account of Pak Rupee devaluation.

Net Profit After Tax was 14.77% as compared to 14.13% in annual.

Debt Equity Ratio was 23:77 as compared to 31:69 in annual because of drawdown of financing for capital investment.

Current ratio was 1.09 as compared to annual of 1.07.

EXPLANATION OF NEGATIVE CHANGE IN THE PERFORMANCE AGAINST PRIOR YEARS

	Annual Results					
	Year Ended 30-06-2018		Year Ended 30-06-2017		YOY Variance	
	Rupees '000	%	Rupees '000	%	Rupees '000	%
Net Turnover	25,699,113		23,992,079		1,707,034	7.11%
Gross Profit	7,515,924	29.25%	9,482,302	39.52%	(1,966,378)	-20.74%
Operating Profit	5,220,918	20.32%	7,188,705	29.96%	(1,967,787)	-27.37%
Net Profit Before Tax	4,395,236	17.10%	6,870,356	28.64%	(2,475,120)	-36.03%
Net Profit After Tax	3,632,201	14.13%	4,777,081	19.91%	(1,144,880)	-23.97%

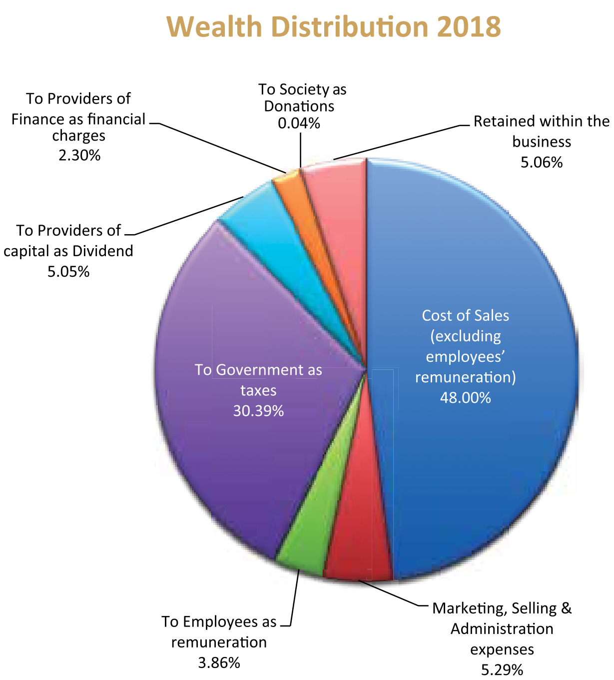
- Overall turnover increased by 7.11%, but it includes positive volumetric growth of 19% and negative impact of reduction in retention prices.

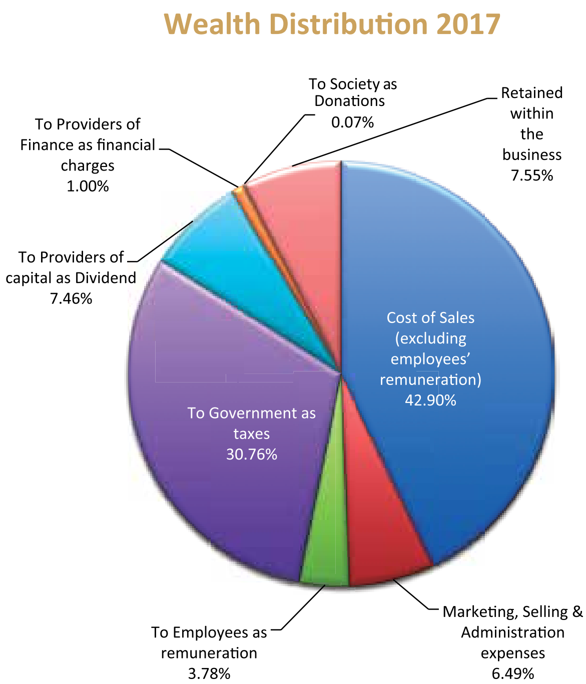
- Gross Profit declined from preceding year due to increase in fuel and power cost, devaluation of Pak Rupee and general inflationary impact on input costs.

- Net profit after tax followed almost the same declining trend as shown for Gross Profit.

STATEMENT OF VALUE ADDED AND HOW DISTRIBUTED

	2018		2017	
	Rs. (000)	% age	Rs. (000)	% age
Wealth Generated				
Sales net of commission	35,848,959	99.84%	31,688,608	99.56%
Other Operating Income	55,935	0.16%	139,030	0.44%
	35,904,894	100.00%	31,827,638	100.00%
Distribution of Wealth				
Cost of Sales (excluding employees' remuneration)	17,233,879	48.00%	13,654,328	42.90%
Marketing, Selling & Administration Expenses	1,898,858	5.29%	2,064,105	6.49%
To Employees as Remuneration	1,386,614	3.86%	1,202,917	3.78%
To Government as Taxes	10,912,881	30.39%	9,789,804	30.76%
To Providers of Capital as Dividend	1,814,085	5.05%	2,374,803	7.46%
To Providers of Finance as Financial Charges	825,682	2.30%	318,349	1.00%
To Society as Donations	14,779	0.04%	21,054	0.07%
Retained within the Business	1,818,116	5.06%	2,402,278	7.55%
	35,904,894	100.00%	31,827,638	100.00%

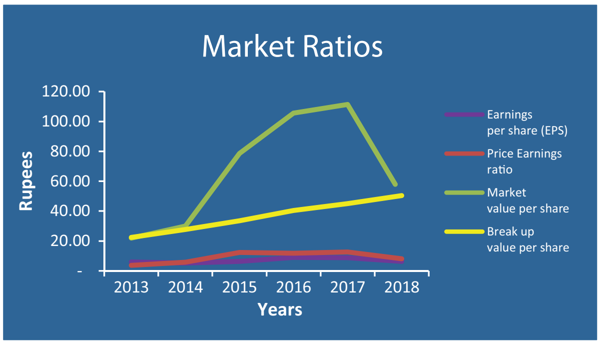


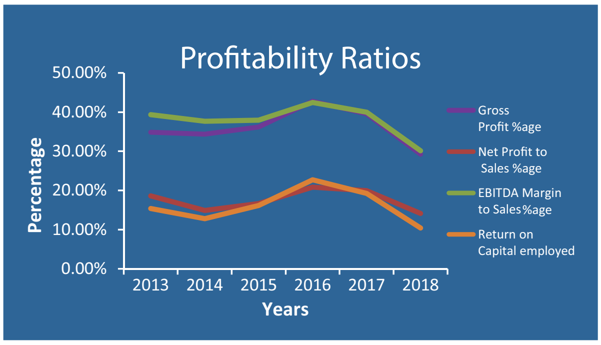


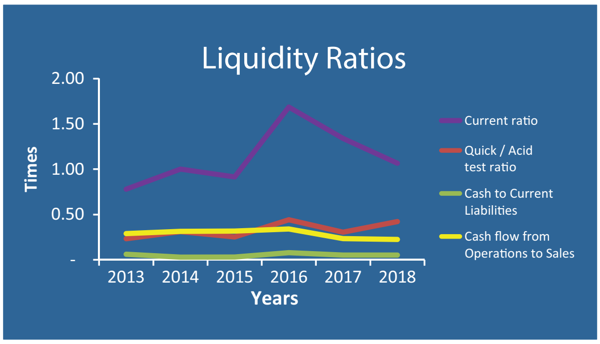
Statement of Charity

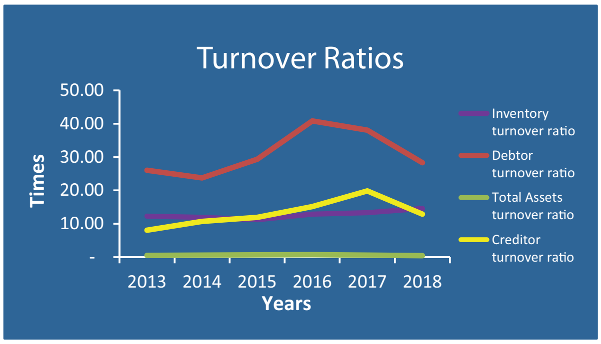
	2018	2017
	Rs. (000)	Rs. (000)
Daud Khel Health Care Centre	6,518	1,124
Police Welfare Middle School	2,500	8,150
Jamia Masjid Iskenderabad	2,135	-
Miscellaneous donations in the form of cement	1,010	1,457
Jahanara Memorial Trust.(JMT)	1,000	1,000
Beaconhouse National University	562	-
ICare Foundation	500	-
Bushra Shaheen	300	300
Police Station Daud Khel	216	-
Labor Office Mianwali	38	-
DHQ Hospital Mianwali	-	3,832
Disst Public School Sargodha	-	2,334
Gulab Devi Chest Hospital	-	2,088
Aitchison College	-	500
Tariq Niazi Hockey Stadium	-	169
Starfall Foundation	-	100
	14,779	21,054

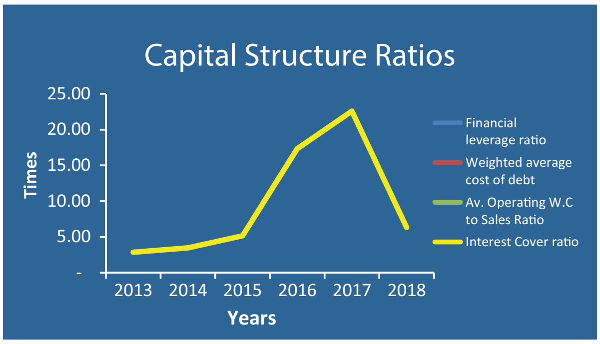
GRAPHICAL PRESENTATION - STAKEHOLDERS' INFORMATION

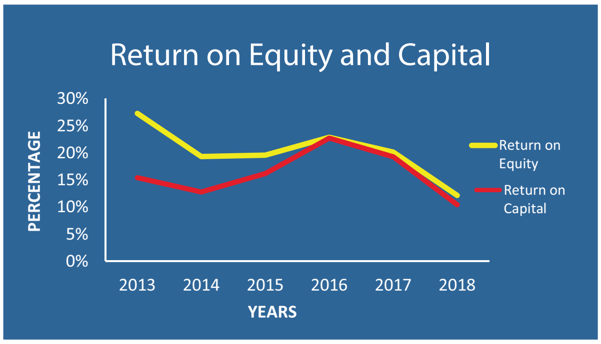


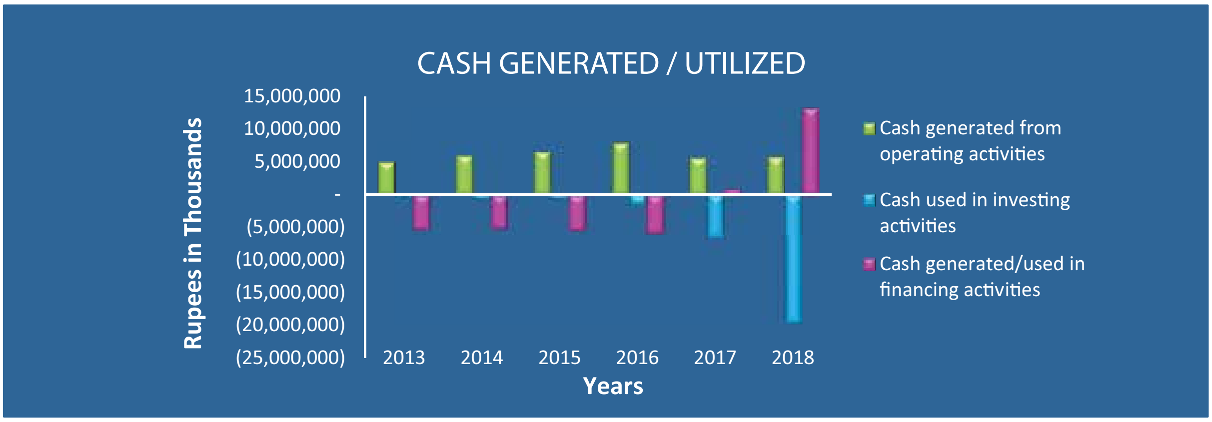












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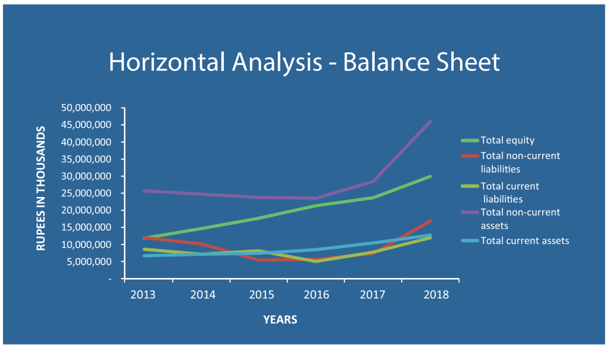

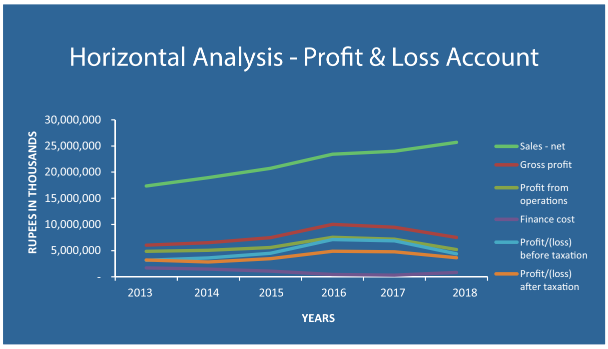

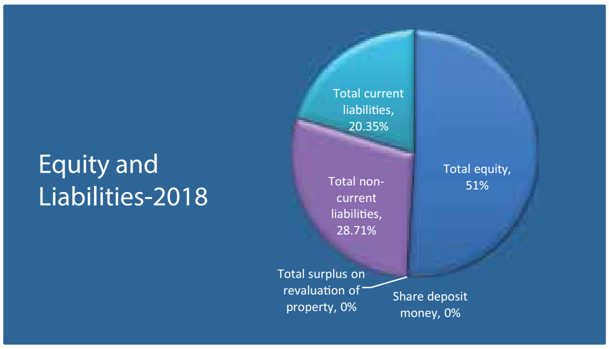

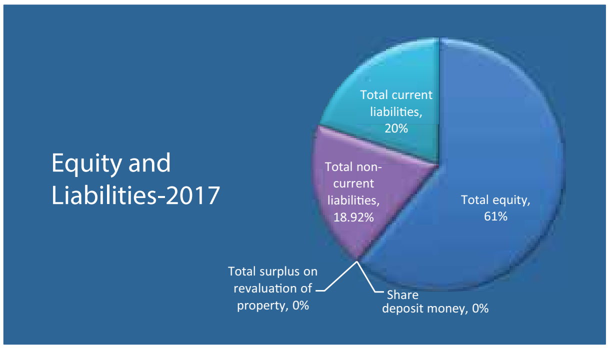

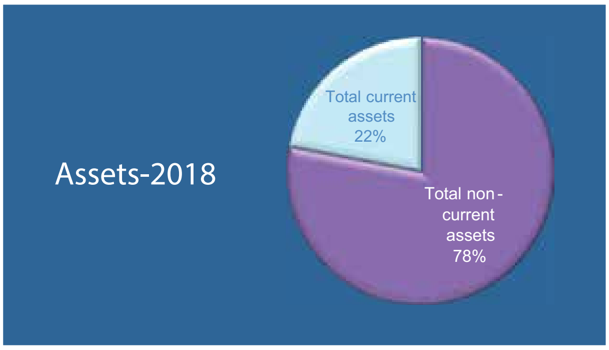

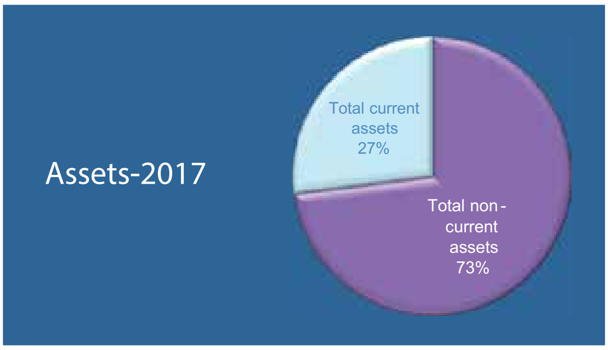

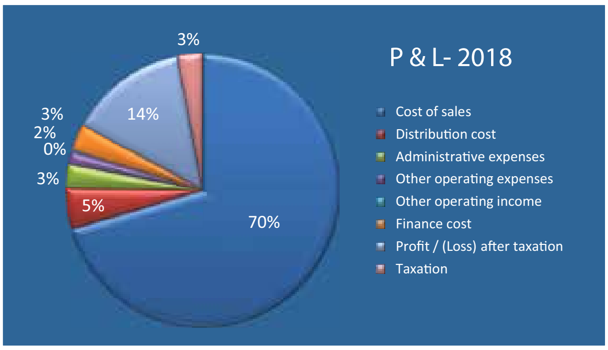

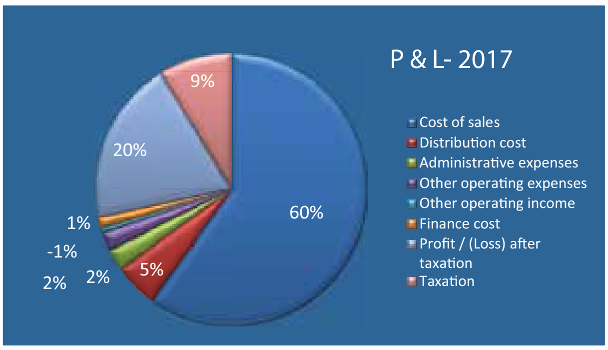

DEFINITIONS AND GLOSSARY OF TERMS

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.

Katas Raj Temple, Kallar Kahar

STRENGTH OF PAKISTAN

Harappa-Ruins

Rohtas Fort

Mohenjo Daro

HISTORICAL PLACES

Pakistan is a country with diverse cultures, people, and landscapes. More than 60 languages are spoken in the country. Pakistan has a rich cultural background and heritage. It has monuments that date as far back as the 14th century. Many of monuments exhibit the architectural style of the Mughal era as they were built during that time period. Some the most renowned structures in Pakistan are Badshahi Masjid in Lahore, Tomb of Shah Rukn-e-Alam of Multan, Derawar Fort in Bahawalpur and Makli graveyard in Thatta.

PATTERN OF SHAREHOLDING

1. CUIN (Incorporation Number)	0001107
2. Name of the Company	MAPLE LEAF CEMENT FACTORY LIMITED
3. Pattern of holding of the shares held by the shareholders as at	30-06-2018

4. No. of Shareholders	Size of Holding From	To	Total shares held
1,939	1 -	100	81,890
2,442	101 -	500	750,675
1,408	501 -	1000	1,126,409
2,022	1001 -	5000	4,747,813
419	5001 -	10000	3,070,603
171	10001 -	15000	2,059,773
88	15001 -	20000	1,588,722
74	20001 -	25000	1,697,952
44	25001 -	30000	1,231,843
25	30001 -	35000	819,700
18	35001 -	40000	686,746
15	40001 -	45000	639,934
22	45001 -	50000	1,072,026
6	50001 -	55000	317,487
20	55001 -	60000	1,142,229
10	60001 -	65000	631,606
6	65001 -	70000	404,490
9	70001 -	75000	659,485
4	75001 -	80000	310,861
3	80001 -	85000	250,250
1	85001 -	90000	90,000
3	90001 -	95000	273,800
8	95001 -	100000	791,129
5	100001 -	105000	515,048
3	105001 -	110000	324,312
4	110001 -	115000	449,192
2	115001 -	120000	232,950
4	120001 -	125000	495,225
3	125001 -	130000	383,599
3	135001 -	140000	410,500
1	140001 -	145000	141,125
4	145001 -	150000	597,500
1	150001 -	155000	154,100
3	155001 -	160000	474,625
3	160001 -	165000	484,258
1	165001 -	170000	167,400
5	170001 -	175000	868,509
2	180001 -	185000	365,999
2	185001 -	190000	378,500
4	195001 -	200000	800,000
3	210001 -	215000	641,567
1	215001 -	220000	218,000
2	220001 -	225000	450,000

4. No. of Shareholders	Size of Holding From	To	Total shares held
1	225001 -	230000	229,500
2	230001 -	235000	465,193
1	235001 -	240000	237,037
6	250001 -	255000	1,521,396
3	255001 -	260000	772,512
1	265001 -	270000	269,714
1	270001 -	275000	271,500
2	275001 -	280000	557,804
1	285001 -	290000	286,500
3	295001 -	300000	900,000
2	300001 -	305000	603,562
1	305001 -	310000	310,000
1	315001 -	320000	318,500
1	325001 -	330000	325,687
1	330001 -	335000	333,992
2	335001 -	340000	676,000
3	340001 -	345000	1,030,950
2	350001 -	355000	705,705
2	355001 -	360000	715,125
1	360001 -	365000	360,584
1	370001 -	375000	373,125
2	380001 -	385000	767,699
1	385001 -	390000	388,000
1	395001 -	400000	400,000
1	400001 -	405000	400,992
3	415001 -	420000	1,254,544
1	425001 -	430000	426,955
3	455001 -	460000	1,372,650
1	460001 -	465000	463,500
1	470001 -	475000	475,000
2	480001 -	485000	965,937
2	495001 -	500000	995,500
2	500001 -	505000	1,008,000
1	535001 -	540000	538,937
2	550001 -	555000	1,103,562
1	555001 -	560000	559,062
1	565001 -	570000	570,000
1	570001 -	575000	573,000
1	590001 -	595000	593,900
1	595001 -	600000	600,000
1	605001 -	610000	609,343
2	620001 -	625000	1,245,737
2	625001 -	630000	1,256,250
1	675001 -	680000	677,800
1	705001 -	710000	706,400
1	710001 -	715000	713,812
1	730001 -	735000	730,687
1	745001 -	750000	750,000
1	750001 -	755000	753,750
1	795001 -	800000	797,500
1	815001 -	820000	818,000

4. No. of Shareholders	Size of Holding From		Size of Holding To	Total shares held
1	845001	-	850000	848,250
1	890001	-	895000	890,187
1	920001	-	925000	922,500
1	945001	-	950000	948,771
1	985001	-	990000	987,362
1	990001	-	995000	994,000
1	995001	-	1000000	1,000,000
2	1090001	-	1095000	2,186,750
1	1210001	-	1215000	1,212,587
1	1220001	-	1225000	1,225,000
1	1240001	-	1245000	1,244,556
1	1255001	-	1260000	1,259,212
1	1300001	-	1305000	1,303,850
1	1340001	-	1345000	1,344,825
2	1345001	-	1350000	2,699,300
1	1435001	-	1440000	1,439,400
1	1495001	-	1500000	1,496,000
2	1620001	-	1625000	3,247,100
1	1640001	-	1645000	1,643,625
1	1895001	-	1900000	1,899,300
1	1995001	-	2000000	2,000,000
1	2225001	-	2230000	2,225,400
1	2275001	-	2280000	2,276,500
1	2345001	-	2350000	2,346,250
1	2760001	-	2765000	2,764,847
1	2970001	-	2975000	2,971,300
1	3005001	-	3010000	3,007,000
1	3170001	-	3175000	3,173,625
1	3385001	-	3390000	3,387,000
1	3480001	-	3485000	3,480,125
1	3605001	-	3610000	3,609,400
1	3610001	-	3615000	3,612,150
1	3640001	-	3645000	3,640,500
1	3750001	-	3755000	3,753,162
1	3900001	-	3905000	3,901,100
1	3945001	-	3950000	3,948,750
1	4535001	-	4540000	4,538,500
1	4635001	-	4640000	4,635,500
1	4665001	-	4670000	4,667,275
1	5090001	-	5095000	5,093,875
1	5645001	-	5650000	5,648,375
1	6230001	-	6235000	6,234,687
1	6925001	-	6930000	6,926,637
1	12715001	-	12720000	12,718,900
1	13555001	-	13560000	13,556,250
1	13950001	-	13955000	13,951,787
1	20495001	-	20500000	20,495,475
1	21725001	-	21730000	21,728,259
1	327832001	-	327837000	327,836,727
8,944				**593,700,666**

Note: The slabs not applicable above have not been shown.

5.	Categories of Shareholders	Shares Held	Percentage of Capital
5.1	Directors, CEO and their spouses & minor children		
	Mr. Tariq Sayeed Saigol - Chairman	17,529	0.0030
	Mr. Sayeed Tariq Saigol - Chief Executive	5,800	0.0010
	Mr. Taufique Sayeed Saigol	8,613	0.0015
	Mr. Waleed Tariq Saigol	6,111	0.0010
	Mr. Danial Taufique Saigol	2,812	0.0005
	Mr. Zamiruddin Azar	11,894	0.0020
	Mr. Shafiq Ahmed Khan	8,437	0.0014
	Mrs. Shehla Tariq Saigol - Spouse of Mr. Tariq Sayeed Saigol	97,254	0.0164
		158,450	0.0268
5.2	Associated Companies, undertakings and related parties		
	Kohinoor Textile Mills Ltd.	327,836,727	55.2192
5.3	NIT and ICP		
	National Bank of Pakistan, Trustee Deptt.	13,097	0.0022
	Industrial Development Bank of Pakistan (IDBP)	6,200	0.0010
		19,297	0.0032
5.4	Banks, Development Financial Institutions, Non-banking Financial Institutions	11,065,100	1.8638
5.5	Insurance & Takaful Companies	4,842,086	0.8156
5.6	Modarabas and Leasing Companies	18,414	0.0031

5.6.1 Mutual Funds

CDC - TRUSTEE ABL STOCK FUND	600,000
CDC - TRUSTEE AKD INDEX TRACKER FUND	60,512
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	175,000
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	713,812
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	110,000
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	279,987
CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	456,250
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1,212,587
CDC - TRUSTEE ALFALAH GHP ISLAMIC VALUE FUND	58,500
CDC - TRUSTEE ALFALAH GHP STOCK FUND	373,125
CDC - TRUSTEE ALFALAH GHP VALUE FUND	253,100
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1,899,300
CDC - TRUSTEE DAWOOD ISLAMIC FUND	4,500
CDC - TRUSTEE FAYSAL MTS FUND - MT	34,500
CDC - TRUSTEE FAYSAL SAVINGS GROWTH FUND - MT	500
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	31,250
CDC - TRUSTEE FIRST HABIB INCOME FUND - MT	3,500
CDC - TRUSTEE KSE MEEZAN INDEX FUND	426,955
CDC - TRUSTEE LAKSON EQUITY FUND	706,400

Categories of Shareholders	Shares Held	Percentage of Capital
Mutual Funds		
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	22,011	
CDC - TRUSTEE LAKSON TACTICAL FUND	135,500	
CDC - TRUSTEE MCB DCF INCOME FUND	573,000	
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	994,000	
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	3,901,100	
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	384,112	
CDC - TRUSTEE MEEZAN BALANCED FUND	550,625	
CDC - TRUSTEE MEEZAN ISLAMIC FUND	2,276,500	
CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	559,062	
CDC - TRUSTEE NAFA INCOME OPPORTUNITY FUND - MT	234,500	
CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	66,250	
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	475,000	
CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	383,587	
CDC - TRUSTEE NAFA MULTI ASSET FUND	44,000	
CDC - TRUSTEE NAFA STOCK FUND	338,500	
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	269,714	
CDC - TRUSTEE NIT INCOME FUND - MT	318,500	
CDC - TRUSTEE PAKISTAN INCOME FUND - MT	160,000	
CDC - TRUSTEE PIML ISLAMIC EQUITY FUND	8,125	
CDC - TRUSTEE PIML VALUE EQUITY FUND	3,750	
CDC - TRUSTEE UBL INCOME OPPORTUNITY FUND - MT	44,500	
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	90,500	
CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	570,000	
CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	1,225,000	
CDC-TRUSTEE FIRST HABIB ISLAMIC STOCK FUND	32,500	
CDC-TRUSTEE NAFA ASSET ALLOCATION FUND	115,450	
CDC-TRUSTEE NAFA SAVINGS PLUS FUND - MT	30,000	
GROWTH MUTUAL FUND LIMITED	110	
MC FSL TRUSTEE JS - INCOME FUND - MT	40,500	
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	485,000	
MCBFSL - TRUSTEE ALLIED CAPITAL PROTECTED FUND	10,000	
MCBFSL - TRUSTEE NAFA INCOME FUND - MT	84,500	
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	495,500	
	22,321,174	3.7597

	Categories of Shareholders	Shares Held	Percentage of Capital
5.7	Shareholders holding Five Percent or more voting interest in the Company Refer to 5.2 above	-	-
5.8	General Public		
	Individuals	49,299,710	8.3038
	Foreign Investors	160,187,007	26.9811
5.9	Executive(s)	1	-
5.10	Public Sector Companies and Corporations	1,246,566	0.2099
5.11	Joint Stock Companies	10,366,813	1.7461
5.12	Others		
	AKHUWAT	2,062	
	ARTAL RESTAURANT INT LTD. EMP. P.F	500	
	CDC - TRUSTEE AGIPF EQUITY SUB-FUND	10,662	
	CDC - TRUSTEE AGPF EQUITY SUB-FUND	8,687	
	CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	213,375	
	CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	55,000	
	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	310,000	
	CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	125,000	
	DAWOOD FAMILY TAKAFUL LIMITED EMPLOYEES PROVIDENT FUND	500	
	EMPLOYEES OLD AGE BENEFITS INSTITUTION	3,007,000	
	HABIB EDUCATION TRUST STAFF PROVIDENT FUND	5,312	
	JAS TRAVELS	10,000	
	LSE FINANCIAL SERVICES LIMITED	5,700	
	LSE FINANCIAL SERVICES LIMITED - MT	4,000	
	MANAGING COMMITTEE GHAZALI EDUCATION TRUST	440	
	PAKISTAN CENTRE FOR PHILANTHROPY	6,500	
	PAKISTAN TELECOMMUNICATION EMPLOYEES TRUST	200,000	
	PAKISTAN TELECOMMUNICATION EMPLOYEES TRUST	17,500	
	TRUSTEE ARTAL RESTAURANTS INTS EMP. P.F	1,000	

Categories of Shareholders	Shares Held	Percentage of Capital
Others		
TRUSTEE CHERAT CEMENT CO. LTD EMPLOYEES PROVIDENT FUND	137,500	
TRUSTEE CHERAT CEMENT COMPANY LTD STAFF GRATUITY FUND	137,500	
TRUSTEE CHERAT CEMENT COMPANY LTD.STAFF GRATUITY FUND	22,500	
TRUSTEE KARACHI PARSI ANJUMAN TRUST FUND	4,000	
TRUSTEE LEVER BROTHERS EMPLOYEES	5,000	
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	7,488	
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	213,391	
Trustee of Telenor Employees Gratuity Fund	53,500	
TRUSTEE OF DAWOOD FAMILY TAKAFUL LIMITED EMPLOYEES P.F	4,000	
TRUSTEE-ANPL MAN STAFF DEFINED CONTRIBUTIO SUPERANNUATION FD	20,500	
TRUSTEE-ANPL MANAGEMENT STAFF GRATUITY FUND	17,000	
TRUSTEE-ANPL MANAGEMENT STAFF PENSION FUND	13,500	
TRUSTEE-ANPL MANAGEMENT STAFF PROVIDENT FUND	20,000	
TRUSTEE-CHERAT CEMENT COMPANY LTD. EMPLOYEES PROVIDENT FUND	48,125	
TRUSTEE-MILLAT TRACTORS LTD. EMPLOYEES PENSION FUND	5,375	
TRUSTEES D.G.KHAN CEMENT CO.LTD.EMP. P.F	7,875	
TRUSTEES FEERASTA SENIOR TRUST	3,000	
TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	56,250	
TRUSTEES OF CRESENT STEEL & ALLIED PRODUCTS LTD-PENSION FUND	2,615	
Trustees of Karachi Sheraton Hotel Employees Provident Fund	516	
Trustees of Pakistan Human Development Fund	40,875	
TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD-PROVIDENT FUND	112,500	
Trustees of PharmEvo Pvt. Ltd. Employees Provident Fund	4,943	
TRUSTEES OF PHILIP MORRIS (PAKISTAN) LIMITED E.C.P.F TRUST	8	
Trustees of TCS (Pvt.)Ltd.Employee Provident Fund Trust	8,297	
Trustees of Thal Limited Employees Provident Fund	18,000	
TRUSTEES THE CRESCENT TEXTILE MILLS EMP PROVIDENT FUND TRUST	1,344,825	
Trustees Wah Nobel P. Ltd. Mang.Staff PF	20,000	
Trustees of Telenor Pakistan Pvt Ltd Employees Provident Fund	13,500	
TRUSTEE-SULAIMANIYAH TRUST	13,500	
	6,339,321	1.0677
Grand Total:	**593,700,666**	**100.0000**

This disclosure is being added as per requirements of Securities and Exchange Commission of Pakistan vide SRO 924(1) / 2015, dated 09 September 2015.

Financial Statements

for the Year Ended June 30, 2018

Financial Statements

for the Year Ended June 30, 2018

KPMG Taseer Hadi & Co.
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INDEPENDENT AUDITOR'S REPORT

To the members of Maple Leaf Cement Factory Limited

Report on the Audit of the Unconsolidated Financial Statements

We have audited the annexed unconsolidated financial statements of Maple Leaf Cement Factory Limited ("the Company"), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the 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 statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Following are the Key audit matter(s):

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1	Sales Refer to statement of profit or loss and note 3.16 and 33 to the unconsolidated financial statements. The Company generates revenue from sale of cement to domestic as well as export customers. We identified recognition of sales as a key audit matter because sales is one of the key performance indicator of the Company and gives rise to an inherent risk of misstatement to meet expectations or targets.	Our audit procedures to assess recognition of sales, amongst others, included the following: • obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • assessing the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards; • comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents; • comparing a sample of sale transactions recorded around the year with the sales orders, sales invoices, delivery challans and other relevant underlying documentation to assess if the sale was recorded in the appropriate accounting period; • comparing, on a sample basis, specific sale transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and • scanning for any manual journal entries relating to sales raised during the year which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.
2	Borrowings and finance costs Refer notes 3.18, 8 and 39 to the unconsolidated financial statements. The Company has obtained range of financing facilities from different financial institutions with varying terms and tenure. This was considered to be a key audit matter as these affects Company's gearing, liquidity and solvency. Further, compliance with debt covenants is a key requirement of these financing arrangements.	Our audit procedures included the following: • We assessed the design and operating effectiveness of the Company's internal controls over recording the terms and conditions of borrowings from financial institutions, including their classification as either current or non-current and associated costs; • We obtained confirmations of borrowings as at 30 June 2018 directly from the financial institutions; • We tested the calculation of markup recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved accounting standards as applicable in Pakistan; • We assessed whether loans maturing within twelve months were classified as current liabilities; and • We assessed the adequacy of the Company's compliance with the loan covenants and the disclosure in the unconsolidated financial statements.

3	Capitalization of Property, Plant and Equipment Refer notes 3.5 and 19 to the unconsolidated financial statements. The Company has made significant capital expenditure on expansion of manufacturing facilities. We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year.	Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following: • understanding the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system; • testing, on sample basis, the costs incurred on projects with supporting documentation and contracts; • assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards; and • inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.

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

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2018, but does not include the consolidated and unconsolidated financial statements and our auditor's report 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.

- 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.

KPMG Taseer Hadi & Co.

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017(XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

The engagement partner on the audit resulting in this independent auditor's report is Bilal Ali.

KPMG Taseer Hadi & Co.

Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: September 17, 2018

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2018

	Note	2018	2017 Restated	2016 Restated
		(Rupees in thousand)		
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital	5	7,000,000	7,000,000	7,000,000
Issued, subscribed and paid-up share capital	5	5,937,007	5,277,340	5,277,340
Capital reserves	6	5,640,300	2,058,137	2,058,137
Accumulated profits		14,069,289	12,048,675	9,414,403
Surplus on revaluation of fixed assets - net of tax	7	4,264,543	4,323,909	4,587,255
		29,911,139	23,708,061	21,337,135
NON - CURRENT LIABILITIES				
Long term loans from banking companies - secured	8	12,942,080	2,890,226	927,298
Liabilities against assets subject to finance lease - secured	9	-	270,615	479,243
Long term deposits	10	8,714	8,699	6,499
Deferred taxation	11	3,418,172	4,024,363	4,124,673
Retention money payable	12	310,735	-	-
Retirement benefits	13	183,764	150,778	119,783
		16,863,465	7,344,681	5,657,496
CURRENT LIABILITIES				
Current portion of:				
- Long term loans from banking companies - secured	8	810,616	213,534	-
- Liabilities against assets subject to finance lease - secured	9	-	210,000	167,519
Trade and other payables	14	5,388,729	3,579,127	3,151,379
Unpaid dividend		-	-	1,013
Unclaimed dividend		110,743	101,219	41,191
Mark-up accrued on borrowings	15	283,415	101,465	36,807
Provision for taxation - net	16	-	420,527	204,245
Short term borrowings	17	5,360,421	3,138,159	1,424,911
		11,953,924	7,764,031	5,027,065
CONTINGENCIES AND COMMITMENTS	18			
		58,728,528	38,816,773	32,021,696

The annexed notes from 1 to 55 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER　　CHIEF FINANCIAL OFFICER　　DIRECTOR

	Note	2018	2017 Restated	2016 Restated
		(Rupees in thousand)		
ASSETS				
NON - CURRENT ASSETS				
Property, plant and equipment	19	40,894,010	23,647,663	22,822,494
Intangible assets	20	16,811	25,206	-
Long term investment	21	5,020,000	4,670,000	660,000
Long term loans to employees - secured	22	9,472	5,799	5,628
Long term deposits	23	56,554	56,474	55,867
		45,996,847	28,405,142	23,543,989
CURRENT ASSETS				
Stores, spare parts and loose tools	24	6,505,283	6,750,586	5,383,750
Stock-in-trade	25	1,193,506	1,301,235	872,820
Trade debts	26	1,131,753	682,526	576,861
Loans and advances	27	2,303,402	834,913	821,964
Short term investment	28	32,062	77,659	12,000
Short term deposits and prepayments	29	114,208	75,867	71,594
Accrued profit	30	1,179	1,356	1,582
Other receivables	31	43,534	273,531	342,662
Income tax refundable	16	774,092	-	-
Cash and bank balances	32	632,662	413,958	394,474
		12,731,681	10,411,631	8,477,707
		58,728,528	38,816,773	32,021,696

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended June 30, 2018

	Note	2018	2017
		(Rupees in thousand)	
Sales - net	33	25,699,113	23,992,079
Cost of goods sold	34	(18,183,189)	(14,509,777)
Gross profit		7,515,924	9,482,302
Distribution cost	35	(1,229,515)	(1,275,182)
Administrative expenses	36	(730,551)	(621,076)
Other charges	37	(390,875)	(536,369)
		(2,350,941)	(2,432,627)
Other income	38	55,935	139,030
Profit from operations		5,220,918	7,188,705
Finance costs	39	(825,682)	(318,349)
Profit before taxation		4,395,236	6,870,356
Taxation	40	(763,035)	(2,093,275)
Profit after taxation		3,632,201	4,777,081
		--------------Rupees--------------	
			Restated
Earnings per share - basic and diluted	41	6.29	8.81

The annexed notes from 1 to 55 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2018

	2018	2017
	(Rupees in thousand)	
Profit after taxation	3,632,201	4,777,081
Other comprehensive income		
Item that will not be subsequently reclassified in profit or loss:		
Remeasurement of defined benefit liability	(27,012)	(19,408)
Related tax	6,737	4,891
	(20,275)	(14,517)
Total comprehensive income for the year	3,611,926	4,762,564

The annexed notes from 1 to 55 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2018

	Note	2018	2017
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,395,236	6,870,356
Adjustments for:			
Depreciation	19.7	2,144,497	1,894,105
Amortization	20	8,395	3,826
Provision against doubtful debts	36	25,000	-
Provision for Workers' Profit Participation Fund	14.3	235,035	374,174
Provision for Workers' Welfare Fund	37	70,431	138,293
Loss on disposal of property, plant and equipment	37	3,036	2,848
Loss / (gain) on re-measurement of short term investments at fair value	37	67,594	(50,659)
Retirement benefits		46,058	38,843
Finance costs	39	825,682	318,349
Advances written off	36	12,895	-
Profit on bank deposits	38	(28,793)	(16,402)
Cash generated from operations before working capital changes		7,805,066	9,573,733
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		245,303	(1,366,836)
Stock-in-trade		107,729	(428,415)
Trade debts		(474,227)	(105,665)
Loans and advances		(1,468,489)	(12,949)
Short term deposits and prepayments		(38,341)	(4,273)
Other receivables		217,102	69,131
		(1,410,923)	(1,849,007)
Increase in current liabilities:			
Trade and other payables		1,815,694	28,381
		404,771	(1,820,626)
Net cash generated from operations		8,209,837	7,753,107
Increase in long term loans to employees	22	(3,673)	(171)
Increase in long term deposits to suppliers	23	(80)	(607)
Increase in long term deposits from customers	10	15	2,200
Increase in retention money payable	12	310,735	-
Retirement benefits paid		(40,084)	(27,256)
Workers' Profit Participation Fund paid		(175,916)	-
Workers' Welfare Fund paid		(135,635)	(112,622)
Taxes paid		(2,393,707)	(1,989,248)
Net cash generated from operating activities		5,771,492	5,625,403
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment		(19,445,846)	(2,917,312)
Intangible asset purchased		-	(29,032)
Proceeds from disposal of property, plant and equipment		51,965	195,191
Long term investment		(350,000)	(4,010,000)
Loss on short term investment - net		(21,997)	(15,000)
Profit on bank deposits received		28,970	16,628
Net cash used in investing activities		(19,736,908)	(6,759,525)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term loans from banking companies - secured - net		10,648,936	2,176,462
Proceeds from issuance of right shares		4,241,830	-
Payment of liabilities against assets subject to finance lease - net		(480,615)	(164,614)
Short term borrowings - net		1,208,505	1,467,065
Finance costs paid		(643,732)	(255,224)
Redemption of preference shares		-	(478)
Dividend paid		(1,804,561)	(2,315,788)
Net cash generated from financing activities		13,170,363	907,423
Net decrease in cash and cash equivalents		(795,053)	(226,699)
Cash and cash equivalents at beginning of the year		158,068	384,767
Cash and cash equivalents at end of the year	42	(636,985)	158,068

The annexed notes from 1 to 55 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2018

	Share Capital	Capital Reserves				Revenue Reserves	Total Equity
		Share premium	Capital redemption reserve	Sub-total	Surplus on revaluation of fixed assets - net of tax	Accumulated profits	
	(Rupees in thousand)						
As at 30 June 2016, as previously reported	5,277,340	1,529,874	528,263	2,058,137	-	9,414,403	16,749,880
Effect of restatement - note 3.1	-	-	-	-	4,587,255	-	4,587,255
As at 30 June 2016 - restated	5,277,340	1,529,874	528,263	2,058,137	4,587,255	9,414,403	21,337,135
Total comprehensive income for the year							
Profit for the year ended 30 June 2017	-	-	-	-	-	4,777,081	4,777,081
Other comprehensive income for the year ended 30 June 2017	-	-	-	-	-	(14,517)	(14,517)
	-	-	-	-	-	4,762,564	4,762,564
Effect on deferred tax due to change in tax rate and proportion of local and export sales	-	-	-	-	(16,835)	-	(16,835)
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(223,092)	223,092	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	(23,419)	23,419	-
Transaction with owners of the Company							
Final cash dividend @ Rs. 2.5 per share for the year ended 30 June 2016	-	-	-	-	-	(1,319,335)	(1,319,335)
Interim cash dividend @ Rs. 2.0 per share for the year ended 30 June 2017	-	-	-	-	-	(1,055,468)	(1,055,468)
As at 30 June 2017	5,277,340	1,529,874	528,263	2,058,137	4,323,909	12,048,675	23,708,061
Total comprehensive income for the year							
Profit for the year ended 30 June 2018	-	-	-	-	-	3,632,201	3,632,201
Other comprehensive income for the year ended 30 June 2018	-	-	-	-	-	(20,275)	(20,275)
	-	-	-	-	-	3,611,926	3,611,926
Issuance of shares	659,667	3,628,171	-	3,628,171	-	-	4,287,838
Shares issue cost	-	(46,008)	-	(46,008)	-	-	(46,008)
	659,667	3,582,163	-	3,582,163	-	-	4,241,830
Effect on deferred tax due to change in tax rate and proportion of local and export sales	-	-	-	-	163,407	-	163,407
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(222,762)	222,762	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	(11)	11	-
Transaction with owners of the Company							
Final cash dividend @ Rs. 1.75 per share for the year ended 30 June 2017	-	-	-	-	-	(923,534)	(923,534)
Interim cash dividend @ Rs. 1.5 per share for the year ended 30 June 2018	-	-	-	-	-	(890,551)	(890,551)
As at 30 June 2018	5,937,007	5,112,037	528,263	5,640,300	4,264,543	14,069,289	29,911,139

The annexed notes from 1 to 55 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2018

1. REPORTING ENTITY

1.1 Maple Leaf Cement Factory Limited ("the Company") 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 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 Holding Company").

1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance were particularly affected by the following events and transactions during the reporting period:

a) The Company is in the process of installation of an additional Cement Line having cement manufacturing capacity of 7,300/- tons per day at its existing manufacturing premises, which will significantly affect the business volume and profitability of the Company. Refer note 19.9 for expenditures incurred till 30 June 2018. In this regard, the Company has arranged long term finance facilities aggregating Rs. 14,250 million as referred to in note 8 of these unconsolidated financial statements.

b) The Company started purchasing coal-based electricity from its Subsidiary Company, Maple Leaf Power Limited during the year.

c) The accounting policy for surplus on revaluation of land, building on freehold land, roads, bridges and railway sidings and plant and machinery changed during the year as detailed in note 3.1.1 to these unconsolidated financial statements.

d) Due to the first time application of financial reporting requirements under the Companies Act, 2017, including disclosure and presentation requirements of the fourth schedule of the Companies Act, 2017, some of the amounts reported for the previous period have been reclassified.

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 subsidiary is accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investee. Consolidated financial statements of the Company are prepared and presented separately.

The Company has the following long term investment:

	2018	2017
	(Direct holding percentage)	
Subsidiary Company		
Maple Leaf Power Limited	100	100

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 for the following:

- certain financial instruments at fair value;
- certain property, plant and equipment at revalued amounts; and
- recognition of employee retirement benefits at present value.

2.4 Functional and presentation currency

These unconsolidated financial statements have been prepared in Pak Rupees ("Rs.") which is the Company's functional currency.

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:

2.5.1 Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on regular basis. 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.

2.5.2 Stores, spare parts and loose tools

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.

2.5.3 Stock-in-trade

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.

2.5.4 Provision for doubtful debts, advances and other receivables

The Company reviews the recoverability of its trade debts, advances and other receivables to assess amount of bad debts and provision required there against on annual basis.

2.5.5 Employee benefits

The Company operates approved funded gratuity scheme covering all its full time permanent workers who have completed the minimum qualifying period of service as defined under the respective scheme. The gratuity scheme is managed by trustees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis.

The amount of the expected return on plan assets is calculated using the expected rate of return for the year and the market-related value at the beginning of the year. Gratuity cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years, net of the expected return on plan assets. Calculations are sensitive to changes in the underlying assumptions.

2.5.6 Impairment

The management of the Company reviews carrying amounts of its assets including receivables and advances and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

2.5.7 Taxation

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The Company also regularly reviews the trend of proportion of incomes between Presumptive Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change.

2.5.8 Provisions and contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

2.5.9 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by an independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been consistently applied to all periods presented in these financial statements, except as disclosed in note 3.1.

3.1 Changes in accounting policy

3.1.1 Upto 30 June 2017, surplus on revaluation of land was being measured under the repealed Companies Ordinance, 1984. The surplus arising on the revaluation is credited to the surplus on revaluation of land, building on freehold land, roads, bridges and railway sidings and plant and machinery account. With effect from 1 January 2018, Companies Act, 2017 has become applicable and section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Accordingly the management has changed the accounting policy to bring accounting of revaluation surplus on land, building on freehold land, roads, bridges and railway sidings and plant and machinery in accordance with IAS 16 “Property, plant and equipment”. The effect of this change in accounting policy, which is applied with retrospective effect, has resulted in transfer of surplus on revaluation of land, building on freehold land, roads, bridges and railway sidings and plant and machinery to equity which was previously being presented outside the equity.

3.2 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 as defined under the respective scheme. 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. 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

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.

3.3 Taxation

Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred

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

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

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.

Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in unconsolidated comprehensive income or equity.

3.4 Leases

Leases are classified as finance lease whenever terms of the lease transfer substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The liability to the lessor is included in the statement of financial position as liabilities against assets subject to finance lease. The liabilities are classified as current and non-current depending upon the timing of payment. Lease payments are apportioned between finance charges and reduction of the liabilities against assets subject to finance lease so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to unconsolidated statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs.

Rentals payable under operating leases are charged to unconsolidated statement of profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

3.5 Property, plant and equipment

3.5.1 Tangible assets

Owned

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. The surplus on revaluation of fixed assets to the extent of the annual incremental depreciation based on the revalued carrying amount of the asset and the depreciation based on the assets' original cost 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 statement of profit or loss as incurred.

Gains / losses on disposal or retirement of tangible assets, if any, are taken to unconsolidated statement of profit or loss.

Depreciation is calculated at the rates specified in note 19.1 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.

Leased

Assets held under finance lease arrangements are initially recorded at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets. Depreciation on leased assets is charged by applying reducing balance method at the rates used for similar owned assets, so as to depreciate the assets over their estimated useful lives in view of certainty of ownership of assets at end of the lease term.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

3.5.2 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 Impairment

3.6.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in unconsolidated statement of profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized. Reversal of impairment loss is recognized in statement of profit or loss except in the case of available for sale instruments where the reversal is included in unconsolidated other comprehensive income.

3.6.2 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 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.

3.7 Investments

Investment in equity instruments of subsidiary

Investment in subsidiary company 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 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.

At fair value through statement of profit or loss

Investments at fair value through profit and loss are those which are acquired for generating a profit from short-term fluctuation in prices. All investments are initially recognized at cost, being the fair value of the consideration given. Subsequent to initial recognition, these investments are re-measured at fair value (quoted market price). Any gain or loss from a change in the fair value is recognized in unconsolidated statement of profit or loss.

3.8 Loans and receivables

Loans and receivables are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, loans and receivables are stated at amortized cost with any difference between cost and redemption value being recognized in the unconsolidated statement of profit or loss over the period of the investments on an effective yield method less impairment loss, if any.

3.9 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.

3.10 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, labor and a proportion of appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

3.11 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to contractual provisions of the instrument and de-recognized when the Company looses control of contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and liabilities are included in unconsolidated statement of profit or loss for the year.

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest method. The carrying values of liabilities approximate to their amortized cost.

3.12 Trade and other payables

Creditors relating to trade and other payables are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.13 Trade debts

Trade debts are stated initially at the fair value, subsequent to initial recognition, these are stated at their amortized cost as reduced by appropriate provision for impairment. Known impaired receivables are written off, while receivables considered doubtful are fully provided for.

3.14 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.

3.15 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.

3.16 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates. Revenue is measured at fair value of consideration received or receivable on the following basis:

- Sales are recorded when significant risks and rewards of ownership of the goods have passed to the customers;
- Dividend income is recognized when the Company's right to receive the dividend is established; and
- Interest income is recognized as and when accrued on effective interest method.

3.17 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.

3.18 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.

3.19 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 statement of financial position date and adjusted to reflect the current best estimate.

3.20 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.

3.21 Dividend to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability in the Company's unconsolidated financial statements in the year in which the dividends are approved by the Board of Directors or the Company's shareholders as the case may be.

3.22 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.

4. NEW COMPANIES ACT, 2017 AND NEW AND REVISED APPROVED ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS THERETO

4.1 With effect from 1 January 2018, Companies Act, 2017 has become applicable. The new Act specified certain additional disclosures to be included in these unconsolidated financial statements. Accordingly, the Company has presented the required disclosures in these unconsolidated financial statements and represented certain comparatives. However there was no change in the reported amounts of statement of profit or loss and other comprehensive income or the amounts presented in the unconsolidated statement of financial position due to these re-presentations, except for the change referred to in note 3.1. Further, significant reclassifications / representations include unclaimed dividend and dividend payable which were previously classified under trade and other payables have now been presented separately in the unconsolidated statement of financial position.

4.2 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on these unconsolidated financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property', effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on these unconsolidated financial statements.

- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment.

Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on these unconsolidated financial statements.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on these unconsolidated financial statements.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on these unconsolidated financial statements.

- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-statement of financial position lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on these unconsolidated financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on these unconsolidated financial statements.

Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. The amendment, is not likely to have an impact on the Company's financial statements.

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on these unconsolidated financial statements.

5. SHARE CAPITAL

5.1 Authorized share capital

	Number of shares	2018	2017
		(Rupees in thousand)	
(2017: 600,000,000) ordinary shares of Rs. 10 each	600,000,000	6,000,000	6,000,000
(2017: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each	100,000,000	1,000,000	1,000,000
	700,000,000	7,000,000	7,000,000

5.2 Issued, subscribed and paid-up share capital

	Note	Number of shares	2018	2017
			(Rupees in thousand)	
(2017: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash	5.2.1	356,326,596	3,563,266	2,903,599
(2017: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		35,834,100	358,341	358,341
(2017: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		46,069,400	460,694	460,694
(2017: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.2.2	153,846,153	1,538,462	1,538,462
(2017: 1,624,417) ordinary shares of Rs. 10 each issued on conversion of preference shares into ordinary shares	5.2.3	1,624,417	16,244	16,244
		593,700,666	5,937,007	5,277,340

5.2.1 During the year ended 30 June 2018, the Company issued 65,966,740 right shares at Rs. 65 per share at a premium of Rs. 55 per share. The Company has utilized the proceeds from right shares in enhancement of cement manufacturing capacity. Currently, the expansion project is in progress at plant site in Iskanderabad District Mianwali.

5.2.2 During the financial year ended 30 June 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.

5.2.3 During the financial years ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.

5.3 The Holding Company holds 327,836,727 (2017: 291,410,425) ordinary shares, which represents 55.22% (2017: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Company.

5.4 Directors of the Company hold 61,196 (2017: 54,399) ordinary shares of Rs. 10 each of the Company.

6. CAPITAL RESERVES

	Note	2018	2017
		(Rupees in thousand)	
Capital redemption reserve	6.1	528,263	528,263
Share premium reserve	6.2	5,112,037	1,529,874
		5,640,300	2,058,137

6.1 This reserve was 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.

	2018	2017
	(Rupees in thousand)	
7. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
At beginning of the year	5,659,065	5,984,429
Surplus on disposal of fixed assets during the year - net of deferred tax	(11)	(23,419)
Related deferred tax liability	(3)	(3,694)
Transfer to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(222,762)	(223,092)
Related deferred tax liability	(74,017)	(75,159)
At end of the year	5,362,272	5,659,065
Deferred tax liability on revaluation surplus		
At beginning of the year	1,335,156	1,397,174
Transferred to unappropriated profit in respect of disposal of fixed assets during the year	(3)	(3,694)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(74,017)	(75,159)
Effect of change in tax rate and proportion of local and export sales	(163,407)	16,835
At end of the year	1,097,729	1,335,156
	4,264,543	4,323,909

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 22 June 2015. 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 BANKING COMPANIES - SECURED

	Lender	Sanctioned Limit	2018	2017	Tenure and basis of principal repayment	Mark-up as per Agreement	Security
		----- (Rupees in thousand) -----					
1	Askari Bank Limited - Term Finance	1,000,000	939,981	-	28 equal quarterly installments with first installment beginning on 27 March 2020.	3-Month KIBOR + 75bps payable quarterly in arrears to be set on day of first draw down and then on 1st working day of each quarter.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Company.
2	Bank of Punjab - Demand Finance	2,000,000	1,415,704	-	28 equal quarterly installments beginning on 31 December 2019.	3-Month KIBOR + 75bps payable quarterly in arrears to be reset on 1st working day of each calendar quarter.	Joint pari passu charge over all present and future fixed assets of the Company with 25% margin.
3	MCB Bank Limited - Demand Finance	2,000,000	1,322,699	-	22 equal quarterly installments beginning on 01 May 2019.	3-Month KIBOR + 75bps payable quarterly in arrears to be reset on 1st working day of each calendar quarter.	Joint pari passu charge over all present and future fixed assets of the Company with 25% margin.
4	National Bank of Pakistan - Demand Finance	4,000,000	3,079,138	-	28 equal quarterly installments beginning on 30 June 2020.	3-Month KIBOR + 75bps payable quarterly in arrears to be set on last business day before first draw down and then on immediately preceding day of each quarter.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Company.
5	Samba Bank - Term Finance	750,000	750,000	-	20 equal quarterly installments beginning on 20 March 2020.	3-Month KIBOR + 75bps payable quarterly in arrears to be reset on 1st working day of each calendar quarter.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Company.
6	MCB Bank Limited (EX NIB) - Term Finance	2,000,000	984,505	-	28 equal quarterly installments beginning on 15 August 2020.	3-Month KIBOR + 0.75% payable quarterly in arrears to be set on the date of first disbursement and subsequently last 7 days avg. of 3MK during last quarter to be reset on quarterly basis.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Company.
7	MCB Islamic - Diminishing Musharikah	1,500,000	900,000	-	24 equal quarterly installments beginning on 01 June 2020.	3-Month KIBOR + 0.7% payable quarterly in arrears to be set on the date of first day of disbursement and to be reset on 1st working day of calendar quarter.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Company.
8	Habib Bank Ltd. - Term Finance	1,000,000	500,000	-	28 equal quarterly installments beginning on 01 March 2020.	3-Month KIBOR + 75bps payable quarterly in arrears to be set on last business day before first draw down and then on immediately preceding day of each quarter.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Company.
9	Askari Bank Limited - Term Finance	500,000	475,000	500,000	20 equal quarterly installments ending on 04 March 2023.	3-Month KIBOR + 1.25% 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 hypothecation charge and equitable mortgage charge of Rs. 667 million over all present and future plant and machinery and land and building respectively of cement unit-II; and Personal guarantees also provided by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).

Lender	Sanctioned Limit	2018	2017	Tenure and basis of principal repayment	Mark-up as per Agreement	Security
	----- (Rupees in thousand) -----					
10 Bank of Punjab - Demand Finance	1,500,000	1,268,590	1,252,580	20 equal quarterly installments beginning on 06 July 2018.	3-Month KIBOR + 1.25% payable quarterly in arrears to be set on the day of 1st draw down and then on 1st day of calendar quarter.	1st joint pari passu hypothecation charge and equitable mortgage charge over all present and future fixed assets of the Company with 25% margin. It is also secured by lien over import documents. Personal guarantees by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors) duly supported by net worth statements and cross corporate guarantee of the Company and Maple Leaf Power Limited (MLPL) has also been provided.
11 MCB Bank Limited - Demand Finance	1,000,000	740,582	675,590	22 equal quarterly installments ending on 06 April 2023.	3-Month KIBOR + 1.15% payable quarterly in arrears to be reset on 1st working day of each calendar quarter.	1st joint pari passu hypothecation charge and equitable mortgage charge over all present and future fixed assets of the Company with 25% margin; and Personal guarantees also provided by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
12 National Bank of Pakistan - Demand Finance	1,000,000	876,497	675,590	22 equal quarterly installments beginning on 06 July 2018.	3-Month KIBOR + 1.25% payable quarterly in arrears to be set on the date of first disbursement and subsequently at the beginning of each Calendar quarter.	1st joint pari passu hypothecation charge and equitable mortgage charge over all present and future fixed assets of the Company amounting to Rs. 1,334 million; and Personal guarantees also provided by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
13 MCB Islamic Bank - Diminishing Musharikah	500,000	500,000	-	24 equal quarterly installments beginning on 13 December 2018.	3-Month KIBOR + 0.7% payable quarterly in arrears to be set on the date of first disbursement and subsequently at the beginning of each Calendar quarter.	1st joint pari passu hypothecation charge and equitable mortgage charge over all present and future fixed assets of the Company amounting to Rs. 667 million; and Personal guarantees also provided by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
	18,750,000	13,752,696	3,103,760			
Less: Current portion of long term loans from banking companies - secured		(810,616)	(213,534)			
Long term portion of loans from banking companies		12,942,080	2,890,226			

8.1 As per the financing document the Company is required to comply with certain financial covenants which mainly include current ratio, minimum debt service coverage ratio, minimum interest coverage ratio, gearing ratio and maximum leverage ratio. Further, the Company is required to comply with certain conditions imposed by the providers of finance to make dividend payment.

8.2 The Company has un-availed long term facilities amounting to Rs. 4,997.30 million (2017: Rs. 11,000 million).

9. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

	2018	2017
	(Rupees in thousand)	
Present value of minimum lease payments	-	480,615
Less: Current maturity presented under current liabilities	-	(210,000)
	-	270,615

During the current year, the Company has made early repayment of six outstanding quarterly repayments amounting to Rs. 480.62 million (US$ 4.57 million) that was originally due to be repaid by December 2018.

10. LONG TERM DEPOSITS

These represent deposits received from dealers and are being utilized by the Company in accordance with the terms of dealership agreements.

11. DEFERRED TAXATION

	2018	2017
	(Rupees in thousand)	
Deferred tax liability on taxable temporary differences arising in respect of:		
- accelerated tax depreciation on fixed assets	2,376,871	2,744,010
- surplus on revaluation of fixed assets	1,097,729	1,335,156
	3,474,600	4,079,166
Deferred tax asset on deductible temporary differences arising in respect of:		
- liabilities against assets subject to finance lease	-	(16,807)
- provision against doubtful debts	(7,750)	-
- employees' retirement benefits	(48,678)	(37,996)
	(56,428)	(54,803)
	3,418,172	4,024,363

	2018	2017
	(Rupees in thousand)	

11.1 Movement in deferred tax balances is as follows:

	2018	2017
At beginning of the year	4,024,363	4,124,673
Recognized in statement of profit or loss:		
- accelerated tax depreciation on fixed assets	(367,139)	(65,841)
- surplus on revaluation of fixed assets	(74,020)	(78,853)
- liabilities against assets subject to finance lease	16,807	35,719
- employees' retirement benefits	(3,945)	(3,279)
- provision for doubtful debts	(7,750)	-
	(436,047)	(112,254)
Recognized in surplus on revaluation of fixed assets:		
Effect of change in proportion of local and export sales	(163,407)	16,835
Recognized in statement of other comprehensive income:		
Employees' retirement benefits	(6,737)	(4,891)
	3,418,172	4,024,363

12. RETENTION MONEY PAYABLE

This amount represents retention money payable to M/s FLS Smidth amounting to Euro 3.43 million (equivalent to Rs. 380.66 million at the exchange rate prevailing on the date of signing of contract, i.e. 16 January 2017) on purchase of plant and machinery. The amount is payable after two years from the date of commencement of commercial production of new cement plant under construction at Iskandrabad, District Mianwali and has been accounted for at present value using discount rate of 7% per annum with the corresponding adjustment amounting to Rs. 69.92 million in cost of respective asset.

13. RETIREMENT BENEFITS

	Note	2018	2017
		(Rupees in thousand)	
Accumulated compensated absences	13.1	102,396	76,360
Gratuity	13.2	81,368	74,418
		183,764	150,778

13.1 Accumulated compensated absences

	2018	2017
At beginning of the year	76,360	57,059
Provision for the year	35,607	29,825
Less: Payments made during the year	(9,571)	(10,524)
At end of the year	102,396	76,360

13.2 Gratuity

The latest actuarial valuation of the Company's defined benefit plan, was conducted on 30 June 2018 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

The amounts recognized in the statement of financial position are as follows:

	Note	2018	2017
		(Rupees in thousand)	
Present value of defined benefit obligation	13.2.1	146,800	153,921
Less: Fair value of plan assets	13.2.2	(65,432)	(79,503)
Net liability at end of the year		81,368	74,418
Net liability at beginning of the year		74,418	62,724
Charge to statement of profit or loss for the year	13.2.3	10,451	9,018
Charge to other comprehensive income for the year	13.2.3	27,012	19,408
Contribution made during the year		(30,513)	(16,732)
Net liability at end of the year		81,368	74,418

13.2.1 Movement in the present value of defined benefit obligations is as follows:

Present value of defined benefit obligations at beginning of the year	153,921	131,316
Current service cost for the year	5,866	5,076
Interest cost for the year	10,746	8,914
Actuarial losses on present value of defined benefit obligations	6,780	25,347
Less: Benefits paid during the year	(30,513)	(16,732)
Present value of defined benefit obligation at end of the year	146,800	153,921

13.2.2 Movement in the fair value of plan assets is as follows:

Fair value of plan assets at beginning of the year	79,503	68,592
Contributions made during the year	30,513	16,732
Expected return on plan assets for the year	6,161	4,972
Actuarial (loss) / gain on plan assets	(20,232)	5,939
Less: Benefits paid during the year	(30,513)	(16,732)
Fair value of plan assets at end of the year	65,432	79,503

Plan assets comprise of:

NAFA Government Securities Liquid Fund	18,526	19,435
Trust Investment Bank including accrued interest	-	15,000
MCB Bank Limited (previously NIB Bank Limited)	-	37,000
Habib Metropolitan Bank Limited	44,000	-
Cash at bank	2,906	8,068
	65,432	79,503

	2018	2017
	(Percentage)	
Plan assets comprise of:		
Equity	28.31%	24.45%
Cash at bank	71.69%	75.55%
	100.00%	100.00%

	2018	2017
	(Rupees in thousand)	
13.2.3 Charge for the year		
In statement of profit or loss		
Current service cost for the year	5,866	5,076
Interest cost for the year	10,746	8,914
Expected return on plan assets for the year	(6,161)	(4,972)
	10,451	9,018
In other comprehensive income		
Actuarial losses on retirement benefits - net	27,012	19,408
	37,463	28,426

Actuarial assumptions

The following are the principal actuarial assumptions as at 30 June:

	2018	2017
	(Percentage)	
Discount rate used for year end obligations	9.00%	7.75%
Expected return on plan assets	7.75%	7.25%
Expected rate of growth per annum in future salaries	8.00%	6.75%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Retirement assumptions	60 Years	60 Years

13.3 The Company expects to charge Rs. 10.28 million to unconsolidated statement of profit or loss on account of defined benefit plan in the year ending 30 June 2019.

13.4 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 30 June 2018 would have been as follows:

	Gratuity Impact on present value of defined benefit obligation Increase	 Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	140,003	154,146
Future salary increase + 100 bps	154,146	139,883

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.

13.5 At 30 June 2018, the weighted average duration of the defined benefit obligation was 6 years (2017: 6 years).

14. TRADE AND OTHER PAYABLES

	Note	2018	2017
		(Rupees in thousand)	
Trade creditors		1,439,522	690,865
Due to related party	14.1	811,489	-
Bills payable - secured	14.2	691,727	3,955
Accrued liabilities	14.4	586,867	593,777
Advances from customers		215,534	253,779
Payable to Workers' Profit Participation Fund	14.3	1,199,592	1,140,473
Payable to Workers' Welfare Fund		92,006	157,210
Payable to Provident Fund Trust		12,268	10,485
		5,049,005	2,850,544
Payable to Government on account of:			
Federal Excise Duty payable		-	203,091
Royalty and Excise Duty payable		31,783	33,569
Sales Tax payable - net		-	234,507
Other Taxes payable		43,423	97,876
		75,206	569,043
Contractors' retention money	14.5	200,046	97,309
Payable against redemption of preference shares		1,041	1,041
Security deposits repayable on demand	14.6	57,836	55,976
Other payables		5,595	5,214
		264,518	159,540
		5,388,729	3,579,127

		Note	2018	2017
			(Rupees in thousand)	
14.1	Due to related party			
	Due to Holding company	14.1.1	259,192	-
	Due to Subsidiary company	14.1.1	552,297	-
			811,489	-

14.1.1 These carry interest at 1% (2017: 1%) per annum in addition to the average borrowing rate of the Company.

14.2 These are secured against the securities as detailed in note 17.1 to these unconsolidated financial statements.

		2018	2017
		(Rupees in thousand)	
14.3	Payable to Workers' Profit Participation Fund		
	At beginning of the year	1,140,473	766,299
	Allocation for the year	235,035	368,876
	Interest for the year	-	5,298
	Less: Paid during the year	(175,916)	-
	At end of the year	1,199,592	1,140,473

14.3.1 The outstanding WPPF liability includes Rs. 964.56 million being the left over amount out of the total WPPF liability of Rs. 1,140.47 million pertaining to the financial year ended 30 June 2012 to 30 June 2017. The WPPF liability represents leftover amount payable to Workers Welfare Fund in terms of Companies Profits Worker's Participation Act, 1968. According to the 18th amendment to the Constitution of Pakistan in 2010, all labour / labour welfare laws have become provincial subject, and accordingly the left over amount is no more payable to the Federal Treasury. Major strength of Company's employees eligible for benefit of WPPF are working in the Province of Punjab and accordingly potential amount of left over amount of WPPF is required to be paid to the relevant provincial authority as held by the Honorable Sindh High Court in its judgment in C.P. No. D-1313 of 2013 announced on February 12, 2018. The Government of Punjab has enacted Companies Profits (Workers' Participation) (Amendment) Ordinance, 2018 which is silent about the payment of the amount in excess of employees' entitlement. Accordingly the amount has been withheld by the Company. Further based on Company's legal advisor, management is of the view that no mark up is due on this unpaid amount.

14.4 This includes Rs. 281.72 million booked on account of Gas Infrastructure Development Cess (GIDC) for the period from September 2014 to June 2018. The Company, along with various other companies has challenged the legality and validity of levy and demand of GIDC in Honorable Lahore High Court which is pending adjudication. However, on a prudent basis, the Company has recorded the GIDC amount for the mentioned period. Further, due to non payment, default surcharge of Rs. 202.17 million for the period from September 2015 to June 2018 has been imposed on the Company, which has not been recorded in these unconsolidated financial statement based on the opinion of legal advisor. The management is hopeful that the Company will not be required to pay the default surcharge.

14.5 This represents security deposits withheld from contractors and are repayable after satisfactory completion of contracts.

14.6 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.

15. MARK-UP ACCRUED ON BORROWINGS

	2018	2017
	(Rupees in thousand)	
Profit / mark-up accrued on:		
- Long term loans	190,614	49,674
- Liabilities against assets subject to finance lease	-	898
- Short term borrowings	92,801	50,893
	283,415	101,465

15.1 Profit / mark-up accrued on all loans are from conventional banks.

16. INCOME TAX (REFUNDABLE) / PAYABLE

	2018	2017
At beginning of the year	420,527	204,245
Tax deducted / deposited at source	(1,468,394)	(526,869)
Advance income tax paid	(925,312)	(1,462,378)
	(1,973,179)	(1,785,002)
Less: Provision for taxation:		
- current	(1,227,652)	(2,188,241)
- prior	28,565	(17,288)
	(1,199,087)	(2,205,529)
	(774,092)	420,527

16.1 Through Order-in-Original No.18/2009 dated 24 December 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 Commissioner of Inland Revenue (appeals).

It is, however, appropriate to highlight that the Company has also filed a writ petition with the Honorable Lahore High Court against the above referred Order-In-Original demand. The Honorable Lahore High Court has ordered that the tax department be restrained from taking any measures against the Company.

16.2 Assistant Commissioner Inland Revenue through order dated 31 May 2018 raised a demand of Rs. 44.58 million under section 122(5A) for the tax year 2012 on the disallowance of adjustment of tax credit under section 65B and withholding of tax under section 154 of the Income Tax Ordinance, 2001. The Company has contested the order in appeal before the CIR(A) which is pending adjudication.

16.3 Deputy Commissioner Inland Revenue through order dated 31 July 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 Company has preferred and appeal before CIR(A) which is pending adjudication.

Based on opinion of the Company's legal counsel, management is confident of favorable outcome in all aforementioned matters, hence no provision is being recognized in respect of these matters in the unconsolidated financial statements.

	Note	2018	2017
		(Rupees in thousand)	
17. SHORT TERM BORROWINGS			
Banking and financial institutions:			
- Cash finance and others	17.1	3,921,178	2,820,233
- Running finance	17.2	1,269,647	255,890
-Temporary bank overdrafts - unsecured	17.3	169,596	62,036
		5,360,421	3,138,159

17.1 These facilities have been obtained from various banking companies for working capital requirements and are secured by charge over current and future assets of the Company, personal guarantees of the Directors, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities will be expiring on various dates by 30 June 2019.

The cash finance and other facilities carry mark-up at the rates ranging from 2.75% to 21.00 % (2017: 2.75% to 16.78%) per annum payable quarterly.

The Company has unavailed cash finance and others funded facilities aggregating Rs.1,505 million (2017: Rs. 740 million) at the year end and the Company has unavailed facilities for opening letters of credit / guarantee aggregating Rs. 2,598 million (2017: Rs.2,032 million) at the year end.

17.2 The Company has unavailed running finance funded facilities aggregating Rs. 400 million (2017: Rs. 393 million).

The running finance carry mark-up at the rates ranging from 6.33 % to 7.33 % (2017: 6.33% to 8.75%) per annum payable quarterly.

17.3 This represents temporary overdraft due to cheques issued by the Company at the statement of financial position date.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 The Company has filed writ petitions before the Honorable 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 Honorable Lahore High Court is Rs.10.01 million. No 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 favor of the Company.

18.1.2 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 01 July 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 02 April 1994.

The Honorable Lahore High Court, upon the Company's appeal, vide its order dated 06 November 2001 has decided the matter in favor of the Company; however, the Collector of Customs has preferred a petition before the Honorable 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 favor of the Company.

18.1.3 The Federal Board of Revenue (FBR) has filed an appeal before the Honorable Supreme Court of Pakistan against the judgment delivered by the Honorable Lahore High Court in favor of the Company in a writ petition. The Company, through the said writ petition, had challenged the demand raised by the FBR 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 dated 14 May 1992. The FBR, however, alleged that the said plant & machinery could be locally manufactured and duties and taxes were therefore not exempted. A total demand of Rs. 1,386.72 million was raised by the FBR out of which an amount of Rs. 269.33 million was deposited by the Company as undisputed liability. 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 favor of the Company.

18.1.4 The Company has filed an appeal before the Honorable Supreme Court of Pakistan against the judgment of the Division Bench of the Honorable High Court of Sindh at Karachi. The Division Bench, by judgment dated 15 September 2008, has partly accepted the appeal by declaring that the levy and collection of infrastructure cess / fee prior to 28 December 2006 was illegal and ultra vires and after 28 December 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 28 December 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 Honorable Supreme Court consolidated both the appeals and were set aside. Thereafter, law has been challenged in constitution petition in the Honorable Sindh High Court Karachi. Stay has been granted by the Honorable High Court on 31 May 2011 on payment of 50% of the cess to the Excise Department and on furnishing of bank guarantee for remaining 50% to them. The petition is pending for hearing and stay is continuing.

The management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

18.1.5 The Company has filed an appeal before the Honorable Sindh High Court to challenge Sindh Development and Maintenance on levy and collection of infrastructure cess under Infrastructure Cess Act 2017. Stay has been granted by the Honorable High Court on 27 November 2017 in line with earlier petitions explained in note 18.1.3 of these unconsolidated financial statements, i.e. on payment of 50% of the cess to the Excise Department and on furnishing of bank guarantee for remaining 50% to them. The petition is pending for hearing and stay is continuing.

18.1.6 Competition Commission of Pakistan, vide order dated 27 August 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 Honorable Islamabad High Court pursuant to the judgment of Honorable Supreme Court of Pakistan dated 31 July 2009, the titled petition has become infructuous and the Company has filed a writ petition no. 15618/2009 before the Honorable 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 favor of the Company.

18.1.7 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 05 June 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 favor of the Company.

18.1.8 The customs department has filed an appeal against the judgment dated 19 May 2009, passed in favor 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 14 May 1992, and SRO 978(1)/95 dated 04 October 1995. The appeal is pending before the Honorable 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 favor of the Company.

18.1.9 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 Honorable Lahore High Court dismissed the petition since the matter was being reviewed by the relevant authority. Management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

18.1.10 Contingencies relating to tax matters are disclosed in note 16 to these unconsolidated financial statements.

	2018	2017
	(Rupees in thousand)	
18.2 Commitments		
18.2.1 in respect of:		
- capital expenditure	5,913,413	14,954,991
- irrevocable letters of credit for stores and spares	1,392,690	847,495
	7,306,103	15,802,486

18.2.2 Guarantees given by banks on behalf of the Company are of Rs. 602.994 million (2017: Rs. 483.387 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

18.2.3 Corporate guarantee given by the Company to the financial institutions related to credit facilities availed by the Subsidiary Company.

19. PROPERTY, PLANT AND EQUIPMENT

	Note	2018	2017
		(Rupees in thousand)	
Operating fixed assets	19.1	22,815,983	22,168,016
Capital work in progress	19.9	16,873,730	1,479,647
Major spare parts and stand-by equipments	19.10	1,204,297	-
		40,894,010	23,647,663

19.1 Operating fixed assets

	Cost / Revalued amount						Depreciation					
	At 01 July 2017	Additions	Transfers	Disposals	At 30 June 2018	Rate	At 01 July 2017	For the year	Transfers	Disposals	At 30 June 2018	Net book value at 30 June 2018
	Rupees in thousand					Percentage	Rupees in thousand					
Owned												
Freehold land												
- cost	55,018	-	-	-	55,018	-	-	-	-	-	-	55,018
- surplus on revaluation	360,830	-	-	-	360,830	-	-	-	-	-	-	360,830
	415,848	-		-	415,848		-	-		-	-	415,848
Buildings on freehold land												
- cost	5,062,868	651,160	-	(660)	5,713,368	5 - 10	2,171,020	245,149	-	(256)	2,415,913	3,297,455
- surplus on revaluation	297,607	-	-	-	297,607	5 - 10	91,270	11,311	-	-	102,581	195,026
	5,360,475	651,160		(660)	6,010,975		2,262,290	256,460		(256)	2,518,494	3,492,481
Roads, bridges and railway sidings												
- cost	99,953	38,137	-	-	138,090	5 - 10	76,713	4,339	-	-	81,052	57,038
- surplus on revaluation	3,854	-	-	-	3,854	5 - 10	2,125	200	-	-	2,325	1,529
	103,807	38,137		-	141,944		78,838	4,539		-	83,377	58,567
Plant and machinery												
- cost	25,963,049	1,983,689	679,676	(71,621)	28,554,793	5 - 20	13,204,187	1,430,730	281,370	(31,216)	14,885,071	13,669,722
- surplus on revaluation	7,271,106	-	2,852	-	7,273,958	5 - 20	2,182,766	285,197	1,094	-	2,469,057	4,804,901
	33,234,155	1,983,689	682,528	(71,621)	35,828,751		15,386,953	1,715,927	282,464	(31,216)	17,354,128	18,474,623
Furniture, fixtures and equipment	402,990	58,169	-	(91)	461,068	10 - 30	193,203	111,439	-	(56)	304,586	156,482
Quarry equipment	185,023	-	-	(14,712)	170,311	20	169,490	3,090	-	(14,510)	158,070	12,241
Vehicles	243,228	116,311	-	(43,572)	315,967	20	103,632	36,212	-	(29,616)	110,228	205,739
Share of joint assets	6,000	-	-	-	6,000	10	4,853	1,145	-	-	5,998	2
	39,951,526	2,847,466	682,528	(130,656)	43,350,864		18,199,259	2,128,812	282,464	(75,654)	20,534,881	22,815,983
Leased												
Plant and machinery												
- cost	679,676	-	(679,676)	-	-	5	265,756	15,614	(281,370)	-	-	-
- surplus on revaluation	2,852	-	(2,852)	-	-	5	1,023	71	(1,094)	-	-	-
	682,528	-	(682,528)	-	-		266,779	15,685	(282,464)	-	-	-
	40,634,054	2,847,466	-	(130,656)	43,350,864		18,466,038	2,144,497	-	(75,654)	20,534,881	22,815,983

19.1.1 All assets are acquired with funds of the Company and are held by and in the possession and control of the Company.

	Cost / Revalued amount				Depreciation					
	At 01 July 2016	Additions	Disposals	At 30 June 2017	Rate	At 01 July 2016	For the year	Disposals	At 30 June 2017	Net book value at 30 June 2017
	---- Rupees in thousand ----				Percentage	---- Rupees in thousand ----				
Owned										
Freehold land										
- cost	56,810	-	(1,792)	55,018	-	-	-	-	-	55,018
- surplus on revaluation	373,286	-	(12,456)	360,830	-	-	-	-	-	360,830
	430,096	-	(14,248)	415,848		-	-	-	-	415,848
Buildings on freehold land										
- cost	4,747,570	435,709	(120,411)	5,062,868	5 - 10	2,006,104	213,065	(48,149)	2,171,020	2,891,848
- surplus on revaluation	303,168	-	(5,561)	297,607	5 - 10	83,393	11,434	(3,557)	91,270	206,337
	5,050,738	435,709	(125,972)	5,360,475		2,089,497	224,499	(51,706)	2,262,290	3,098,185
Roads, bridges and railway sidings										
- cost	96,927	3,026	-	99,953	5 - 10	74,400	2,313	-	76,713	23,240
- surplus on revaluation	3,854	-	-	3,854	5 - 10	1,925	200	-	2,125	1,729
	100,781	3,026	-	103,807		76,325	2,513	-	78,838	24,969
Plant and machinery										
- cost	24,902,357	1,300,293	(239,601)	25,963,049	5 - 20	12,064,231	1,289,088	(149,132)	13,204,187	12,758,862
- surplus on revaluation	7,294,860	-	(23,754)	7,271,106	5 - 20	1,907,250	286,617	(11,101)	2,182,766	5,088,340
	32,197,217	1,300,293	(263,355)	33,234,155		13,971,481	1,575,705	(160,233)	15,386,953	17,847,202
Furniture, fixtures and equipment	368,900	68,718	(34,628)	402,990	10 - 30	188,869	36,115	(31,781)	193,203	209,787
Quarry equipment	185,023	-	-	185,023	20	165,608	3,882	-	169,490	15,533
Vehicles	212,407	52,613	(21,792)	243,228	20	92,500	29,369	(18,237)	103,632	139,596
Share of joint assets	6,000	-	-	6,000	10	4,726	127	-	4,853	1,147
	38,551,162	1,860,359	(459,995)	39,951,526		16,589,006	1,872,210	(261,957)	18,199,259	21,752,267
Leased										
Plant and machinery										
- cost	679,676	-	-	679,676	5	243,861	21,895	-	265,756	413,920
- surplus on revaluation	2,852	-	-	2,852	5	1,023	-	-	1,023	1,829
	682,528	-	-	682,528		244,884	21,895	-	266,779	415,749
	39,233,690	1,860,359	(459,995)	40,634,054		16,833,890	1,894,105	(261,957)	18,466,038	22,168,016

19.2 Additions in operating fixed assets include transfers from capital work-in-progress amounting to Rs. 819.727 million (2017: Rs. 560.727 million).

19.3 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.

19.4 Buildings, roads, bridges and railway sidings, plant and machinery are located at freehold land measuring 10145 kanals located at Iskandrabad District Mianwali.

19.5 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.

19.6 The latest valuation of Company's assets was carried as at 30 June 2015 and the forced sale value as at that date is given below:

	(Rupees in thousand)
Freehold land	344,077
Buildings on freehold land	2,367,211
Roads, bridges and railway sidings	20,652
Plant and machinery	15,969,363
	18,701,303

19.7 Depreciation charge for the year has been allocated as follows:

	Note	2018	2017
		(Rupees in thousand)	
Cost of sales	34	2,069,948	1,849,351
Administrative expenses	36	71,134	43,290
Distribution expenses	35	3,415	1,464
		2,144,497	1,894,105

19.8 Disposal of property, plant and equipment

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Value	Gain / (Loss)	Mode of Disposal	Relationship with the company	Particulars of Purchaser
	(----------------- Rupees in thousand				-----------------)			
Plant and machinery								
Pinion Shaft And Gear Wheel	403	185	218	16	(202)	Auction	Negotiation	Mr. Muhammad Hayat
Flow Divider Assembly	5,130	985	4,145	307	(3,838)	Auction	Negotiation	Mr. Muhammad Hayat
Wear Segment Of Special Cast Iron	3,693	2,183	1,510	108	(1,402)	Auction	Negotiation	Mr. Muhammad Hayat
Furnace Oil Pump (Complete)	1,979	705	1,274	93	(1,181)	Auction	Negotiation	Mr. Muhammad Hayat
Side Liner Mill Roller Segment	3,795	1,359	2,436	177	(2,259)	Auction	Negotiation	Mr. Muhammad Hayat
Wear Segment Of Special Cast Iron	2,897	1,597	1,300	460	(840)	Insurance Claim	Negotiation	EFU General Insurance Co.
Power Factor Controller	100	55	45	17	(28)	Insurance Claim	Negotiation	EFU General Insurance Co.
Roller Tire 10018314 Xd-100	32,143	15,488	16,655	5,949	(10,706)	Insurance Claim	Negotiation	EFU General Insurance Co.
Normal Capple Element	13,185	7,585	5,600	1,973	(3,627)	Insurance Claim	Negotiation	EFU General Insurance Co.
Gas Analyzer Pump	189	84	105	44	(61)	Auction	Negotiation	Bismillah Steel Works
Roller Solid 500/10-930	7,100	357	6,743	11,664	4,921	Claim	Negotiation	M/s. Brother Engineering
Tire Clamp	1,007	633	374	156	(218)	Auction	Negotiation	Bismillah Steel Works
	71,621	31,216	40,405	20,964	(19,441)			
Vehicles								
Pickup Toyota	993	987	6	805	799	Auction	Negotiation	M.Saleem Paracha
Mitsubishi Van	699	695	4	475	471	Auction	Negotiation	Mr.Tariq Amjad
Coaster Hino	2,032	1,900	132	1,587	1,455	Auction	Negotiation	Mr. Ashraf Ali Khan
Motor cycle	77	59	18	10	(8)	Auction	Negotiation	Mr. Atif Javed Khan
Motor cycle	60	57	3	4	1	Auction	Negotiation	Mr. Mujahid Ali
Motor cycle	60	56	4	7	3	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	58	58	-	3	3	Auction	Negotiation	Mr. Mujahid Ali
Motor cycle	60	56	4	6	2	Auction	Negotiation	Mr. Mujahid Ali
Motor cycle	56	50	6	7	1	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	69	61	8	9	1	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	69	61	8	9	1	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	60	57	3	9	6	Auction	Negotiation	Mr. Muhammad Ramzan
Motor cycle	60	57	3	9	6	Auction	Negotiation	Mr. Muhammad Ramzan
Motor cycle	60	56	4	7	3	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	60	56	4	7	3	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	60	56	4	7	3	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	76	47	29	15	(14)	Auction	Negotiation	Mr. Atif Javed Khan
Motor cycle	77	56	21	13	(8)	Auction	Negotiation	Mr. Atif Javed Khan
Honda - Civic	2,256	1,555	701	1,377	676	Auction	Negotiation	M/s. Golden Traders Lahore
Honda - Civic	1,821	1,245	576	800	224	Auction	Negotiation	Ms. Shazia Tabassum
Toyota Corolla	1,463	1,143	320	1,136	816	Auction	Negotiation	Mr. Mian Tariq Masood
Toyota Corolla	1,746	1,200	546	1,200	654	Auction	Negotiation	Mr. Adeel Ahmad
Toyota Corolla	1,746	1,211	535	1,200	665	Auction	Negotiation	Mr. Abdul Hanan Khan
Toyota Corolla	1,746	1,188	558	1,200	642	Sale	Employee	Mr. Muhammad Sajjad
Toyota Corolla	1,887	945	942	1,750	808	Transfer	Negotiation	M/s. Kohinoor Textile Mills Ltd
Suzuki Cultus	904	681	223	687	464	Auction	Negotiation	Mr. Sajid Alam
Suzuki Cultus	899	651	248	733	485	Auction	Negotiation	Mr. Abid Rashid Lahore
Suzuki Cultus	854	681	173	578	405	Auction	Negotiation	Mr. Adnan Naseer
Suzuki Cultus	890	671	219	681	462	Auction	Negotiation	Mr. Mian Tariq Masood
Suzuki Cultus	948	681	267	725	458	Auction	Negotiation	Mr. Syed Moeen Hassan
Suzuki Cultus	951	702	249	763	514	Auction	Negotiation	Mr. Ghulam Murtaza
Suzuki Cultus	986	673	313	727	414	Auction	Negotiation	Mr. Abid Rashid Lahore
Suzuki Cultus	986	673	313	742	429	Auction	Negotiation	Mr. Babar Zaman Khan Lahore
Suzuki Cultus	1,019	692	327	600	273	Sale	Employee	Mr. Asif Ali Khan
Suzuki Cultus	1,032	692	340	700	360	Sale	Employee	Mr. Ijaz Ahmad
Suzuki Cultus	1,037	715	322	743	421	Auction	Negotiation	Mr. Ghulam Murtaza
Suzuki Cultus	1,036	711	325	625	300	Auction	Negotiation	Mr. Muhammad Mashroof Lone
Suzuki Cultus	1,025	688	337	630	293	Auction	Negotiation	Mr. Kaleemullah Hafeez
Suzuki Cultus	1,025	688	337	647	310	Auction	Negotiation	Mr. Aamir Akbar
Suzuki Cultus	1,040	720	320	605	285	Auction	Negotiation	M/s. Mr. Ghulam Gillani
Suzuki Cultus	1,046	700	346	640	294	Auction	Negotiation	Mr. Gulzar Ahmad
Suzuki Cultus	1,040	643	397	665	268	Auction	Negotiation	Mr. M.Waqas Qadir Lahore
Suzuki Cultus	1,063	455	608	859	251	Auction	Negotiation	Mr. Muhammad Qasim
Suzuki Cultus	1,063	418	645	805	160	Auction	Negotiation	Mr. Muhammad Mashroof Lone
Suzuki Cultus	1,063	456	607	853	246	Auction	Negotiation	Mr. Muhammad Qasim
Suzuki Cultus	1,078	526	552	755	203	Auction	Negotiation	Mr. Ahmad Hassan Multan
Suzuki Cultus	1,098	565	533	685	152	Auction	Negotiation	Mr. Naeem Iqbal
Suzuki Cultus	1,058	505	553	826	273	Auction	Negotiation	Mr. Naeem Iqbal
Suzuki Cultus	1,119	269	850	350	(500)	Auction	Negotiation	Mr. Muhammad Kausar
Coaster Hino	1,961	1,848	113	1,627	1,514	Auction	Negotiation	Mr. Ashraf Ali Khan
	43,572	29,616	13,956	29,903	15,947			

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Value	Gain / (Loss)	Mode of Disposal	Relationship with the company	Particulars of Purchaser
	(----------------- Rupees in thousand				-----------------)			
Buildings on freehold land								
Scrap of boundary wall	660	256	404	620	216	Auction	Negotiation	Malik Mehar M. Naveed
	660	256	404	620	216			
Furniture, Fixtures & Office Equipment								
Laptop	91	56	35	35	-	Transfer	Negotiation	M/s. Kohinoor Textile Mills Ltd.
	91	56	35	35	-			
Quarry Equipment								
Terex Dump	10,894	10,838	56	328	272	Auction	Negotiation	M/s. Qadir & Co.
Demag 40 Tons Crane	3,818	3,672	146	115	(31)	Auction	Negotiation	M/s. Qadir & Co.
	14,712	14,510	202	443	241			
2018	130,656	75,654	55,002	51,965	(3,037)			
2017	459,995	261,957	198,038	195,191	(2,848)			

	Note	2018	2017
		(Rupees in thousand)	
19.9 Movement in capital work-in-progress - at cost			
At beginning of the year		1,479,647	422,694
Additions during the year		16,213,811	1,617,680
Less: Transfers during the year	19.2	(819,728)	(560,727)
At end of the year	19.9.1	16,873,730	1,479,647
19.9.1 Capital work-in-progress - at cost			
Civil Works		4,305,139	480,008
Land		736,048	550,918
Plant and machinery		10,916,773	11,370
Un-allocated capital expenditure	19.9.1.1	477,072	84,670
Advances to suppliers against:			
- civil works		322,626	39,089
- plant and machinery		108,343	310,770
- office equipment		4,615	-
- vehicles		3,114	2,822
		16,873,730	1,479,647
19.9.1.1 Un-allocated capital expenditure			
Salaries and wages		163,500	30,452
Finance costs		153,813	2,000
Legal and professional expenses		74,028	8,463
Fee and subscription		49,590	43,256
Energy expense		25,690	47
Insurance		10,451	452
		477,072	84,670

19.10 This represents major spare parts and stand-by equipment related to Company's expansion project started during the year.

	Note	2018	2017
		(Rupees in thousand)	

20. INTANGIBLE ASSETS - COST

At beginning of the year		78,666	49,634
Additions during the year		-	29,032
Disposal during the year		-	-
At end of the year		78,666	78,666
Accumulated Amortization			
At beginning of the year		53,460	49,634
Amortization for the year		8,395	3,826
At end of the year		61,855	53,460
Net book value		16,811	25,206
Amortization rate - % per annum		33%	33%

21. LONG TERM INVESTMENT

Investment in Maple Leaf Power Limited - Unquoted	21.1	5,020,000	4,670,000
		5,020,000	4,670,000

21.1 The Company holds 100% (2017: 100%) shares in the Maple Leaf Power Limited, a wholly owned subsidiary of the Company.

22. LONG TERM LOANS TO EMPLOYEES - SECURED

	Note	2018	2017
		(Rupees in thousand)	
House building		2,713	2,956
Vehicles		2,169	2,388
Others		9,938	4,949
		14,820	10,293
Less: Current portion presented under current assets	27	(5,348)	(4,494)
		9,472	5,799

22.1 These loans are secured against employees' retirement benefits and carry interest at the rates ranging from 6% to 12% per annum (2017: 6% to 12 % per annum). These loans are recoverable in 30 to 120 monthly installments.

22.2 This includes loans to executives amounting to Rs. 1.45 million (2017: Rs. 2.42 million). Further, no amount was due from Directors and Chief Executive at the year end (2017: Rs. nil).

23. LONG TERM DEPOSITS

This includes deposits with various utility companies, regulatory authorities and others.

24. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2018 (Rupees in thousand)	2017 (Rupees in thousand)
Stores		2,785,666	3,111,284
Spare parts		3,604,335	3,549,109
Loose tools		115,282	90,193
	24.1	6,505,283	6,750,586

24.1 Stores and spares include items in transit amounting to Rs. 244.12 million (2017: Rs. 720.60 million).

25. STOCK-IN-TRADE

	Note	2018 (Rupees in thousand)	2017 (Rupees in thousand)
Raw material		72,198	105,006
Packing material		152,113	169,128
Work-in-process		665,606	819,354
Finished goods		303,589	207,747
		1,193,506	1,301,235

26. TRADE DEBTS

	Note	2018	2017
Export debtors			
Considered good - secured	26.1	7,442	34,849
Local debtors			
Considered good - unsecured	26.2	1,124,311	647,677
Considered doubtful - unsecured		25,000	-
Less: Provision for doubtful balances		(25,000)	-
		1,124,311	647,677
		1,131,753	682,526

26.1 It includes receivable from foreign debtors amounting to Rs.7.40 million (2017: 34.85 million) and Rs. 0.04 million (2017: nil) from Asia and Africa respectively. These are secured against letters of credit.

26.2 This includes balance of Rs. nil (2017: Rs. 1.23 million) receivable from Maple Leaf Power Limited against sale of cement and are due by not more than 150 days.

27. LOANS AND ADVANCES

	Note	2018	2017
		(Rupees in thousand)	
Advances - unsecured, considered good			
- Employees	27.1	22,868	20,086
- Suppliers	27.2	903,744	793,536
		926,612	813,622
- Current portion of long term loans to employees - secured	22	5,348	4,494
Government Authorities			
- Sales Tax		1,085,434	-
- Excise Duty		269,211	-
		1,354,645	-
Refunds due from government	27.4	16,797	16,797
		2,303,402	834,913

27.1 This includes loans to executives amounting to Rs. 13.88 million (2017: Rs. 8.64 million). Further, there are no loans due from Directors and Chief Executive at the year end (2017: nil).

27.2 This includes an amount of Rs. 679.13 million (2017: Rs. 502.41 million) advanced to Ministry of Railways for transportation of coal and cement.

27.3 There has been no loans and advances to any foreign company at the year end (2017: nil).

27.4 This represents amount paid to Government under protest for various cases which have been decided in favor of the Company.

28. SHORT TERM INVESTMENT

	Note	2018	2017
		(Rupees in thousand)	
Investment at fair value through profit or loss - listed securities			
Next Capital Limited: 1,500,000 (2017: 1,500,000) ordinary shares of Rs. 10 each 1,875,000 (2017: 1,875,000) right shares of Rs. 8 each Market value Rs. 9.50 per share (2017: Rs. 23.01 per share)			
Cost			
At beginning and end of the year		30,000	30,000
Unrealized fair value gain / (loss)			
At beginning of the year		47,659	(3,000)
Fair value (loss) / gain for the year	37	(45,597)	50,659
At end of the year		2,062	47,659
Fair value at 30 June		32,062	77,659

28.1 There has been no investment in any foreign company during the year (2017: nil).

29. SHORT TERM DEPOSITS AND PREPAYMENTS

	2018	2017
	(Rupees in thousand)	
Margin against:		
- letters of credit	9,634	17,144
- bank guarantees	88,014	58,014
Prepayments	16,560	709
	114,208	75,867

30. ACCRUED PROFIT

This represents profit accrued on deposits and saving accounts at the rates ranging from 3.75% to 5.25% (2017: 2.50 % to 5.87%) per annum.

31. OTHER RECEIVABLES

	Note	2018	2017
		(Rupees in thousand)	
Due from the Holding Company - unsecured	31.1	-	32,437
Due from the Subsidiary Company - unsecured	31.1	-	180,414
Others		43,534	60,680
		43,534	273,531

31.1 These carry interest at 1% (2017: 1%) per annum in addition to the average borrowing rate of the Company.

32. CASH AND BANK BALANCES

	Note	2018	2017
		(Rupees in thousand)	
- Cash in hand - local currency		4,734	5,394
- Cash in hand - foreign currency		1,079	930
		5,813	6,324
Cash at bank			
Current accounts:			
- foreign currency		2,911	1,944
- local currency	32.1	341,711	211,845
		344,622	213,789
Deposit accounts	32.2	282,227	193,845
		626,849	407,634
		632,662	413,958

32.1 These include deposits amounting to Rs. 4.61 million (2017: Rs.2.76 million) placed under an arrangement permissible under Shariah.

32.2 These carry return at 3.75% to 5.25% (2017: 2.50 % to 5.60%) per annum. These include deposits amounting to Rs. 215.93 million (2017: Rs.124.38 million) placed under an arrangement permissible under Shariah. Remaining balances represents deposits with conventional banks.

33. SALES - NET

	Note	2018	2017
		(Rupees in thousand)	
Gross local sales		34,634,857	29,626,399
Less:			
Federal Excise Duty		(4,436,086)	(2,931,708)
Sales Tax		(5,713,760)	(4,764,821)
Discount		(333,805)	(281,286)
Commission		(141,565)	(110,471)
		(10,625,216)	(8,088,286)
Net local sales		24,009,641	21,538,113
Export sales		1,689,472	2,453,966
		25,699,113	23,992,079

34. COST OF GOODS SOLD

	Note	2018	2017
Raw materials consumed	34.1	1,116,918	964,601
Packing materials consumed		1,530,733	1,298,453
Fuel		6,369,754	4,768,365
Power and associated costs		4,105,232	3,159,400
Stores, spare parts and loose tools consumed		1,271,589	1,186,943
Salaries, wages and other benefits	34.2	949,310	855,449
Rent, rates and taxes		24,889	25,219
Insurance		47,492	57,813
Repairs and maintenance		379,752	464,575
Depreciation	19.7	2,069,948	1,849,351
Amortization		2,006	-
Vehicles running and maintenance		133,163	99,941
Other expenses	34.3	124,497	141,331
		18,125,283	14,871,441
Work in process:			
At beginning of the year		819,354	395,257
At end of the year		(665,606)	(819,354)
		153,748	(424,097)
Cost of goods manufactured		18,279,031	14,447,344
Finished goods:			
At beginning of the year		207,747	270,180
At end of the year		(303,589)	(207,747)
		(95,842)	62,433
Cost of goods sold		18,183,189	14,509,777

	2018	2017
	(Rupees in thousand)	
34.1 Raw materials consumed		
At beginning of the year	105,006	38,793
Add: Purchases made during the year	1,084,110	1,030,814
	1,189,116	1,069,607
Less: At end of the year	72,198	105,006
	1,116,918	964,601

34.2 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 48.29 million (2017: Rs. 32.43 million) and gratuity and compensated absence amounting to Rs. 35.22 million (2017: Rs. 30.02 million).

34.3 Other expenses include housing colony expenses aggregating to Rs. 71.32 million (2017: Rs. 73.23 million).

35. DISTRIBUTION COST

	Note	2018	2017
		(Rupees in thousand)	
Salaries, wages and other benefits	35.1	158,403	123,133
Travelling and conveyance		89,561	80,349
Vehicle running and maintenance		17,904	13,989
Postage, telephone and fax		7,602	7,423
Printing, stationery and office supplies		5,239	4,066
Entertainment		13,532	8,850
Repair and maintenance		2,240	5,811
Depreciation		3,415	1,464
Advertisement and sale promotions		369,744	338,071
Freight and forwarding		493,373	668,977
Other expenses		68,502	23,049
		1,229,515	1,275,182

35.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 5.59 million (2017: Rs. 4.95 million) and gratuity and compensated absence amounting to Rs. 4.21 million (2017: Rs. 4.53 million).

	Note	2018	2017
		(Rupees in thousand)	

36. ADMINISTRATIVE EXPENSES

	Note	2018	2017
Salaries, wages and other benefits	36.1	278,901	224,335
Travelling		66,704	80,622
Vehicle running and maintenance		19,846	19,499
Postage, telephone and fax		16,235	16,358
Printing, stationery and office supplies		46,495	27,885
Entertainment		37,398	46,322
Repair and maintenance		26,270	45,656
Legal and professional charges	36.2	40,294	24,069
Depreciation	19.7	71,134	43,290
Amortization		6,389	3,826
Provision for doubtful debts	26	25,000	-
Advances written off		12,895	-
Rent, rates and taxes		4,479	5,494
Other expenses		78,511	83,720
		730,551	621,076

36.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 10.34 million (2017: Rs. 9.69 million) and gratuity and compensated absence amounting to Rs. 6.46 million (2017: Rs. 4.29 million).

36.2 Legal and professional charges include following in respect of Auditors' remuneration for:

	2018	2017
	(Rupees in thousand)	
Annual statutory audit	1,380	1,200
Interim review	460	400
Interim audit and other certification	600	1,058
Out of pocket expenses	431	375
	2,871	3,033

36.3 The Company has shared expenses aggregating Rs. 15.18 million (2017: Rs. 13.96 million) on account of combined offices with the Holding Company. These expenses have been recorded in respective account.

	Note	2018	2017
		(Rupees in thousand)	

37. OTHER CHARGES

	Note	2018	2017
Donation	37.1	14,779	21,054
Workers' Profit Participation Fund (WPPF)		235,035	368,876
Interest on Workers' Profit Participation Fund (WPPF)		-	5,298
Workers' Welfare Fund (WWF)		70,431	138,293
Loss on investments		67,594	-
Loss on disposal of property, plant and equipment		3,036	2,848
		390,875	536,369

37.1 Donations for the year have been given to:

	2018	2017
	(Rupees in thousand)	
Daud Khel Health Care Centre	6,518	1,124
Police Welfare Middle School	2,500	8,150
Jamia Masjid Iskenderabad	2,135	-
Miscellaneous donations in the form of cement	1,010	1,457
Jahanara Memorial Trust	1,000	1,000
Beaconhouse National University	562	-
ICare foundation	500	-
Bushra Shaheen	300	300
Police Station Daud Khel	216	-
Labor Office Mianwali	38	-
DHQ Hospital Mianwali	-	3,832
District Public School Sargodha	-	2,334
Gulab Devi Chest Hospital	-	2,088
Aitchison College	-	500
Tariq Niazi Hockey Stadium	-	169
Starfall Foundation	-	100
	14,779	21,054

37.1.1 None of the Directors of the Company or their spouse have any interest in donees.

38. OTHER INCOME

	Note	2018	2017
		(Rupees in thousand)	
Income from financial assets			
Profit on bank deposits	38.1	28,793	16,402
Interest on advances to the Holding and Subsidiary companies		13,272	33,982
Interest on loans to employees		404	522
Gain on forex transactions - net		-	27,360
Unrealized gain on re-measurement of short term investment	28	-	50,659
		42,469	128,925
Income from non-financial assets			
Sale of scrap		10,147	4,178
Others		3,319	5,927
		13,466	10,105
		55,935	139,030

38.1 This includes profit earned on deposits under arrangements which are permissible under Shariah amounting to Rs. 5.63 million (2017: Rs. 4.41 million). The remaining profit relates to interest / markup based arrangement from conventional banks.

39. FINANCE COSTS

	Note	2018	2017
		(Rupees in thousand)	
Profit / interest / mark up on:			
- Long term loans and finances		278,363	143,902
- Syndicated term finances		-	3,189
- Liabilities against assets subject to finance lease		2,841	21,928
- Short term borrowings	17	330,193	115,687
		611,397	284,706
Loss on forex transactions - net	39.1	181,561	-
Bank and other charges		32,724	33,643
		825,682	318,349

39.1 This represents exchange loss incurred on actual currency transactions.

40. TAXATION

	2018	2017
	(Rupees in thousand)	
Income Tax		
- current	1,227,652	2,188,241
- prior	(28,565)	17,288
	1,199,087	2,205,529
Deferred	(436,052)	(112,254)
	763,035	2,093,275

40.1 Tax charge reconciliation

40.1.1 Numerical reconciliation between tax expense and accounting profit:

	2018	2017
Profit before taxation	4,395,236	6,870,356
Applicable tax rate as per Income Tax Ordinance, 2001	30%	31%
Tax on accounting profit	1,318,571	2,129,810
Effect of final tax regime	(61,170)	(159,215)
Change in tax rate and proportion of local and export sales	(393,603)	31,133
Effect of tax credit under section 65B	(202,183)	(130,331)
Super tax	129,985	204,590
Effect of prior year adjustment	(28,565)	17,288
	763,035	2,093,275

40.2 The provision for current year tax represents tax on taxable income at the rate of 30%, net of tax credits. As per management's assessment, the provision for tax made in the financial statements is sufficient. A comparison of last three years' of income tax provisions with tax assessment is presented below:

Tax Years	Tax provision as per financial statements	Tax as per assessment
	(Rupees in thousand)	
2015	646,196	646,196
2016	664,330	664,330
2017	2,159,676	2,159,676

40.3 As explained in note 53 to the unconsolidated financial statements, the Board of Directors in their meeting held on September 17, 2018 has recommended sufficient cash dividend for the year ended 30 June 2018 which complies with the requirements of section 5A of the Income Tax Ordinance, 2001. Accordingly, no provision for tax on non-distribution of dividend has been recognized in these unconsolidated financial statements for the year ended 30 June 2018.

41. EARNINGS PER SHARE - BASIC AND DILUTED

41.1 Basic earnings per share

	Unit	2018	2017 Restated
Profit after taxation	Rupees in '000	3,632,201	4,777,081
Weighted average number of ordinary shares (note 41.2)	No. of shares in '000	577,412	542,446
Earnings per share - basic and diluted	Rupees	6.29	8.81

41.2 Weighted average number of ordinary shares

	2018	2017
	No. of Shares in '000'	
Number of shares as at 01 July	542,446	527,734
Add: Bonus element of right issue in number of shares at the start of the year	-	14,712
	542,446	542,446
Add: Impact on weighted average number of shares due to right issue during the year	34,966	-
	577,412	542,446

41.3 There is no dilution effect on the basic earnings per share.

42. CASH AND CASH EQUIVALENTS

	Note	2018	2017
		(Rupees in thousand)	
Short term running finance	17	(1,269,647)	(255,890)
Cash and bank balances	32	632,662	413,958
		(636,985)	158,068

43. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of associated companies, directors of the Company and entities under common directorship, 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	2018	2017
				(Rupees in thousand)	
a) Kohinoor Textile Mills Limited	Holding Company (55.22% equity held)	Sale of goods and services		50,361	42,618
		Sale of fixed assets		1,785	-
		Markup charged during the year		(4,592)	2,847
		Dividend paid		1,001,723	1,311,347
b) Maple Leaf Power Limited	Subsidiary Company (100% equity held)	Sale of goods and services		1,507,771	106,669
		Purchase of goods and services		3,335,931	-
		Markup charged during the year		17,864	31,135
c) Key management personnel		Remuneration and other benefits	44	282,473	238,681
d) Employee benefits					
• Gratuity	Post employment benefit plan	Contribution		30,513	16,732
• Provident Fund Trust	Employees benefit fund	Contribution		136,947	110,288

43.1 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.

44. 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, Executive Directors, Non-Executive Directors and Executives of the Company are as follows:

	2018				
	Directors				
	Chairman	Chief Executive	Executives	Non-Executives	Executives
	(---------------------------- Rupees in thousand ----------------------------)				
Short term benefits					
Managerial remuneration	26,273	20,844	34,857	-	110,296
House rent	4,641	3,116	4,229	-	30,589
Medical and other allowances	-	-	409	-	2,494
Conveyance	-	2,303	1,500	-	10,489
Utilities	1,456	-	2,343	-	9,889
	32,370	26,263	43,338	-	163,757
Post employment benefits					
Contribution to Provident Fund Trust	2,109	1,796	2,733	-	10,107
	34,479	28,059	46,071	-	173,864
Numbers	1	1	4	5	51

	2017				
	Directors				
	Chairman	Chief Executive	Executives	Non-Executives	Executives
	(---------------------------- Rupees in thousand ----------------------------)				
					Restated
Short term benefits					
Managerial remuneration	20,412	14,040	29,154	-	93,256
House rent	3,024	720	3,981	-	34,424
Medical and other allowances	-	-	322	-	1,185
Conveyance	-	1,917	1,248	-	7,728
Utilities	1,764	180	1,990	-	9,912
	25,200	16,857	36,695	-	146,505
Post employment benefits					
Contribution to Provident Fund Trust	1,688	1,278	2,279	-	8,179
	26,888	18,135	38,974	-	154,684
Number	1	1	4	5	47

44.1 The Chairman, Chief Executive, Directors and some of the Executives are also provided with the Company's maintained cars in accordance with their terms of employment.

44.2 Aggregate amount charged in these unconsolidated financial statements in respect of meeting fee paid to Directors aggregated to Rs. 0.38 million (2017: Rs. 0.31 million).

45. CAPACITY AND PRODUCTION

	Capacity		Actual Production	
	2018	2017	2018	2017
	---------------------- Metric tons		--------------------	
Clinker	3,360,000	3,360,000	3,529,876	3,299,047

The capacity of plant has been determined on the basis of 300 days.

46. OPERATING SEGMENT

Information about operating segment

These unconsolidated financial statements have been prepared on the basis of single reportable 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:

	2018	2017
	(Percentage)	
Geographical area		
Asia	99.57%	99.11%
Africa	0.43%	0.89%
	100.00%	100.00%

All assets of the Company as at 30 June 2018 are located in Pakistan.

47. 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 adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

47.1 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 are regularly monitored and assessed.

47.1.1 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:

	2018	2017
	(Rupees in thousand)	
Financial asset at fair value through statement of profit or loss		
Short term investments	32,062	77,659
Loans and receivables		
Long term deposits	56,554	56,474
Trade debts	1,131,753	682,526
Long term loans to employees	14,820	10,293
Short term deposits	97,648	75,158
Accrued profit	1,179	1,356
Other receivables	-	212,851
Cash at bank	626,849	407,634
	1,928,803	1,446,292
	1,960,865	1,523,951

47.1.2 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:

	2018	2017
	(Rupees in thousand)	
Customers	1,131,753	682,526
Banking companies and financial institutions	724,497	482,792
Others	104,615	358,633
	1,960,865	1,523,951

47.1.3 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 default rates and present ages.

47.1.3(a) Counterparties with external credit ratings

These include banking companies and financial institutions. 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:

	Rating Short term	Long term	Agency	2018 (Rupees in thousand)	2017
Bank balances					
Allied Bank Limited	A1+	AA+	PACRA	197	84
Askari Bank Limited	A1+	AA+	PACRA	24	2
Bank Al-Habib Limited	A1+	AA+	PACRA	121,992	80,955
Bank Alfalah	A1+	AA+	PACRA	3,048	6,578
Bank Islami Pakistan Limited	A1	A+	PACRA	214,132	124,238
Bank of Punjab	A1+	AA	PACRA	2,046	664
Burj Bank Limited	A1	A	PACRA	9	9
Dubai Islamic Bank Pakistan Limited	A-1	AA-	JCR-VIS	2,669	741
Faysal Bank Limited	A1+	AA	PACRA	24,130	758
Habib Bank Limited	A-1+	AAA	JCR-VIS	33,390	11,378
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	59,546	65,967
Meezan Bank Limited	A-1+	AA	JCR-VIS	663	672
MCB Bank Limited	A1+	AAA	PACRA	38,235	56,111
National Bank of Pakistan	A1+	AAA	PACRA	8,787	20,741
NIB Bank Limited	A1+	AA-	PACRA	25,129	26,457
Samba Bank Limited	A-1+	AA	JCR-VIS	10,149	-
Silk Bank Limited	A-2	A-	JCR-VIS	10	10
Soneri Bank Limited	A1+	AA-	PACRA	127	1,263
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,505	2,505
Summit Bank Limited	A-1	A-	JCR-VIS	-	25
United Bank Limited	A-1+	AAA	JCR-VIS	79,162	7,577
U Micro Finance Bank Limited	A-2	A	JCR-VIS	899	899
				626,849	407,634
Margin against bank guarantees					
Allied Bank Limited	A1+	AA+	PACRA	1,700	1,700
United Bank Limited	A-1+	AAA	JCR-VIS	31,214	31,214
Summit Bank Limited	A-1	A-	JCR-VIS	12,792	12,792
Trust Investment Bank	N/A	N/A	-	5,344	5,344
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	10,000	-
Dubai Islamic Bank Pakistan Limited	A-1	AA-	JCR-VIS	20,000	-
				88,014	58,014
Margin against letters of credit					
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	3,832
Allied Bank Limited	A1+	AA+	PACRA	3,810	9,672
Bank of Punjab	A1+	AA	PACRA	1,000	-
United Bank Limited	A-1+	AAA	JCR-VIS	4,824	-
NIB Bank Limited	A1+	AA-	PACRA	-	3,640
				9,634	17,144

47.1.3(b) Counterparties without external credit ratings

These include customers which are counter parties to local and foreign trade debts against sale of cement. Out of gross trade debts of Rs. 1,156.75 million (2017: Rs. 682.53 million), trade debts that are subject to credit risk amount to Rs. 1,149.31 million (2017: Rs. 647.77 million). The analysis of ages of trade debts of the Company as at the reporting date is as follows:

	2018		2017	
	Gross	Impairment	Gross	Impairment
	--------------- (Rupees in thousand) ---------------			
The aging of trade debts at the reporting date is:				
Not past due	351,874	-	222,788	-
Past due 1 to 30 days	377,410	-	279,680	-
Past due 30 to 150 days	270,744	-	70,393	-
Past due 150 days	156,725	25,000	109,665	-
	1,156,753	25,000	682,526	-

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.

47.2 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 unfavorable 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, 17.1 and 17.2 to these unconsolidated financial statements is a listing of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

47.2.1 Exposure to liquidity risk

47.2.1(a) 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.

	2018				
	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	13,752,696	20,391,834	1,934,266	11,792,200	6,665,369
Long term deposits	8,714	8,714	-	8,714	-
Retention money payable	310,735	388,660	-	388,660	-
Trade and other payables	3,806,391	3,806,391	3,806,391	-	-
Unclaimed dividend	110,743	110,743	110,743	-	-
Mark-up accrued on borrowings	283,415	283,415	283,415	-	-
Short term borrowings	5,360,421	5,360,421	5,360,421	-	-
	23,633,115	30,350,178	11,495,236	12,189,574	6,665,369

	2017				
	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	3,103,760	3,623,846	473,133	2,879,224	271,489
Liabilities against assets subject to finance lease	480,615	484,974	296,778	296,778	-
Long term deposits	8,699	8,699	-	8,699	-
Trade and other payables	1,458,622	1,458,622	1,458,622	-	-
Unclaimed dividend	101,219	101,219	101,219	-	-
Mark-up accrued on borrowings	101,465	101,465	101,465	-	-
Short term borrowings	3,138,159	3,138,159	3,138,159	-	-
	8,392,539	8,916,984	5,569,376	3,184,701	271,489

47.3 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.

47.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, 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 and US dollars.

47.3.1(a) Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows. The figures represent foreign currency balances after conversion in Pak Rupees using exchange rates prevailing at the statement of financial position date.

\

	2018					
	GBP	CHF	EURO	USD	YEN	Equivalent to RUPEES
	(in thousand)					
Assets						
Trade debts	-	-	-	61	-	7,418
Cash and bank balances	2	-	-	30	-	3,990
	2	-	-	91	-	11,408
Liabilities						
Trade creditors and bills payable	-	-	-	(2,508)	-	(304,973)
Net statement of financial position exposure	2	-	-	(2,417)	-	(293,565)
Off statement of financial position items						
Outstanding letters of credit	-	(18)	(18,991)	(9,930)	-	(3,898,246)
Net exposure	2	(18)	(18,991)	(12,347)	-	(4,191,811)

	2017					
	GBP	CHF	EURO	USD	YEN	Equivalent to RUPEES
	(in thousand)					
Assets						
Trade debts	-	-	-	333	-	34,898
Cash and bank balances	2	-	-	24	-	2,874
	2	-	-	357	-	37,772
Liabilities						
Liabilities against assets subject to finance lease	-	-	-	(4,577)	-	(480,585)
Creditors and bills payable	-	-	(23)	-	-	(2,763)
	-	-	(23)	(4,577)	-	(483,348)
Net statement of financial position exposure	2	-	(23)	(4,220)	-	(445,576)
Off statement of financial position items						
Outstanding letters of credit	-	-	(82,117)	(5,735)	(10,486)	(10,477,568)
Net exposure	2	-	(82,140)	(9,955)	(10,486)	(10,923,144)

47.3.1(b) Exchange rates applied during the year

The following significant exchange rates have been applied during the year:

	2018		
	Reporting date spot rate		Average rate
	Buying	Selling	for the year
GBP	159.14	159.41	149.12
CHF	122.11	122.32	113.88
EURO	141.33	141.57	132.06
USD	121.40	121.60	110.63
YEN	1.10	1.10	1.01

	2017		
	Reporting date spot rate		Average rate
	Buying	Selling	for the year
GBP	136.42	136.68	133.05
CHF	109.54	109.75	105.83
EURO	119.91	120.14	114.37
USD	104.80	105.00	104.75
YEN	0.94	0.94	0.96

47.3.1(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	
	2018	2017
	(Rupees in thousand)	
GBP	32	27
CHF	-	-
EURO	-	(276)
USD	(29,391)	(44,310)
YEN	-	-
	(29,359)	(44,559)

47.3.1(d) Currency risk management

Since the maximum amount exposed to currency risk is only 0.50% (2017: 1.15%) of the Company's total assets, any adverse / favorable movement in functional currency with respect to US dollar , GBP and Euro will not have any material impact on the operational results.

47.3.2 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.

47.3.2(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 unconsolidated financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

		2018		2017	
		Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Note	--------- (Rupees in thousand) ---------			
Non-derivative financial instruments					
Short term borrowings - cash and other finances	17	-	3,921,178	-	2,820,233
Bank balances at deposit accounts	32	282,227	-	193,845	-
		282,227	3,921,178	193,845	2,820,233

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 statement of profit or loss. Therefore, a change in mark-up / interest rates at the reporting date would not affect profit or loss.

47.3.2(b) Variable rate financial instruments

		2018		2017	
		Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Note	--------- (Rupees in thousand) ---------			
Non-derivative financial instruments					
Long term loans from banking companies - secured	8	-	13,752,696	-	3,103,760
Liabilities against assets subject to finance lease	9	-	-	-	480,615
Short term borrowings - running finance	17	-	1,269,647	-	255,890
		-	15,022,343	-	3,840,265

The related mark-up / interest rates for variable 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. The analysis is performed on the same basis for the year 2017.

	Profit	
	2018	2017
	(Rupees in thousand)	
Increase of 100 basis points		
Variable rate instruments	(150,223)	(38,403)
Decrease of 100 basis points		
Variable rate instruments	150,223	38,403

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.

47.3.2(c) Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's significant borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

47.3.3 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.

47.3.3(a) Investments exposed to price risk

At the statement of financial position date, the Company's investment in quoted equity securities is as follows:

	2018	2017
	(Rupees in thousand)	
Investment in equity securities	32,062	77,659

47.3.3(b) Sensitivity analysis

A 10% increase / (decrease) share prices at reporting date would have increased / (decreased) the Company's fair value gain on investment as follows:

	Equity	
	2018	2017
	(Rupees in thousand)	
Short term investment at fair value through statement of profit or loss		
Effect of increase	3,206	7,766
Effect of decrease	(3,206)	(7,766)

47.3.3(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.

48. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities 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:

	Note	Carrying Amount: Fair Value through statement of profit or loss	Carrying Amount: Loans and receivables	Carrying Amount: Other financial liabilities	Carrying Amount: Total	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3
		- - - - - - - - - - - - - - - - (Rupees in thousand) - - - - - - - - - - - - - - - -						
On-statement of financial position instruments								
30 June 2018								
Financial assets measured at fair value								
Short term investments		32,062	-	-	32,062	32,062	-	-
		32,062	-	-	32,062	32,062	-	-
Financial assets not measured at fair value								
Cash and bank balances		-	632,662	-	632,662	-	-	-
Long term loans to employees		-	14,820	-	14,820	-	-	-
Short term deposits		-	97,648	-	97,648	-	-	-
Accrued profit		-	1,179	-	1,179	-	-	-
Long term deposits		-	56,554	-	56,554	-	-	-
Trade debts		-	1,131,753	-	1,131,753	-	-	-
	48.1	-	1,934,616	-	1,934,616	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from banking companies - secured		-	-	13,752,696	13,752,696	-	-	-
Long term deposits		-	-	8,714	8,714	-	-	-
Retention money payable		-	-	310,735	310,735	-	-	-
Trade and other payables		-	-	3,806,391	3,806,391	-	-	-
Unclaimed dividend		-	-	110,743	110,743	-	-	-
Mark-up accrued on borrowings		-	-	283,415	283,415	-	-	-
Short term borrowings		-	-	5,360,421	5,360,421	-	-	-
	48.1	-	-	23,633,115	23,633,115	-	-	-

	Note	Carrying Amount: Fair Value through statement of profit or loss	Carrying Amount: Loans and receivables	Carrying Amount: Other financial liabilities	Carrying Amount: Total	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3
		- - - - - - - - - - - - - - - - (Rupees in thousand) - - - - - - - - - - - - - - - -						
On-statement of financial position instruments								
30 June 2017								
Financial assets measured at fair value								
Short term investments		77,659	-	-	77,659	77,659	-	-
		77,659	-	-	77,659	77,659	-	-
Financial assets not measured at fair value								
Cash and bank balances		-	413,958	-	413,958	-	-	-
Long term loans to employees		-	10,293	-	10,293	-	-	-
Short term deposits		-	75,158	-	75,158	-	-	-
Other receivables		-	212,851	-	212,851	-	-	-
Accrued profit		-	1,356	-	1,356	-	-	-
Long term deposits		-	56,474	-	56,474	-	-	-
Trade debts		-	682,526	-	682,526	-	-	-
	48.1	-	1,452,616	-	1,452,616	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from banking companies - secured		-	-	3,103,760	3,103,760	-	-	-
Liabilities against assets subject to finance lease		-	-	480,615	480,615	-	-	-
Long term deposits		-	-	8,699	8,699	-	-	-
Trade and other payables		-	-	1,458,622	1,458,622	-	-	-
Unclaimed dividend		-	-	101,219	101,219	-	-	-
Mark-up accrued on borrowings		-	-	101,465	101,465	-	-	-
Short term borrowing		-	-	3,138,159	3,138,159	-	-	-
	48.1	-	-	8,392,539	8,392,539	-	-	-

48.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or re-price over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

48.2 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.

49. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Issued, subscribed and paid-up capital	Share premium	Dividend Payable	Long term financing	Liabilities against assets subject to finance lease - secured	Short term borrowing	Accrued markup	Total
	---------- (Rupees in thousand) ----------							
As at 01 July 2017	5,277,340	1,529,874	101,219	3,103,760	480,615	3,138,159	101,465	13,732,432
Changes from financing cash flows								
Proceeds from issuance of shares	659,667	3,628,171	-	-	-	-	-	4,287,838
Dividend paid	-	-	(1,804,561)	-	-	-	-	(1,804,561)
Proceeds from short term borrowings - net	-	-	-	-	-	1,208,505	-	1,208,505
Shares issuance cost	-	(46,008)	-	-	-	-	-	(46,008)
Financial charges paid	-	-	-	-	-	-	(643,732)	(643,732)
Proceeds from long term financing - net	-	-	-	10,648,936	-	-	-	10,648,936
Payment of finance lease liabilities	-	-	-	-	(480,615)	-	-	(480,615)
Total changes from financing cash flows	659,667	3,582,163	(1,804,561)	10,648,936	(480,615)	1,208,505	(643,732)	13,170,363
Other changes								
Dividend declared	-	-	1,814,085	-	-	-	-	1,814,085
Change in short term running finances	-	-	-	-	-	1,013,757	-	1,013,757
Interest expense	-	-	-	-	-	-	825,682	825,682
Total liability related other changes	-	-	1,814,085	-		1,013,757	825,682	3,653,524
As at 30 June 2018	5,937,007	5,112,037	110,743	13,752,696	-	5,360,421	283,415	30,556,319

50. 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	2018	2017 Restated
Total debt	Rupees in '000	19,113,117	6,722,534
Less: Cash and bank balances		(632,662)	(413,958)
Net debt		18,480,455	6,308,576
Total Equity	Rupees in '000	29,911,139	23,708,061
Total capital employed	Rupees in '000	48,391,594	30,016,637
Gearing	Percentage	38.19%	21.02%

Total debt comprises of long term loans from banking companies, liabilities against assets subject to finance lease 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. The Company is not subject to externally imposed capital requirements.

51. PROVIDENT FUND TRUST

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

	Un-audited 2018	Audited 2017
	(Rupees in thousand)	
Size of the fund - total assets	704,838	625,628
Cost of investments made	460,765	335,765
Percentage of investments made	85.49%	77.57%
Fair value of investments	602,600	485,282

The break-up of fair value of investments is:

	2018		2017	
	Rs. in thousand	Percentage	Rs. in thousand	Percentage
Shares in quoted securities	22,925	3.80%	52,544	10.79%
Term deposit receipts	179,000	29.70%	84,000	17.25%
Government securities	276,554	45.90%	242,743	50.12%
Mutual funds	124,121	20.60%	105,995	21.84%
	602,600	100.0%	485,282	100%

The 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.

52. NUMBER OF EMPLOYEES

The total and average number of employees of the Company during the year and as at 30 June 2018 and 2017 respectively are as follows:

	2018	2017
Average number of employees during the year		
- Plant	1,047	946
- Other locations	307	284
	1,354	1,230
Total number of employees as at 30 June		
- Plant	1,078	1,002
- Other locations	310	290
	1,388	1,292

53. NON ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Company in its meeting held on September 17, 2018 has proposed a final cash dividend of Re. 1/- per share, for the year ended June 30, 2018 for approval of the members in the Annual General Meeting to be held on October 27, 2018.

54. 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 17, 2018.

55. GENERAL

Figures in the unconsolidated financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

Consolidated Financial Statements

for the Year Ended June 30, 2018

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 company Maple Leaf Power Limited (collectively referred to as group) for the year ended 30 June 2018.

GROUP RESULTS

The Group has earned gross profit of Rupees 8,525 million as compared to Rupees 9,376 million of corresponding year. The Group made after tax profit of Rupees 4,573 million during the year as compared to Rupees 4,776 million during the corresponding year.

The overall group financial results are as follows:

	30 June 2018	30 June 2017
	(Rupees in million)	
Sales	25,684	23,885
Gross Profit	8,525	9,376
Profit from operations	6,183	7,044
Financial charges	847	174
Net Profit after tax	4,573	4,776
	------------- (Rupees) -------------	
		Restated
Earnings per share – Basic and diluted	7.92	8.81

SUBSIDIARY COMPANY

MAPLE LEAF POWER LIMITED (MLPL)

Maple Leaf Cement Factory Limited has formed a subsidiary company namely "Maple Leaf Power Limited (MLPL)." MLPL (the wholly owned Subsidiary) was incorporated in Pakistan on 15 October 2015 under the Companies Ordinance, 1984 (Now the Companies Act, 2017) as public limited company. The principal objective of MLPL is to develop, design, operate and maintain electric power generation plant in connection therewith to engage in the business of generation, sale and supply of electricity to the Holding Company.

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

Lahore: September 17, 2018

Syed Mohsin Raza Naqvi
Director

Sayeed Tariq Saigol
Chief Executive Officer

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road,
Lahore 54000 Pakistan
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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 subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, 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 30 June 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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.

Following are the Key audit matter(s):

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1	Sales Refer to statement of profit or loss and note 3.16 and 32 to the consolidated financial statements. The Group generates revenue from sale of cement to domestic as well as export customers. We identified recognition of sales as a key audit matter because sales is one of the key performance indicator of the Group and gives rise to an inherent risk of misstatement to meet expectations or targets.	Our audit procedures to assess recognition of sales, amongst others, included the following: • obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • assessing the appropriateness of the Group's accounting policies for recording of sales and compliance of those policies with applicable accounting standards; • comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents; • comparing a sample of sale transactions recorded around the year with the sales orders, sales invoices, delivery challans and other relevant underlying documentation to assess if the sale was recorded in the appropriate accounting period; • comparing, on a sample basis, specific sale transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and • scanning for any manual journal entries relating to sales raised during the year which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.
2	Borrowings and finance costs Refer notes 3.18, 8 and 38 to the consolidated financial statements. The Group has obtained range of financing facilities from different financial institutions with varying terms and tenure. This was considered to be a key audit matter as these affects Group's gearing, liquidity and solvency. Further, compliance with debt covenants is a key requirement of these financing arrangements.	Our audit procedures included the following: • We assessed the design and operating effectiveness of the Group's internal controls over recording the terms and conditions of borrowings from financial institutions, including their classification as either current or non-current and associated costs; • We obtained confirmations of borrowings as at 30 June 2018 directly from the financial institutions; • We tested the calculation of markup recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved accounting standards as applicable in Pakistan; • We assessed whether loans maturing within twelve months were classified as current liabilities; and • We assessed the adequacy of the Group's compliance with the loan covenants and the disclosure in the consolidated financial statements.

3	Capitalization of Property, Plant and Equipment Refer notes 3.5 and 19 to the consolidated financial statements. The Group has made significant capital expenditure on expansion of manufacturing facilities. We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year.	Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following: • understanding the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system; • testing, on sample basis, the costs incurred on projects with supporting documentation and contracts; • assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards; and • inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.

Information other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2018, but does not include the consolidated and unconsolidated financial statements and our auditor's report 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 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 requirements of 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.

- 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.

The engagement partner on the audit resulting in this independent auditor's report is Bilal Ali.

KPMG Taseer Hadi & Co.

Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: September 17, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2018

	Note	2018	2017 Restated	2016 Restated
		(Rupees in thousand)		
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital	5	7,000,000	7,000,000	7,000,000
Issued, subscribed and paid-up share capital	5	5,937,007	5,277,340	5,277,340
Capital reserves	6	5,640,300	2,058,137	2,058,137
Accumulated profits		14,967,338	12,006,120	9,372,617
Surplus on revaluation of fixed assets - net of tax	7	4,264,543	4,323,909	4,587,255
		30,809,188	23,665,506	21,295,349
NON-CURRENT LIABILITIES				
Long term loans from banking companies - secured	8	12,942,080	2,890,226	927,298
Liabilities against assets subject to finance lease - secured	9	-	270,615	479,243
Long term deposits	10	8,714	8,699	6,499
Deferred taxation	11	3,418,172	4,024,363	4,124,673
Retention money payable	12	310,735	-	-
Retirement benefits	13	183,764	150,778	119,783
		16,863,465	7,344,681	5,657,496
CURRENT LIABILITIES				
Current portion of:				
- Long term loans from banking companies - secured	8	810,616	213,534	-
- Liabilities against assets subject to finance lease - secured	9	-	210,000	167,519
Trade and other payables	14	5,573,314	3,867,500	3,197,305
Unpaid dividend		-	-	1,013
Unclaimed dividend		110,743	101,219	41,191
Mark-up accrued on borrowings	15	286,162	101,465	36,807
Provision for taxation - net	16	-	420,527	203,316
Short term borrowings	17	5,784,902	3,138,159	1,424,911
		12,565,737	8,052,404	5,072,062
CONTINGENCIES AND COMMITMENTS	18			
		60,238,390	39,062,591	32,024,907

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

	Note	2018	2017 Restated	2016 Restated
		(Rupees in thousand)		
ASSETS				
NON - CURRENT ASSETS				
Property, plant and equipment	19	46,468,656	28,296,283	23,618,926
Intangible assets	20	16,811	25,206	-
Long term loans to employees - secured	21	9,472	5,799	5,628
Long term deposits	22	56,554	56,474	55,867
		46,551,493	28,383,762	23,680,421
CURRENT ASSETS				
Stores, spare parts and loose tools	23	7,024,126	6,750,586	5,383,750
Stock-in-trade	24	1,193,506	1,301,235	872,820
Trade debts	25	1,131,753	681,293	564,866
Loans and advances	26	2,490,667	1,072,615	842,724
Short term investment	27	32,062	77,659	12,000
Short term deposits and prepayments	28	124,208	87,565	71,594
Accrued profit	29	1,729	2,628	1,857
Other receivables	30	43,534	93,117	153,147
Income tax refundable	16	960,358	162,649	-
Cash and bank balances	31	684,954	449,482	441,728
		13,686,897	10,678,829	8,344,486
		60,238,390	39,062,591	32,024,907

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended June 30, 2018

	Note	2018	2017
		(Rupees in thousand)	
Sales - net	32	25,684,164	23,885,410
Cost of goods sold	33	(17,158,820)	(14,509,777)
Gross profit		8,525,344	9,375,633
Distribution cost	34	(1,229,515)	(1,275,182)
Administrative expenses	35	(739,264)	(636,170)
Other charges	36	(436,443)	(536,369)
		(2,405,222)	(2,447,721)
Other income	37	63,036	115,922
Profit from operations		6,183,158	7,043,834
Finance costs	38	(847,318)	(174,247)
Profit before taxation		5,335,840	6,869,587
Taxation	39	(763,035)	(2,093,275)
Profit after taxation		4,572,805	4,776,312
		--------------Rupees--------------	
			Restated
Earnings per share - basic and diluted	40	7.92	8.81

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2018

	2018	2017
	(Rupees in thousand)	
Profit after taxation	4,572,805	4,776,312
Other comprehensive income		
Item that will not be subsequently reclassified in profit or loss:		
Remeasurement of defined benefit liability	(27,012)	(19,408)
Related tax	6,737	4,891
	(20,275)	(14,517)
Total comprehensive income for the year	4,552,530	4,761,795

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2018

	Note	2018	2017
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		5,335,840	6,869,587
Adjustments for:			
Depreciation	19.5	2,358,819	1,895,719
Amortization	20	8,395	3,826
Provision against doubtful debts	35	25,000	-
Provision for Workers' Profit Participation Fund	14.3	274,932	374,174
Provision for Workers' Welfare Fund	36	70,431	138,293
Loss on disposal of property, plant and equipment	36	3,036	2,848
Loss / (gain) on re-measurement of short term investments at fair value	37	67,594	(50,659)
Retirement benefits		46,058	38,843
Finance costs	38	847,318	174,247
Advances written off	35	12,895	-
Profit on bank deposits	37	(30,742)	(19,913)
Cash generated from operations before working capital changes		9,019,576	9,426,965
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(273,540)	(1,366,836)
Stock-in-trade		107,729	(428,415)
Trade debts		(475,460)	(116,427)
Loans and advances		(1,418,052)	(12,949)
Short term deposits and prepayments		(36,643)	(15,971)
Other receivables		36,688	(156,913)
		(2,059,278)	(2,097,511)
Increase in current liabilities:			
Trade and other payables		1,672,008	270,828
		(387,270)	(1,826,683)
Net cash generated from operations		8,632,306	7,600,282
Increase in long term loans to employees	21	(3,673)	(171)
Increase in long term deposits to suppliers	22	(80)	(607)
Increase in long term deposits from customers	10	15	2,200
Increase in retention money payable	12	310,735	-
Retirement benefits paid		(40,084)	(27,256)
Workers' Profit Participation Fund paid		(175,916)	-
Workers' Welfare Fund paid		(135,635)	(112,622)
Taxes paid		(2,417,323)	(2,150,967)
Net cash generated from operating activities		6,170,345	5,310,859
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment		(20,586,194)	(6,771,114)
Intangible asset purchased		-	(29,032)
Proceeds from disposal of property, plant and equipment		51,965	195,191
Loss on short term investment - net		(21,997)	(15,000)
Profit on bank deposits received		31,641	19,142
Net cash used in investing activities		(20,524,585)	(6,600,813)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term loans from banking companies - secured - net		10,648,936	2,176,462
Proceeds from issuance of right shares		4,241,830	-
Payment of liabilities against assets subject to finance lease - net		(480,615)	(164,614)
Short term borrowings - net		1,632,986	1,467,065
Finance costs paid		(662,621)	(111,122)
Redemption of preference shares		-	(478)
Dividend paid		(1,804,561)	(2,315,788)
Net cash generated from financing activities		13,575,955	1,051,525
Net decrease in cash and cash equivalents		(778,285)	(238,429)
Cash and cash equivalents at beginning of the year		193,592	432,021
Cash and cash equivalents at end of the year	41	(584,693)	193,592

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2018

	Share Capital	Capital Reserves				Revenue Reserves	Total Equity
		Share premium	Capital redemption reserve	Sub-total	Surplus on revaluation of fixed assets - net of tax	Accumulated profits	
	(Rupees in thousand)						
As at 30 June 2016, as previously reported	5,277,340	1,529,874	528,263	2,058,137	-	9,372,617	16,708,094
Effect of restatement - note 3.1	-	-	-	-	4,587,255	-	4,587,255
As at 30 June 2016 - restated	5,277,340	1,529,874	528,263	2,058,137	4,587,255	9,372,617	21,295,349
Total comprehensive income for the year							
Profit for the year ended 30 June 2017	-	-	-	-	-	4,776,312	4,776,312
Other comprehensive income for the year ended 30 June 2017	-	-	-	-	-	(14,517)	(14,517)
	-	-	-	-	-	4,761,795	4,761,795
Effect on deferred tax due to change in tax rate and proportion of local and export sales	-	-	-	-	(16,835)	-	(16,835)
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(223,092)	223,092	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	(23,419)	23,419	-
Transaction with owners of the Group							
Final cash dividend @ Rs. 2.5 per share for the year ended 30 June 2016	-	-	-	-	-	(1,319,335)	(1,319,335)
Interim cash dividend @ Rs. 2.0 per share for the year ended 30 June 2017	-	-	-	-	-	(1,055,468)	(1,055,468)
As at 30 June 2017	5,277,340	1,529,874	528,263	2,058,137	4,323,909	12,006,120	23,665,506
Total comprehensive income for the year							
Profit for the year ended 30 June 2018	-	-	-	-	-	4,572,805	4,572,805
Other comprehensive income for the year ended 30 June 2018	-	-	-	-	-	(20,275)	(20,275)
	-	-	-	-	-	4,552,530	4,552,530
Issuance of shares	659,667	3,628,171	-	3,628,171	-	-	4,287,838
Shares issue cost	-	(46,008)	-	(46,008)	-	-	(46,008)
	659,667	3,582,163	-	3,582,163	-	-	4,241,830
Effect on deferred tax due to change in tax rate and proportion of local and export sales	-	-	-	-	163,407	-	163,407
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(222,762)	222,762	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	(11)	11	-
Transaction with owners of the Group							
Final cash dividend @ Rs. 1.75 per share for the year ended 30 June 2017	-	-	-	-	-	(923,534)	(923,534)
Interim cash dividend @ Rs. 1.5 per share for the year ended 30 June 2018	-	-	-	-	-	(890,551)	(890,551)
As at 30 June 2018	5,937,007	5,112,037	528,263	5,640,300	4,264,543	14,967,338	30,809,188

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Maple Leaf Cement Factory Limited - ("the Holding Company")

Maple Leaf Cement Factory Limited ("the Holding Company") 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 Holding Company is listed on Pakistan Stock Exchange. The registered office of the Holding 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 Holding Company is production and sale of cement. The Holding 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 15 October 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 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 to the Holding Company.

The Subsidiary Company was granted electricity generation license from National Electric and Power Regulatory Authority (NEPRA) on 20 December 2016. On 04 July 2017, the Subsidiary Company has entered into a Power Purchase Agreement ("PPA") with the Holding Company which is valid for 20 years.

The Holding and the Subsidiary companies are collectively referred to as "the Group" in these consolidated financial statements.

1.3 Summary of significant events and transactions in the current reporting period

The Group's financial position and performance were particularly affected by the following events and transactions during the reporting period:

a) The Holding Company is in the process of installation of an additional Cement Line having cement manufacturing capacity of 7,300/- tons per day at its existing manufacturing premises, which will significantly affect the business volume and profitability of the Holding Company. Refer note 19.7 for expenditures incurred till 30 June 2018. In this regard, the Holding Company has arranged long term finance facilities aggregating Rs. 14,250 million as referred to in note 8 of these consolidated financial statements.

b) The Holding Company started purchasing coal-based electricity from its Subsidiary Company which commenced its commercial operations on 01 October 2017.

c) The accounting policy for surplus on revaluation of land, building on freehold land, roads, bridges and railway sidings and plant and machinery changed during the year as detailed in note 3.1.1 to these consolidated financial statements.

d) Due to the first time application of financial reporting requirements under the Companies Act, 2017, including disclosure and presentation requirements of the fourth schedule of the Companies Act, 2017, some of the amounts reported for the previous period have been reclassified.

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 for the following:

- certain financial instruments at fair value;
- certain property, plant and equipment at revalued amounts; and
- recognition of employee retirement benefits at present value.

2.3 Functional and presentation currency

These consolidated financial statements have been prepared in Pak Rupees ("Rs.") which is the Group's functional currency.

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:

2.4.1 Property, plant and equipment

The Group reviews the useful lives and residual values of property, plant and equipment on regular basis. 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.

2.4.2 Stores, spare parts and loose tools

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.

2.4.3 Stock-in-trade

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.

2.4.4 Provision for doubtful debts, advances and other receivables

The Group reviews the recoverability of its trade debts, advances and other receivables to assess amount of bad debts and provision required there against on annual basis.

2.4.5 Employee benefits

The Group operates approved funded gratuity scheme covering all its full time permanent workers who have completed the minimum qualifying period of service as defined under the respective scheme. The gratuity scheme is managed by trustees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis.

The amount of the expected return on plan assets is calculated using the expected rate of return for the year and the market-related value at the beginning of the year. Gratuity cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years, net of the expected return on plan assets. Calculations are sensitive to changes in the underlying assumptions.

2.4.6 Impairment

The management of the Group reviews carrying amounts of its assets including receivables and advances and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

2.4.7 Taxation

The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the views taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The Group also regularly reviews the trend of proportion of incomes between Presumptive Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change.

2.4.8 Provisions and contingencies

The Group reviews the status of all pending litigations and claims against the Group. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

2.4.9 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by an independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been consistently applied to all periods presented in these financial statements, except as disclosed in note 3.1.

3.1 Changes in accounting policy

Upto 30 June 2017, surplus on revaluation of land was being measured under the repealed Companies Ordinance, 1984. The surplus arising on the revaluation is credited to the surplus on revaluation of land, building on freehold land, roads, bridges and railway sidings and plant and machinery account. With effect from 1 January 2018, Companies Act, 2017 has become applicable and section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Accordingly the management has changed the accounting policy to bring accounting of revaluation surplus on land, building on freehold land, roads, bridges and railway sidings and plant and machinery in accordance with IAS 16 “Property, plant and equipment”. The effect of this change in accounting policy, which is applied with retrospective effect, has resulted in transfer of surplus on revaluation of land, building on freehold land, roads, bridges and railway sidings and plant and machinery to equity which was previously being presented outside the equity.

3.2 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 as defined under the respective scheme. 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. 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

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.

3.3 Taxation

Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred

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

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

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.

Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in consolidated comprehensive income or equity.

3.4 Leases

Leases are classified as finance lease whenever terms of the lease transfer substantially all risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The liability to the lessor is included in the consolidated statement of financial position as liabilities against assets subject to finance lease. The liabilities are classified as current and non-current depending upon the timing of payment. Lease payments are apportioned between finance charges and reduction of the liabilities against assets subject to finance lease so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to consolidated statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to consolidated statement of profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

3.5 Property, plant and equipment

3.5.1 Tangible assets

Owned

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 except for coal fired plant of the Subsidiary Company 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. The surplus on revaluation of fixed assets to the extent of the annual incremental depreciation based on the revalued carrying amount of the asset and the depreciation based on the assets' original cost 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 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 19.1 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.

Leased

Assets held under finance lease arrangements are initially recorded at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets. Depreciation on leased assets is charged by applying reducing balance method at the rates used for similar owned assets, so as to depreciate the assets over their estimated useful lives in view of certainty of ownership of assets at end of the lease term.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each consolidated statement of financial position date.

3.5.2 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 Impairment

3.6.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in consolidated statement of profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized. Reversal of impairment loss is recognized in consolidated statement of profit or loss except in the case of available for sale instruments where the reversal is included in consolidated other comprehensive income.

3.6.2 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 consolidated 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.

3.7 Investments

At fair value through statement of profit or loss

Investments at fair value through profit and loss are those which are acquired for generating a profit from short-term fluctuation in prices. All investments are initially recognized at cost, being the fair value of the consideration given. Subsequent to initial recognition, these investments are re-measured at fair value (quoted market price). Any gain or loss from a change in the fair value is recognized in consolidated statement of profit or loss.

3.8 Loans and receivables

Loans and receivables are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, loans and receivables are stated at amortized cost with any difference between cost and redemption value being recognized in the consolidated statement of profit or loss over the period of the investments on an effective yield method less impairment loss, if any.

3.9 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.

3.10 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, labor and a proportion of appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

3.11 Financial instruments

Financial assets and liabilities are recognized when the Group becomes a party to contractual provisions of the instrument and de-recognized when the Group looses control of contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of financial assets and liabilities are included in consolidated statement of profit or loss for the year.

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest method. The carrying values of liabilities approximate to their amortized cost.

3.12 Trade and other payables

Creditors relating to trade and other payables are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Group.

3.13 Trade debts

Trade debts are stated initially at the fair value, subsequent to initial recognition, these are stated at their amortized cost as reduced by appropriate provision for impairment. Known impaired receivables are written off, while receivables considered doubtful are fully provided for.

3.14 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the consolidated 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.

3.15 Cash and cash equivalents

Cash and cash equivalents for the purpose of consolidated statement of cash flows comprise cash in hand, running finance and cash at banks.

3.16 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates. Revenue is measured at fair value of consideration received or receivable on the following basis:

- Sales are recorded when significant risks and rewards of ownership of the goods have passed to the customers;
- Dividend income is recognized when the Group's right to receive the dividend is established; and
- Interest income is recognized as and when accrued on effective interest method.

3.17 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.

3.18 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.

3.19 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.

3.20 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.

3.21 Dividend to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in consolidated statement of changes in equity and as a liability in the Group's consolidated financial statements in the year in which the dividends are approved by the Board of Directors or the Group's shareholders as the case may be.

3.22 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.

4 NEW COMPANIES ACT, 2017 AND NEW AND REVISED APPROVED ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS THERETO

4.1 With effect from 1 January 2018, Companies Act, 2017 has become applicable. The new Act specified certain additional disclosures to be included in these consolidated financial statements. Accordingly, the Group has presented the required disclosures in these consolidated financial statements and represented certain comparatives. However there was no change in the reported amounts of statement of profit or loss and other comprehensive income or the amounts presented in the consolidated statement of financial position due to these re-presentations, except for the change referred to in note 3.1. Further, significant reclassifications / representations include unclaimed dividend and dividend payable which were previously classified under trade and other payables have now been presented separately in the consolidated statement of financial position.

4.2 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on these consolidated financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property', effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on these consolidated financial statements.

- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on these consolidated financial statements.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on these consolidated financial statements.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on these consolidated financial statements.

- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Group is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Group is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-consolidated statement of financial position lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Group is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on these consolidated financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a Group now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in consolidated statement of comprehensive income. The application of amendments is not likely to have an impact on these consolidated financial statements.

Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a Group increases its interest in a joint operation that meets the definition of a business. The amendment, is not likely to have an impact on the Group's financial statements.

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on these consolidated financial statements.

5. SHARE CAPITAL

5.1 Authorized share capital

	Number of shares	2018	2017
		(Rupees in thousand)	
(2017: 600,000,000) ordinary shares of Rs. 10 each	600,000,000	6,000,000	6,000,000
(2017: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each	100,000,000	1,000,000	1,000,000
	700,000,000	7,000,000	7,000,000

5.2 Issued, subscribed and paid-up share capital

	Note	Number of shares	2018	2017
			(Rupees in thousand)	
(2017: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash	5.2.1	356,326,596	3,563,266	2,903,599
(2017: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		35,834,100	358,341	358,341
(2017: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		46,069,400	460,694	460,694
(2017: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.2.2	153,846,153	1,538,462	1,538,462
(2017: 1,624,417) ordinary shares of Rs. 10 each issued on conversion of preference shares into ordinary shares	5.2.3	1,624,417	16,244	16,244
		593,700,666	5,937,007	5,277,340

5.2.1 During the financial year ended 30 June 2018, the Holding Company issued 65,966,740 right shares at Rs. 65 per share at a premium of Rs. 55 per share. The Holding Company has utilized the proceeds from right shares in enhancement of cement manufacturing capacity. Currently, the expansion project is in progress at plant site in Iskanderabad District Mianwali.

5.2.2 During the financial year ended 30 June 2011, Holding 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 Ultimate Holding Company, after complying with all procedural requirements in this respect.

5.2.3 During the financial years ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.

5.3 The Ultimate Holding Company holds 327,836,727 (2017: 291,410,425) ordinary shares, which represents 55.22% (2017: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Holding Company.

5.4 Directors of the Holding Company hold 61,196 (2017: 54,399) ordinary shares of Rs. 10 each of the Holding Company.

6. CAPITAL RESERVES

	Note	2018	2017
		(Rupees in thousand)	
Capital redemption reserve	6.1	528,263	528,263
Share premium reserve	6.2	5,112,037	1,529,874
		5,640,300	2,058,137

6.1 This reserve was created under section 85 of the repealed Companies Ordinance, 1984 for redemption of preference shares.

6.2 This reserve can be utilized by the Holding Company only for the purpose specified in section 81(2) of the Companies Act, 2017.

	2018	2017
	(Rupees in thousand)	

7. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

	2018	2017
At beginning of the year	5,659,065	5,984,429
Surplus on disposal of fixed assets during the year - net of deferred tax	(11)	(23,419)
Related deferred tax liability	(3)	(3,694)
Transfer to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(222,762)	(223,092)
Related deferred tax liability	(74,017)	(75,159)
At end of the year	5,362,272	5,659,065
Deferred tax liability on revaluation surplus		
At beginning of the year	1,335,156	1,397,174
Transferred to unappropriated profit in respect of disposal of fixed assets during the year	(3)	(3,694)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(74,017)	(75,159)
Effect of change in tax rate and proportion of local and export sales	(163,407)	16,835
At end of the year	1,097,729	1,335,156
	4,264,543	4,323,909

7.1 The Holding 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 Holding Company and approved by Pakistan Banks' Association (PBA) in "any amount" category, at 22 June 2015. 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 BANKING COMPANIES - SECURED

8.1 Long term loans - Holding Company

	Lender	Sanctioned Limit	2018	2017	Tenure and basis of principal repayment	Mark-up as per Agreement	Security
		----- (Rupees in thousand) -----					
1	Askari Bank Limited - Term Finance	1,000,000	939,981	-	28 equal quarterly installments with first installment beginning on 27 March 2020.	3-Month KIBOR + 75bps payable quarterly in arrears to be set on day of first draw down and then on 1st working day of each quarter.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Holding Company.
2	Bank of Punjab - Demand Finance	2,000,000	1,415,704	-	28 equal quarterly installments beginning on 31 December 2019.	3-Month KIBOR + 75bps payable quarterly in arrears to be reset on 1st working day of each calendar quarter.	Joint pari passu charge over all present and future fixed assets of the Holding Company with 25% margin.
3	MCB Bank Limited - Demand Finance	2,000,000	1,322,699	-	22 equal quarterly installments beginning on 01 May 2019.	3-Month KIBOR + 75bps payable quarterly in arrears to be reset on 1st working day of each calendar quarter.	Joint pari passu charge over all present and future fixed assets of the Holding Company with 25% margin.
4	National Bank of Pakistan - Demand Finance	4,000,000	3,079,138	-	28 equal quarterly installments beginning on 30 June 2020.	3-Month KIBOR + 75bps payable quarterly in arrears to be set on last business day before first draw down and then on immediately preceding day of each quarter.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Holding Company.
5	Samba Bank - Term Finance	750,000	750,000	-	20 equal quarterly installments beginning on 20 March 2020.	3-Month KIBOR + 75bps payable quarterly in arrears to be reset on 1st working day of each calendar quarter.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Holding Company.
6	MCB Bank Limited (EX NIB) - Term Finance	2,000,000	984,505	-	28 equal quarterly installments beginning on 15 August 2020.	3-Month KIBOR + 0.75% payable quarterly in arrears to be set on the date of first disbursement and subsequently last 7 days avg. of 3MK during last quarter to be reset on quarterly basis.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Holding Company.
7	MCB Islamic - Diminishing Musharikah	1,500,000	900,000	-	24 equal quarterly installments beginning on 01 June 2020.	3-Month KIBOR + 0.7% payable quarterly in arrears to be set on the date of first day of disbursement and to be reset on 1st working day of calendar quarter.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Holding Company.
8	Habib Bank Ltd. - Term Finance	1,000,000	500,000	-	28 equal quarterly installments beginning on 01 March 2020.	3-Month KIBOR + 75bps payable quarterly in arrears to be set on last business day before first draw down and then on immediately preceding day of each quarter.	Joint pari passu charge over fixed assets and all present and future plant and machinery of the Holding Company.
9	Askari Bank Limited - Term Finance	500,000	475,000	500,000	20 equal quarterly installments ending on 04 March 2023.	3-Month KIBOR + 1.25% 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 hypothecation charge and equitable mortgage charge of Rs. 667 million over all present and future plant and machinery and land and building respectively of cement unit-II; and Personal guarantees also provided by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).

Lender	Sanctioned Limit	2018	2017	Tenure and basis of principal repayment	Mark-up as per Agreement	Security
	----- (Rupees in thousand) -----					
10 Bank of Punjab - Demand Finance	1,500,000	1,268,590	1,252,580	20 equal quarterly installments beginning on 06 July 2018.	3-Month KIBOR + 1.25% payable quarterly in arrears to be set on the day of 1st draw down and then on 1st day of calendar quarter.	1st joint pari passu hypothecation charge and equitable mortgage charge over all present and future fixed assets of the Holding Company with 25% margin. It is also secured by lien over import documents. Personal guarantees by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors) duly supported by net worth statements and cross corporate guarantee of the Holding Company and Maple Leaf Power Limited (MLPL) has also been provided.
11 MCB Bank Limited - Demand Finance	1,000,000	740,582	675,590	22 equal quarterly installments ending on 06 April 2023.	3-Month KIBOR + 1.15% payable quarterly in arrears to be reset on 1st working day of each calendar quarter.	1st joint pari passu hypothecation charge and equitable mortgage charge over all present and future fixed assets of the Holding Company with 25% margin; and Personal guarantees also provided by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
12 National Bank of Pakistan - Demand Finance	1,000,000	876,497	675,590	22 equal quarterly installments beginning on 06 July 2018.	3-Month KIBOR + 1.25% payable quarterly in arrears to be set on the date of first disbursement and subsequently at the beginning of each calendar quarter.	1st joint pari passu hypothecation charge and equitable mortgage charge over all present and future fixed assets of the Holding Company amounting to Rs. 1,334 million; and Personal guarantees also provided by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
13 MCB Islamic Bank - Diminishing Musharikah	500,000	500,000	-	24 equal quarterly installments beginning on 13 December 2018.	3-Month KIBOR + 0.7% payable quarterly in arrears to be set on the date of first disbursement and subsequently at the beginning of each calendar quarter.	1st joint pari passu hypothecation charge and equitable mortgage charge over all present and future fixed assets of the Holding Company amounting to Rs. 667 million; and Personal guarantees also provided by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors).
	18,750,000	13,752,696	3,103,760			
Less: Current portion of long term loans from banking companies - secured		(810,616)	(213,534)			
Long term portion of loans from banking companies		12,942,080	2,890,226			

8.2 As per the financing documents, the Holding Company is required to comply with certain financial covenants which mainly include current ratio, minimum debt service coverage ratio, minimum interest coverage ratio, gearing ratio and maximum leverage ratio. Further, the Holding Company is required to comply with certain conditions imposed by the providers of finance to make dividend payment.

8.3 The Holding Company has un-availed long term facilities amounting to Rs. 4,997.30 million (2017: Rs. 11,000 million).

9. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

	2018	2017
	(Rupees in thousand)	
Present value of minimum lease payments	-	480,615
Less: Current maturity presented under current liabilities	-	(210,000)
	-	270,615

During the current year, the Holding Company has made early repayment of six outstanding quarterly repayments amounting to Rs. 480.62 million (US$ 4.57 million) that was originally due to be repaid by December 2018.

10. LONG TERM DEPOSITS

These represent deposits received from dealers and are being utilized by the Group in accordance with the terms of dealership agreements.

11. DEFERRED TAXATION

	2018	2017
	(Rupees in thousand)	
Deferred tax liability on taxable temporary differences arising in respect of:		
- accelerated tax depreciation on fixed assets	2,376,871	2,744,010
- surplus on revaluation of fixed assets	1,097,729	1,335,156
	3,474,600	4,079,166
Deferred tax asset on deductible temporary differences arising in respect of:		
- liabilities against assets subject to finance lease	-	(16,807)
- provision against doubtful debts	(7,750)	-
- employees' retirement benefits	(48,678)	(37,996)
	(56,428)	(54,803)
	3,418,172	4,024,363

	2018	2017
	(Rupees in thousand)	
11.1 Movement in deferred tax balances is as follows:		
At beginning of the year	4,024,363	4,124,673
Recognized in statement of profit or loss:		
- accelerated tax depreciation on fixed assets	(367,139)	(65,841)
- surplus on revaluation of fixed assets	(74,020)	(78,853)
- liabilities against assets subject to finance lease	16,807	35,719
- employees' retirement benefits	(3,945)	(3,279)
- provision for doubtful debts	(7,750)	-
	(436,047)	(112,254)
Recognized in surplus on revaluation of fixed assets:		
Effect of change in proportion of local and export sales	(163,407)	16,835
Recognized in statement of other comprehensive income:		
Employees' retirement benefits	(6,737)	(4,891)
	3,418,172	4,024,363

12. RETENTION MONEY PAYABLE

This amount represents retention money payable to M/s FLS Smidth amounting to Euro 3.43 million (equivalent to Rs. 380.66 million at the exchange rate prevailing on the date of signing of contract, i.e. 16 January 2017) on purchase of plant and machinery. The amount is payable after two years from the date of commencement of commercial production of new cement plant under construction at Iskandrabad, District Mianwali and has been accounted for at present value using discount rate of 7% per annum with the corresponding adjustment amounting to Rs. 69.92 million in cost of respective asset.

	Note	2018	2017
		(Rupees in thousand)	
13. RETIREMENT BENEFITS			
Holding Company			
Accumulated compensated absences	13.1	102,396	76,360
Gratuity	13.2	81,368	74,418
		183,764	150,778
13.1 Accumulated compensated absences			
At beginning of the year		76,360	57,059
Provision for the year		35,607	29,825
Less: Payments made during the year		(9,571)	(10,524)
At end of the year		102,396	76,360

13.2 Gratuity

The latest actuarial valuation of the Holding Company's defined benefit plan, was conducted on 30 June 2018 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

The amounts recognized in the statement of financial position are as follows:

	Note	2018	2017
		(Rupees in thousand)	
Present value of defined benefit obligation	13.2.1	146,800	153,921
Less: Fair value of plan assets	13.2.2	(65,432)	(79,503)
Net liability at end of the year		81,368	74,418
Net liability at beginning of the year		74,418	62,724
Charge to statement of profit or loss for the year	13.2.3	10,451	9,018
Charge to other comprehensive income for the year	13.2.3	27,012	19,408
Contribution made during the year		(30,513)	(16,732)
Net liability at end of the year		81,368	74,418

13.2.1 Movement in the present value of defined benefit obligations is as follows:

Present value of defined benefit obligations at beginning of the year	153,921	131,316
Current service cost for the year	5,866	5,076
Interest cost for the year	10,746	8,914
Actuarial losses on present value of defined benefit obligations	6,780	25,347
Less: Benefits paid during the year	(30,513)	(16,732)
Present value of defined benefit obligation at end of the year	146,800	153,921

13.2.2 Movement in the fair value of plan assets is as follows:

Fair value of plan assets at beginning of the year	79,503	68,592
Contributions made during the year	30,513	16,732
Expected return on plan assets for the year	6,161	4,972
Actuarial (loss) / gain on plan assets	(20,232)	5,939
Less: Benefits paid during the year	(30,513)	(16,732)
Fair value of plan assets at end of the year	65,432	79,503

Plan assets comprise of:

NAFA Government Securities Liquid Fund	18,526	19,435
Trust Investment Bank including accrued interest	-	15,000
MCB Bank Limited (previously NIB Bank Limited)	-	37,000
Habib Metropolitan Bank Limited	44,000	-
Cash at bank	2,906	8,068
	65,432	79,503

	2018	2017
	(Percentage)	
Plan assets comprise of:		
Equity	28.31%	24.45%
Cash at bank	71.69%	75.55%
	100.00%	100.00%

	2018	2017
	(Rupees in thousand)	
13.2.3 Charge for the year		
In statement of profit or loss		
Current service cost for the year	5,866	5,076
Interest cost for the year	10,746	8,914
Expected return on plan assets for the year	(6,161)	(4,972)
	10,451	9,018
In other comprehensive income		
Actuarial losses on retirement benefits - net	27,012	19,408
	37,463	28,426

Actuarial assumptions

The following are the principal actuarial assumptions as at 30 June:

	2018	2017
	(Percentage)	
Discount rate used for year end obligations	9.00%	7.75%
Expected return on plan assets	7.75%	7.25%
Expected rate of growth per annum in future salaries	8.00%	6.75%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Retirement assumptions	60 Years	60 Years

13.3 The Holding Company expects to charge Rs. 10.28 million to consolidated statement of profit or loss on account of defined benefit plan in the year ending 30 June 2019.

13.4 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 30 June 2018 would have been as follows:

	Gratuity	
	Impact on present value of defined benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	140,003	154,146
Future salary increase + 100 bps	154,146	139,883

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.

13.5 At 30 June 2018, the weighted average duration of the defined benefit obligation was 6 years (2017: 6 years).

14. TRADE AND OTHER PAYABLES

	Note	2018	2017
		(Rupees in thousand)	
Trade creditors		2,056,356	932,981
Due to Ultimate Holding Company	14.1	259,192	-
Bills payable - secured	14.2	691,727	3,955
Accrued liabilities	14.4	589,763	594,077
Advances from customers		215,534	253,779
Payable to Workers' Profit Participation Fund	14.3	1,239,489	1,140,473
Payable to Workers' Welfare Fund		92,006	157,210
Payable to Provident Fund Trust		12,268	10,485
		5,156,335	3,092,960
Payable to Government on account of:			
Federal Excise Duty payable		-	203,091
Royalty and Excise Duty payable		31,783	33,569
Sales Tax payable - net		-	234,507
Other Taxes payable		47,614	107,618
Electricity Duty		22,606	-
		102,003	578,785
Contractors' retention money	14.5	250,504	133,524
Payable against redemption of preference shares		1,041	1,041
Security deposits repayable on demand	14.6	57,836	55,976
Other payables		5,595	5,214
		314,976	195,755
		5,573,314	3,867,500

14.1 These carry interest at 1% (2017: 1%) per annum in addition to the average borrowing rate of the Ultimate Holding Company.

14.2 These are secured against the securities as detailed in note 17.1 to these consolidated financial statements.

	2018	2017
	(Rupees in thousand)	
14.3 Payable to Workers' Profit Participation Fund		
At beginning of the year	1,140,473	766,299
Allocation for the year	274,932	368,876
Interest for the year	-	5,298
Less: Paid during the year	(175,916)	-
At end of the year	1,239,489	1,140,473

14.3.1 The outstanding WPPF liability includes Rs. 964.56 million being the left over amount out of the total WPPF liability of Rs. 1,140.47 million pertaining to the financial year ended 30 June 2012 to 30 June 2017. The WPPF liability represents leftover amount payable to Workers Welfare Fund in terms of Companies Profits Worker's Participation Act, 1968. According to the 18th amendment to the Constitution of Pakistan in 2010, all labour / labour welfare laws have become provincial subject, and accordingly the left over amount is no more payable to the Federal Treasury. Major strength of Group's employees eligible for benefit of WPPF are working in the Province of Punjab and accordingly potential amount of left over amount of WPPF is required to be paid to the relevant provincial authority as held by the Honorable Sindh High Court in its judgment in C.P. No. D-1313 of 2013 announced on February 12, 2018. The Government of Punjab has enacted Companies Profits (Workers' Participation) (Amendment) Ordinance, 2018 which is silent about the payment of the amount in excess of employees' entitlement. Accordingly the amount has been withheld by the Group. Further based on Group's legal advisor, management is of the view that no mark up is due on this unpaid amount.

14.4 This includes Rs. 281.72 million booked on account of Gas Infrastructure Development Cess (GIDC) for the period from September 2014 to June 2018. The Group, along with various other companies has challenged the legality and validity of levy and demand of GIDC in Honorable Lahore High Court which is pending adjudication. However, on a prudent basis, the Group has recorded the GIDC amount for the mentioned period. Further, due to non payment, default surcharge of Rs. 202.17 million for the period from September 2015 to June 2018 has been imposed on the Group, which has not been recorded in these consolidated financial statement based on the opinion of legal advisor. The management is hopeful that the Group will not be required to pay the default surcharge.

14.5 This represents security deposits withheld from contractors and are repayable after satisfactory completion of contracts.

14.6 This represents security deposits received from distributors and contractors of the Group. Distributors and contractors have given the Group a right to utilize deposits in ordinary course of business.

15. MARK-UP ACCRUED ON BORROWINGS

	2018	2017
	(Rupees in thousand)	
Profit / mark-up accrued on:		
- Long term loans	190,614	49,674
- Liabilities against assets subject to finance lease	-	898
- Short term borrowings	95,548	50,893
	286,162	101,465

15.1 Profit / mark-up accrued on all loans are from conventional banks.

16. INCOME TAX (REFUNDABLE) / PAYABLE

	2018	2017
At beginning of the year		
- Holding Company	420,527	203,316
- Subsidiary Company	(162,649)	-
	257,878	203,316
Tax deducted / deposited at source	(1,305,745)	(688,589)
Advance income tax paid	(1,111,578)	(1,462,378)
	(2,159,445)	(1,947,651)
Less: Provision for taxation:		
- current	(1,227,652)	(2,188,241)
- prior	28,565	(17,288)
	(1,199,087)	(2,205,529)
	(960,358)	257,878
At end of the year		
- Holding Company	(774,092)	420,527
- Subsidiary Company	(186,266)	(162,649)
	(960,358)	257,878

16.1 Through Order-in-Original No.18/2009 dated 24 December 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 Commissioner of Inland Revenue (appeals).

It is, however, appropriate to highlight that the Holding Company has also filed a writ petition with the Honorable Lahore High Court against the above referred Order-In-Original demand. The Honorable Lahore High Court has ordered that the tax department be restrained from taking any measures against the Holding Company.

16.2 Assistant Commissioner Inland Revenue through order dated 31 May 2018 raised a demand of Rs. 44.58 million under section 122(5A) for the tax year 2012 on the disallowance of adjustment of tax credit under section 65B and withholding of tax under section 154 of the Income Tax Ordinance, 2001. The Holding Company has contested the order in appeal before the CIR(A) which is pending adjudication.

16.3 Deputy Commissioner Inland Revenue through order dated 31 July 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 Holding Company has preferred and appeal before CIR(A) which is pending adjudication.

Based on opinion of the Holding Company's legal counsel, management is confident of favorable outcome in all aforementioned matters, hence no provision is being recognized in respect of these matters in the consolidated statements.

	Note	2018	2017
		(Rupees in thousand)	
17. SHORT TERM BORROWINGS			
Holding Company			
Banking and financial institutions:			
- Cash finance and others	17.1	3,921,178	2,820,233
- Running finance	17.2	1,269,647	255,890
-Temporary bank overdrafts - unsecured	17.3	169,596	62,036
Subsidiary Company			
- Short term borrowing	17.4	424,481	-
		5,784,902	3,138,159

17.1 These facilities have been obtained from various banking companies for working capital requirements and are secured by charge over current and future assets of the Company, personal guarantees of the Directors, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities will be expiring on various dates by 30 June 2019.

The cash finance and other facilities carry mark-up at the rates ranging from 2.75% to 21.00 % (2017: 2.75% to 16.78%) per annum payable quarterly.

The Holding Company has unavailed cash finance and others funded facilities aggregating Rs.1,505 million (2017: Rs. 740 million) at the year end and the Holding Company has unavailed facilities for opening letters of credit / guarantee aggregating Rs. 2,598 million (2017: Rs.2,032 million) at the year end.

17.2 The Holding Company has unavailed running finance funded facilities aggregating Rs. 400 million (2017: Rs. 393 million).

The running finance carry mark-up at the rates ranging from 6.33 % to 7.33 % (2017: 6.33% to 8.75%) per annum payable quarterly.

17.3 This represents temporary overdraft due to cheques issued by the Holding Company at the statement of financial position date.

17.4 This includes a facility which has been obtained as finance against trust receipt from a commercial bank for working capital requirements amounting to Rs. 500 million and is secured by charge over fixed assets of the Subsidiary Company, corporate guarantee of the Holding Company, assignment of receivables from the Holding Company and personal guarantees of Directors. This facility carries mark-up at the rate of 3 months KIBOR plus 1.50% per annum and will expire on 30 November 2018.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 The Holding Company has filed writ petitions before the Honorable Lahore High Court against the legality of judgment passed by the Customs, Excise and Sales Tax Appellate Tribunal in 2004 whereby the Holding Company was held liable on account of wrongful adjustment of input sales tax on raw materials. The amount involved pending adjudication before the Honorable Lahore High Court is Rs.10.01 million. No provision has been made in these consolidated statements in respect of the matter as the management and the Holding Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.2 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 Holding 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 01 July 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 02 April 1994.

The Honorable Lahore High Court, upon the Holding Company's appeal, vide its order dated 06 November 2001 has decided the matter in favor of the Holding Company; however, the Collector of Customs has preferred a petition before the Honorable Sindh High Court, which is pending adjudication. No provision has been made in these consolidated statements in respect of the above stated amount as the management and the Holding Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.3 The Federal Board of Revenue (FBR) has filed an appeal before the Honorable Supreme Court of Pakistan against the judgment delivered by the Honorable Lahore High Court in favor of the Holding Company in a writ petition. The Holding Company, through the said writ petition, had challenged the demand raised by the FBR for payment of duties and taxes on the plant and machinery imported by the Holding Company pursuant to the exemption granted in terms of SRO 484 (I) / 92 dated 14 May 1992. The FBR, however, alleged that the said plant & machinery could be locally manufactured and duties and taxes were therefore not exempted. A total demand of Rs. 1,386.72 million was raised by the FBR out of which an amount of Rs. 269.33 million was deposited by the Holding Company as undisputed liability. No provision has been made in these consolidated statements in respect of the above stated amount as the management and the Holding Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.4 The Holding Company has filed an appeal before the Honorable Supreme Court of Pakistan against the judgment of the Division Bench of the Honorable High Court of Sindh at Karachi. The Division Bench, by judgment dated 15 September 2008, has partly accepted the appeal by declaring that the levy and collection of infrastructure cess / fee prior to 28 December 2006 was illegal and ultra vires and after 28 December 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 28 December 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 Honorable Supreme Court consolidated both the appeals and were set aside. Thereafter, law has been challenged in constitution petition in the Honorable Sindh High Court Karachi. Stay has been granted by the Honorable High Court on 31 May 2011 on payment of 50% of the cess to the Excise Department and on furnishing of bank guarantee for remaining 50% to them. The petition is pending for hearing and stay is continuing.

The management and the Holding Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.5 The Holding Company has filed an appeal before the Honorable Sindh High Court to challenge Sindh Development and Maintenance on levy and collection of infrastructure cess under Infrastructure Cess Act 2017. Stay has been granted by the Honorable High Court on 27 November 2017 in line with earlier petitions explained in note 18.1.3 of these consolidated statements, i.e. on payment of 50% of the cess to the Excise Department and on furnishing of bank guarantee for remaining 50% to them. The petition is pending for hearing and stay is continuing.

18.1.6 Competition Commission of Pakistan, vide order dated 27 August 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 Honorable Islamabad High Court pursuant to the judgment of Honorable Supreme Court of Pakistan dated 31 July 2009, the titled petition has become infructuous and the Holding Company has filed a writ petition no. 15618/2009 before the Honorable Lahore High Court. No provision has been made in these consolidated statements as the management and the Holding Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.7 The Additional Collector, Karachi has issued show cause notice alleging therein that the Holding Company has wrongly claimed the benefits of SRO No. 575(I)/2006 dated 05 June 2006 on the import of pre-fabricated buildings structure. Consequently, the Holding Company is liable to pay Government dues amounting to Rs. 5.55 million. The Holding 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 statements as the management and the Holding Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.8 The customs department has filed an appeal against the judgment dated 19 May 2009, passed in favor 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 14 May 1992, and SRO 978(1)/95 dated 04 October 1995. The appeal is pending before the Honorable Lahore High Court. No provision has been made in these consolidated statements as the management and the Holding Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.9 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 Honorable Lahore High Court dismissed the petition since the matter was being reviewed by the relevant authority. Management and the Holding Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.10 Contingencies relating to tax matters are disclosed in note 16 to these consolidated financial statements.

18.2 Commitments

	2018	2017
	(Rupees in thousand)	
18.2.1 in respect of:		
Holding Company		
- capital expenditure	5,913,413	14,954,991
- irrevocable letters of credit for stores and spares	1,392,690	847,495
Subsidiary Company		
- plant and machinery	30,555	428,400
- civil works	-	117,717
- mechanical services	-	40,745
	7,336,658	16,389,348

18.2.2 Guarantees given by banks on behalf of the Group are of Rs. 602.994 million (2017: Rs. 483.387 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

18.2.3 Corporate guarantee given by the Holding Company to the financial institutions related to credit facilities availed by the Subsidiary Company.

19. PROPERTY, PLANT AND EQUIPMENT

	Note	2018	2017
		(Rupees in thousand)	
Operating fixed assets	19.1	28,390,629	22,185,383
Capital work in progress	19.7	16,873,730	5,944,809
Major spare parts and stand-by equipment	19.8	1,204,297	166,091
		46,468,656	28,296,283

19.1 Operating fixed assets

	Cost / Revalued amount						Depreciation					
	At 01 July 2017	Additions	Transfers	Disposals	At 30 June 2018	Rate	At 01 July 2017	For the year	Transfers	Disposals	At 30 June 2018	Net book value at 30 June 2018
	Rupees in thousand					Percentage	Rupees in thousand					
Owned												
Freehold land												
- cost	55,018	-	-	-	55,018	-	-	-	-	-	-	55,018
- surplus on revaluation	360,830	-	-	-	360,830	-	-	-	-	-	-	360,830
	415,848	-		-	415,848		-	-		-	-	415,848
Buildings on freehold land												
- cost	5,062,868	2,077,451	-	(660)	7,139,659	5 - 10	2,171,020	295,705	-	(256)	2,466,469	4,673,190
- surplus on revaluation	297,607	-	-	-	297,607	5 - 10	91,270	11,311	-	-	102,581	195,026
	5,360,475	2,077,451		(660)	7,437,266		2,262,290	307,016		(256)	2,569,050	4,868,216
Roads, bridges and railway sidings												
- cost	99,953	38,137	-	-	138,090	5 - 10	76,713	4,339	-	-	81,052	57,038
- surplus on revaluation	3,854	-	-	-	3,854	5 - 10	2,125	200	-	-	2,325	1,529
	103,807	38,137		-	141,944		78,838	4,539		-	83,377	58,567
Plant and machinery												
- cost	25,982,175	6,320,214	679,676	(71,621)	32,910,444	5 - 20	13,205,946	1,591,372	281,370	(31,216)	15,047,472	17,862,972
- surplus on revaluation	7,271,106	-	2,852	-	7,273,958	5 - 20	2,182,766	285,197	1,094	-	2,469,057	4,804,901
	33,253,281	6,320,214	682,528	(71,621)	40,184,402		15,388,712	1,876,569	282,464	(31,216)	17,516,529	22,667,873
Furniture, fixtures and equipment	402,990	60,373	-	(91)	463,272	10 - 30	193,203	112,199	-	(56)	305,346	157,926
Quarry equipment	185,023	-	-	(14,712)	170,311	20	169,490	4,796	-	(14,510)	159,776	10,535
Vehicles	243,228	122,892	-	(43,572)	322,548	20	103,632	36,870	-	(29,616)	110,886	211,662
Share of joint assets	6,000	-	-	-	6,000	10	4,853	1,145	-	-	5,998	2
	39,970,652	8,619,067	682,528	(130,656)	49,141,591		18,201,018	2,343,134	282,464	(75,654)	20,750,962	28,390,629
Leased												
Plant and machinery												
- cost	679,676	-	(679,676)	-	-	5	265,756	15,614	(281,370)	-	-	-
- surplus on revaluation	2,852	-	(2,852)	-	-	5	1,023	71	(1,094)	-	-	-
	682,528	-	(682,528)	-	-		266,779	15,685	(282,464)	-	-	-
	40,653,180	8,619,067	-	(130,656)	49,141,591		18,467,797	2,358,819	-	(75,654)	20,750,962	28,390,629

19.1.1 All assets are acquired with funds of the Group and are held by and in the possession and control of the Group.

	Cost / Revalued amount					Depreciation				
	At 01 July 2016	Additions	Disposals	At 30 June 2017	Rate	At 01 July 2016	For the year	Disposals	At 30 June 2017	Net book value at 30 June 2017
	Rupees in thousand				Percentage	Rupees in thousand				
Owned										
Freehold land										
- cost	56,810	-	(1,792)	55,018	-	-	-	-	-	55,018
- surplus on revaluation	373,286	-	(12,456)	360,830	-	-	-	-	-	360,830
	430,096	-	(14,248)	415,848		-	-	-	-	415,848
Buildings on freehold land										
- cost	4,747,570	435,709	(120,411)	5,062,868	5 - 10	2,006,104	213,065	(48,149)	2,171,020	2,891,848
- surplus on revaluation	303,168	-	(5,561)	297,607	5 - 10	83,393	11,434	(3,557)	91,270	206,337
	5,050,738	435,709	(125,972)	5,360,475		2,089,497	224,499	(51,706)	2,262,290	3,098,185
Roads, bridges and railway sidings										
- cost	96,927	3,026	-	99,953	5 - 10	74,400	2,313	-	76,713	23,240
- surplus on revaluation	3,854	-	-	3,854	5 - 10	1,925	200	-	2,125	1,729
	100,781	3,026	-	103,807		76,325	2,513	-	78,838	24,969
Plant and machinery										
- cost	24,912,343	1,309,433	(239,601)	25,982,175	5 - 20	12,064,376	1,290,702	(149,132)	13,205,946	12,776,229
- surplus on revaluation	7,294,860	-	(23,754)	7,271,106	5 - 20	1,907,250	286,617	(11,101)	2,182,766	5,088,340
	32,207,203	1,309,433	(263,355)	33,253,281		13,971,626	1,577,319	(160,233)	15,388,712	17,864,569
Furniture, fixtures and equipment	368,900	68,718	(34,628)	402,990	10 - 30	188,869	36,115	(31,781)	193,203	209,787
Quarry equipment	185,023	-	-	185,023	20	165,608	3,882	-	169,490	15,533
Vehicles	212,407	52,613	(21,792)	243,228	20	92,500	29,369	(18,237)	103,632	139,596
Share of joint assets	6,000	-	-	6,000	10	4,726	127	-	4,853	1,147
	38,561,148	1,869,499	(459,995)	39,970,652		16,589,151	1,873,824	(261,957)	18,201,018	21,769,634
Leased										
Plant and machinery										
- cost	679,676	-	-	679,676	5	243,861	21,895	-	265,756	413,920
- surplus on revaluation	2,852	-	-	2,852	5	1,023	-	-	1,023	1,829
	682,528	-	-	682,528		244,884	21,895	-	266,779	415,749
	39,243,676	1,869,499	(459,995)	40,653,180		16,834,035	1,895,719	(261,957)	18,467,797	22,185,383

19.2 Ownership of the housing colony's assets included in the operating fixed assets is shared by the Group 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.

19.3 Buildings, roads, bridges and railway sidings, plant and machinery are located at freehold land measuring 10145 kanals located at Iskandrabad District Mianwali.

19.4 The latest valuation of Holding Company's assets was carried as at 30 June 2015 and the forced sale value as at that date is given below:

	(Rupees in thousand)
Freehold land	344,077
Buildings on freehold land	2,367,211
Roads, bridges and railway sidings	20,652
Plant and machinery	15,969,363
	18,701,303

19.5 Depreciation charge for the year has been allocated as follows:

	Note	2018	2017
		(Rupees in thousand)	
Cost of sales	33	2,283,643	1,849,351
Administrative expenses	35	71,134	43,290
Distribution expenses	34	4,042	-
Capital work-in-progress		-	3,078
		2,358,819	1,895,719

19.6 Disposal of property, plant and equipment

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Value	Gain / (Loss)	Mode of Disposal	Relationship with the company	Particulars of Purchaser
	(-----------------	Rupees in thousand	----------------)					
Plant and machinery								
Pinion Shaft And Gear Wheel	403	185	218	16	(202)	Auction	Negotiation	Mr. Muhammad Hayat
Flow Divider Assembly	5,130	985	4,145	307	(3,838)	Auction	Negotiation	Mr. Muhammad Hayat
Wear Segment Of Special Cast Iron	3,693	2,183	1,510	108	(1,402)	Auction	Negotiation	Mr. Muhammad Hayat
Furnace Oil Pump (Complete)	1,979	705	1,274	93	(1,181)	Auction	Negotiation	Mr. Muhammad Hayat
Side Liner Mill Roller Segment	3,795	1,359	2,436	177	(2,259)	Auction	Negotiation	Mr. Muhammad Hayat
Wear Segment Of Special Cast Iron	2,897	1,597	1,300	460	(840)	Insurance Claim	Negotiation	EFU General Insurance Co.
Power Factor Controller	100	55	45	17	(28)	Insurance Claim	Negotiation	EFU General Insurance Co.
Roller Tire 10018314 Xd-100	32,143	15,488	16,655	5,949	(10,706)	Insurance Claim	Negotiation	EFU General Insurance Co.
Normal Capple Element	13,185	7,585	5,600	1,973	(3,627)	Insurance Claim	Negotiation	EFU General Insurance Co.
Gas Analyzer Pump	189	84	105	44	(61)	Auction	Negotiation	Bismillah Steel Works
Roller Solid 500/10-930	7,100	357	6,743	11,664	4,921	Claim	Negotiation	M/s. Brother Engineering
Tire Clamp	1,007	633	374	156	(218)	Auction	Negotiation	Bismillah Steel Works
	71,621	31,216	40,405	20,964	(19,441)			
Vehicles								
Pickup Toyota	993	987	6	805	799	Auction	Negotiation	M.Saleem Paracha
Mitsubishi Van	699	695	4	475	471	Auction	Negotiation	Mr.Tariq Amjad
Coaster Hino	2,032	1,900	132	1,587	1,455	Auction	Negotiation	Mr. Ashraf Ali Khan
Motor cycle	77	59	18	10	(8)	Auction	Negotiation	Mr. Atif Javed Khan
Motor cycle	60	57	3	4	1	Auction	Negotiation	Mr. Mujahid Ali
Motor cycle	60	56	4	7	3	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	58	58	-	3	3	Auction	Negotiation	Mr. Mujahid Ali
Motor cycle	60	56	4	6	2	Auction	Negotiation	Mr. Mujahid Ali
Motor cycle	56	50	6	7	1	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	69	61	8	9	1	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	69	61	8	9	1	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	60	57	3	9	6	Auction	Negotiation	Mr. Muhammad Ramzan
Motor cycle	60	57	3	9	6	Auction	Negotiation	Mr. Muhammad Ramzan
Motor cycle	60	56	4	7	3	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	60	56	4	7	3	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	60	56	4	7	3	Auction	Negotiation	Mr. Nusrat Ullah Khan
Motor cycle	76	47	29	15	(14)	Auction	Negotiation	Mr. Atif Javed Khan
Motor cycle	77	56	21	13	(8)	Auction	Negotiation	Mr. Atif Javed Khan
Honda - Civic	2,256	1,555	701	1,377	676	Auction	Negotiation	M/s. Golden Traders Lahore
Honda - Civic	1,821	1,245	576	800	224	Auction	Negotiation	Ms. Shazia Tabassum
Toyota Corolla	1,463	1,143	320	1,136	816	Auction	Negotiation	Mr. Mian Tariq Masood
Toyota Corolla	1,746	1,200	546	1,200	654	Auction	Negotiation	Mr. Adeel Ahmad
Toyota Corolla	1,746	1,211	535	1,200	665	Auction	Negotiation	Mr. Abdul Hanan Khan
Toyota Corolla	1,746	1,188	558	1,200	642	Sale	Employee	Mr. Muhammad Sajjad
Toyota Corolla	1,887	945	942	1,750	808	Transfer	Negotiation	M/s. Kohinoor Textile Mills Ltd
Suzuki Cultus	904	681	223	687	464	Auction	Negotiation	Mr. Sajid Alam
Suzuki Cultus	899	651	248	733	485	Auction	Negotiation	Mr. Abid Rashid Lahore
Suzuki Cultus	854	681	173	578	405	Auction	Negotiation	Mr. Adnan Naseer
Suzuki Cultus	890	671	219	681	462	Auction	Negotiation	Mr. Mian Tariq Masood
Suzuki Cultus	948	681	267	725	458	Auction	Negotiation	Mr. Syed Moeen Hassan
Suzuki Cultus	951	702	249	763	514	Auction	Negotiation	Mr. Ghulam Murtaza
Suzuki Cultus	986	673	313	727	414	Auction	Negotiation	Mr. Abid Rashid Lahore
Suzuki Cultus	986	673	313	742	429	Auction	Negotiation	Mr. Babar Zaman Khan Lahore
Suzuki Cultus	1,019	692	327	600	273	Sale	Employee	Mr. Asif Ali Khan
Suzuki Cultus	1,032	692	340	700	360	Sale	Employee	Mr. Ijaz Ahmad
Suzuki Cultus	1,037	715	322	743	421	Auction	Negotiation	Mr. Ghulam Murtaza
Suzuki Cultus	1,036	711	325	625	300	Auction	Negotiation	Mr. Muhammad Mashroof Lone
Suzuki Cultus	1,025	688	337	630	293	Auction	Negotiation	Mr. Kaleemullah Hafeez
Suzuki Cultus	1,025	688	337	647	310	Auction	Negotiation	Mr. Aamir Akbar
Suzuki Cultus	1,040	720	320	605	285	Auction	Negotiation	M/s. Mr. Ghulam Gillani
Suzuki Cultus	1,046	700	346	640	294	Auction	Negotiation	Mr. Gulzar Ahmad
Suzuki Cultus	1,040	643	397	665	268	Auction	Negotiation	Mr. M.Waqas Qadir Lahore
Suzuki Cultus	1,063	455	608	859	251	Auction	Negotiation	Mr. Muhammad Qasim
Suzuki Cultus	1,063	418	645	805	160	Auction	Negotiation	Mr. Muhammad Mashroof Lone
Suzuki Cultus	1,063	456	607	853	246	Auction	Negotiation	Mr. Muhammad Qasim
Suzuki Cultus	1,078	526	552	755	203	Auction	Negotiation	Mr. Ahmad Hassan Multan
Suzuki Cultus	1,098	565	533	685	152	Auction	Negotiation	Mr. Naeem Iqbal
Suzuki Cultus	1,058	505	553	826	273	Auction	Negotiation	Mr. Naeem Iqbal
Suzuki Cultus	1,119	269	850	350	(500)	Auction	Negotiation	Mr. Muhammad Kausar
Coaster Hino	1,961	1,848	113	1,627	1,514	Auction	Negotiation	Mr. Ashraf Ali Khan
	43,572	29,616	13,956	29,903	15,947			

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Value	Gain / (Loss)	Mode of Disposal	Relationship with the company	Particulars of Purchaser
	(----------------- Rupees in thousand -----------------)							
Buildings on freehold land								
Scrap of boundary wall	660	256	404	620	216	Auction	Negotiation	Malik Mehar M. Naveed
	660	256	404	620	216			
Furniture, Fixtures & Office Equipment								
Laptop	91	56	35	35	-	Transfer	Negotiation	M/s. Kohinoor Textile Mills Ltd.
	91	56	35	35	-			
Quarry Equipment								
Terex Dump	10,894	10,838	56	328	272	Auction	Negotiation	M/s. Qadir & Co.
Demag 40 Tons Crane	3,818	3,672	146	115	(31)	Auction	Negotiation	M/s. Qadir & Co.
	14,712	14,510	202	443	241			
2018	130,656	75,654	55,002	51,965	(3,037)			
2017	459,995	261,957	198,038	195,191	(2,848)			

	Note	2018	2017
		(Rupees in thousand)	
19.7 Movement in capital work-in-progress - at cost			
At beginning of the year		5,944,809	1,201,848
Additions during the year		17,316,831	5,312,828
Less: Transfers during the year		(6,387,910)	(569,867)
At end of the year	19.7.1	16,873,730	5,944,809

19.7.1 Capital work-in-progress - at cost

	Note	2018	2017
Civil Works		4,305,139	1,462,228
Land		736,048	550,918
Plant, machinery, electrical and mechanical works		10,916,773	3,086,806
Un-allocated capital expenditure	19.7.1.1	477,072	414,916
Advances to suppliers against:			
- civil works		322,626	101,584
- plant and machinery		108,343	325,535
- office equipment		4,615	-
- vehicles		3,114	2,822
		16,873,730	5,944,809

19.7.1.1 Un-allocated capital expenditure

	2018	2017
Salaries and wages	163,500	100,153
Finance costs	153,813	146,342
Legal and professional expenses	74,028	8,379
Fee and subscription	49,590	84,154
Energy expense	25,690	47
Rent, rates & other expenses	-	65,670
Travelling and vehicle running cost	-	9,719
Insurance	10,451	452
	477,072	414,916

19.8 This represents major spare parts and stand-by equipments related to Group's expansion project started during the year.

	Note	2018	2017
		(Rupees in thousand)	
20. INTANGIBLE ASSETS - COST			
At beginning of the year		78,666	49,634
Additions during the year		-	29,032
Disposal during the year		-	-
At end of the year		78,666	78,666
Accumulated Amortization			
At beginning of the year		53,460	49,634
Amortization for the year		8,395	3,826
At end of the year		61,855	53,460
Net book value		16,811	25,206
Amortization rate - % per annum		33%	33%
21. LONG TERM LOANS TO EMPLOYEES - SECURED			
House building		2,713	2,956
Vehicles		2,169	2,388
Others		9,938	4,949
		14,820	10,293
Less: Current portion presented under current assets	26	(5,348)	(4,494)
		9,472	5,799

21.1 These loans are secured against employees' retirement benefits and carry interest at the rates ranging from 6% to 12% per annum (2017: 6% to 12 % per annum). These loans are recoverable in 30 to 120 monthly installments.

21.2 This includes loans to executives amounting to Rs. 1.45 million (2017: Rs. 2.42 million). Further, no amount was due from Directors and Chief Executive of the Holding Company at the year end (2017: Rs. nil).

22. LONG TERM DEPOSITS

This includes deposits with various utility companies, regulatory authorities and others.

	Note	2018	2017
		(Rupees in thousand)	

23. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2018	2017
Stores		3,190,399	3,111,284
Spare parts		3,718,445	3,549,109
Loose tools		115,282	90,193
	23.1	7,024,126	6,750,586

23.1 Stores and spares include items in transit amounting to Rs. 409.84 million (2017: Rs. 720.60 million).

	Note	2018	2017
		(Rupees in thousand)	

24. STOCK-IN-TRADE

	Note	2018	2017
Raw material		72,198	105,006
Packing material		152,113	169,128
Work-in-process		665,606	819,354
Finished goods		303,589	207,747
		1,193,506	1,301,235

25. TRADE DEBTS

	Note	2018	2017
Export debtors			
Considered good - secured	25.1	7,442	34,849
Local debtors			
Considered good - unsecured		1,124,311	646,444
Considered doubtful - unsecured		25,000	-
Less: Provision for doubtful balances		(25,000)	-
		1,124,311	646,444
		1,131,753	681,293

25.1 It includes receivable from foreign debtors amounting to Rs. 7.40 million (2017: 34.85 million) and Rs. 0.04 million (2017: nil) from Asia and Africa respectively. These are secured against letters of credit.

26. LOANS AND ADVANCES

	Note	2018	2017
		(Rupees in thousand)	
Advances - unsecured, considered good			
- Employees	26.1	22,868	20,086
- Suppliers	26.2	907,507	793,536
		930,375	813,622
- Current portion of long term loans to employees - secured	21	5,348	4,494
Government Authorities			
- Sales Tax		1,227,025	237,702
- Excise Duty		269,211	-
- Collector of Customs	26.4	41,911	-
		1,538,147	237,702
Refunds due from government	26.5	16,797	16,797
		2,490,667	1,072,615

26.1 This includes loans to executives amounting to Rs. 13.88 million (2017: Rs. 8.64 million). Further, there are no loans due from Directors and Chief Executive of the Holding Company at the year end (2017: nil).

26.2 This includes an amount of Rs. 679.13 million (2017: Rs. 502.41 million) advanced to Ministry of Railways for transportation of coal and cement.

26.3 There has been no loans and advances to any foreign company at the year end (2017: nil).

26.4 It pertains to advance given for clearance of import shipments.

26.5 This represents amount paid to Government under protest for various cases which have been decided in favor of the Holding Company.

27. SHORT TERM INVESTMENT

	Note	2018	2017
		(Rupees in thousand)	
Investment at fair value through profit or loss - listed securities			
Next Capital Limited: 1,500,000 (2017: 1,500,000) ordinary shares of Rs. 10 each 1,875,000 (2017: 1,875,000) right shares of Rs. 8 each Market value Rs. 9.50 per share (2017: Rs. 23.01 per share)			
Cost			
At beginning and end of the year		30,000	30,000
Unrealized fair value gain / (loss)			
At beginning of the year		47,659	(3,000)
Fair value (loss) / gain for the year	36	(45,597)	50,659
At end of the year		2,062	47,659
Fair value at 30 June		32,062	77,659

27.1 There has been no investment in any foreign company during the year (2017: nil).

28. SHORT TERM DEPOSITS AND PREPAYMENTS

	2018	2017
	(Rupees in thousand)	
Margin against:		
- letters of credit	9,634	17,144
- bank guarantees	98,014	68,014
Prepayments	16,560	2,407
	124,208	87,565

29. ACCRUED PROFIT

This represents profit accrued on deposits and saving accounts at the rates ranging from 3.75% to 5.25% (2017: 2.50 % to 5.87%) per annum.

30. OTHER RECEIVABLES

	Note	2018	2017
		(Rupees in thousand)	
Due from the Ultimate Holding Company - unsecured	30.1	-	32,437
Others		43,534	60,680
		43,534	93,117

30.1 These carry interest at 1% (2017: 1%) per annum in addition to the average borrowing rate of the Holding Company.

31. CASH AND BANK BALANCES

	Note	2018	2017
		(Rupees in thousand)	
- Cash in hand - local currency		4,905	6,025
- Cash in hand - foreign currency		1,079	930
		5,984	6,955
Cash at bank			
Current accounts:			
- foreign currency		2,911	1,944
- local currency	31.1	343,058	215,599
		345,969	217,543
Deposit accounts	31.2	333,001	224,984
		678,970	442,527
		684,954	449,482

31.1 These include deposits amounting to Rs. 4.61 million (2017: Rs.2.76 million) placed under an arrangement permissible under Shariah.

31.2 These carry return at 3.75% to 6.5% (2017: 2.5 % to 5.6 %) per annum. These include deposits amounting to Rs. 215.93 million (2017: Rs.124.38 million) placed under an arrangement permissible under Shariah. Remaining balances represents deposits with conventional banks.

32. SALES - NET

	Note	2018	2017
		(Rupees in thousand)	
Gross local sales		34,614,364	29,519,730
Less:			
Federal Excise Duty		(4,433,636)	(2,931,708)
Sales Tax		(5,710,666)	(4,764,821)
Discount		(333,805)	(281,286)
Commission		(141,565)	(110,471)
		(10,619,672)	(8,088,286)
Net local sales		23,994,692	21,431,444
Export sales		1,689,472	2,453,966
		25,684,164	23,885,410

33. COST OF GOODS SOLD

	Note	2018	2017
Raw materials consumed	33.1	1,094,544	964,601
Packing materials consumed		1,530,733	1,298,453
Fuel		6,369,754	4,768,365
Coal used in power generation		1,367,431	-
Power and associated costs		1,372,978	3,159,400
Stores, spare parts and loose tools consumed		1,314,823	1,186,943
Salaries, wages and other benefits	33.2	1,008,778	855,449
Rent, rates and taxes		48,044	25,219
Insurance		53,818	57,813
Repairs and maintenance		390,127	464,575
Depreciation	19.5	2,283,643	1,849,351
Amortization		2,006	-
Vehicles running and maintenance		134,947	99,941
Other expenses	33.3	129,288	141,331
		17,100,914	14,871,441
Work in process:			
At beginning of the year		819,354	395,257
At end of the year		(665,606)	(819,354)
		153,748	(424,097)
Cost of goods manufactured		17,254,662	14,447,344
Finished goods:			
At beginning of the year		207,747	270,180
At end of the year		(303,589)	(207,747)
		(95,842)	62,433
Cost of goods sold		17,158,820	14,509,777

	2018	2017
	(Rupees in thousand)	
33.1 Raw materials consumed		
At beginning of the year	105,006	38,793
Add: Purchases made during the year	1,061,736	1,030,814
	1,166,742	1,069,607
Less: At end of the year	72,198	105,006
	1,094,544	964,601

33.2 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 48.29 million (2017: Rs. 32.43 million) and gratuity and compensated absence amounting to Rs. 35.22 million (2017: Rs. 30.02 million).

33.3 Other expenses include housing colony expenses aggregating to Rs. 71.32 million (2017: Rs. 73.23 million).

34. DISTRIBUTION COST

	Note	2018	2017
		(Rupees in thousand)	
Salaries, wages and other benefits	34.1	158,403	123,133
Travelling and conveyance		89,561	80,349
Vehicle running and maintenance		17,904	13,989
Postage, telephone and fax		7,602	7,423
Printing, stationery and office supplies		5,239	4,066
Entertainment		13,532	8,850
Repair and maintenance		2,240	5,811
Depreciation		4,042	1,464
Advertisement and sale promotions		369,744	338,071
Freight and forwarding		493,373	668,977
Other expenses		67,875	23,049
		1,229,515	1,275,182

34.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 5.59 million (2017: Rs. 4.95 million) and gratuity and compensated absence amounting to Rs. 4.21 million (2017: Rs. 4.53 million).

	Note	2018	2017
		(Rupees in thousand)	

35. ADMINISTRATIVE EXPENSES

	Note	2018	2017
Salaries, wages and other benefits	35.1	281,001	226,435
Travelling		67,360	80,622
Vehicle running and maintenance		19,857	19,499
Postage, telephone and fax		16,432	16,358
Printing, stationery and office supplies		46,497	28,129
Entertainment		41,207	46,848
Repair and maintenance		26,270	45,656
Legal and professional charges	35.2	42,232	28,934
Depreciation	19.5	71,134	43,290
Amortization		6,389	3,826
Provision for doubtful debts	25	25,000	-
Advances written off		12,895	-
Rent, rates and taxes		4,479	5,494
Other expenses		78,511	91,079
		739,264	636,170

35.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 10.34 million (2017: Rs. 9.69 million) and gratuity and compensated absence amounting to Rs. 6.46 million (2017: Rs. 4.29 million).

35.2 Legal and professional charges include following in respect of Auditors' remuneration for:

	2018	2017
	(Rupees in thousand)	
Annual statutory audit	1,668	1,450
Interim review	460	400
Interim audit and other certification	600	1,058
Out of pocket expenses	489	425
	3,217	3,333

35.3 The Holding Company has shared expenses aggregating Rs. 15.18 million (2017: Rs. 13.96 million) on account of combined offices with the Ultimate Holding Company. These expenses have been recorded in respective account.

36. OTHER CHARGES

	Note	2018	2017
		(Rupees in thousand)	
Donation	36.1	14,779	21,054
Workers' Profit Participation Fund (WPPF)		274,932	368,876
Interest on Workers' Profit Participation Fund (WPPF)		-	5,298
Workers' Welfare Fund (WWF)		70,431	138,293
Loss on investments		67,594	-
Loss on disposal of property, plant and equipment		3,036	2,848
Other expenses		5,671	-
		436,443	536,369

	2018	2017
	(Rupees in thousand)	
36.1 Donations for the year have been given to:		
Daud Khel Health Care Centre	6,518	1,124
Police Welfare Middle School	2,500	8,150
Jamia Masjid Iskenderabad	2,135	-
Miscellaneous donations in the form of cement	1,010	1,457
Jahanara Memorial Trust	1,000	1,000
Beaconhouse National University	562	-
ICare foundation	500	-
Bushra Shaheen	300	300
Police Station Daud Khel	216	-
Labor Office Mianwali	38	-
DHQ Hospital Mianwali	-	3,832
District Public School Sargodha	-	2,334
Gulab Devi Chest Hospital	-	2,088
Aitchison College	-	500
Tariq Niazi Hockey Stadium	-	169
Starfall Foundation	-	100
	14,779	21,054

36.1.1 None of the Directors of the Company or their spouse have any interest in donees.

37. OTHER INCOME

	Note	2018	2017
		(Rupees in thousand)	
Income from financial assets			
Profit on bank deposits	37.1	30,742	19,913
Interest on loans to employees		404	522
Gain on forex transactions- net		-	27,360
Unrealized gain on re-measurement of short term investment	27	-	50,659
		31,146	98,454
Income from non-financial assets			
Sale of scrap		28,571	8,669
Others		3,319	8,799
		31,890	17,468
		63,036	115,922

37.1 This includes profit earned on deposits under arrangements which are permissible under Shariah amounting to Rs. 5.63 million (2017: Rs. 4.41 million). The remaining profit relates to interest / markup based arrangement from conventional banks.

38. FINANCE COSTS

	Note	2018	2017
		(Rupees in thousand)	
Profit / interest / mark up on:			
- Long term loans and finances		216,612	-
- Syndicated term finances		-	3,189
- Liabilities against assets subject to finance lease		2,841	21,928
- Short term borrowings	17	332,940	115,247
		552,393	140,364
Loss on forex transactions - net	38.1	257,372	-
Bank and other charges		37,553	33,883
		847,318	174,247

38.1 This includes unrealized exchange loss amounting to Rs. 66.75 million.

39. TAXATION

	2018	2017
	(Rupees in thousand)	
Income Tax		
- current	1,227,652	2,188,241
- prior	(28,565)	17,288
	1,199,087	2,205,529
Deferred	(436,052)	(112,254)
	763,035	2,093,275

39.1 Tax charge reconciliation

39.1.1 Numerical reconciliation between tax expense and accounting profit:

	2018	2017
Profit before taxation	5,335,840	6,869,587
Applicable tax rate as per Income Tax Ordinance, 2001	30%	31%
Tax on accounting profit	1,600,752	2,129,572
Effect of final tax regime	(61,170)	(158,977)
Effect of exempt income	(282,181)	-
Change in tax rate and proportion of local and export sales	(393,603)	31,133
Effect of tax credit under section 65B	(202,183)	(130,331)
Super tax	129,985	204,590
Effect of prior year adjustment	(28,565)	17,288
	763,035	2,093,275

39.2 The provision for current year tax represents tax on taxable income of the Holding Company at the rate of 30%, net of tax credits. As per management's assessment, the provision for tax made in the financial statements is sufficient. A comparison of last three years' of income tax provisions with tax assessment is presented below:

Tax Years	Tax provision as per financial statements	Tax as per assessment
	(Rupees in thousand)	
2015	646,196	646,196
2016	664,330	664,330
2017	2,159,676	2,159,676

39.3 As explained in note 52 to the consolidated financial statements, the Board of Directors in their meeting held on September 17, 2018 has recommended sufficient cash dividend for the year ended 30 June 2018 which complies with the requirements of section 5A of the Income Tax Ordinance, 2001. Accordingly, no provision for tax on non-distribution of dividend has been recognized in these consolidated financial statements for the year ended 30 June 2018.

40. EARNINGS PER SHARE - BASIC AND DILUTED

	Unit	2018	2017 Restated
40.1 Basic earnings per share			
Profit after taxation	Rupees in '000	4,572,805	4,776,312
Weighted average number of ordinary shares (note 40.2)	No. of shares in '000	577,412	542,446
Earnings per share - basic and diluted	Rupees	7.92	8.81

40.2 Weighted average number of ordinary shares

	2018	2017
	No. of Shares in '000'	
Number of shares as at 01 July	542,446	527,734
Add: Bonus element of right issue in number of shares at the start of the year	-	14,712
	542,446	542,446
Add: Impact on weighted average number of shares due to right issue during the year	34,966	-
	577,412	542,446

40.3 There is no dilution effect on the basic earnings per share.

	Note	2018	2017
		(Rupees in thousand)	

41. CASH AND CASH EQUIVALENTS

	Note	2018	2017
Short term running finance	17	(1,269,647)	(255,890)
Cash and bank balances	31	684,954	449,482
		(584,693)	193,592

42. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of associated companies, directors of the Holding Company and entities under common directorship, 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	2018 (Rupees in thousand)	2017
a) Kohinoor Textile Mills Limited	Ultimate Holding Company (55.22% equity held)	Sale of goods and services		50,361	42,618
		Sale of fixed assets		1,785	-
		Markup charged during the year		(4,592)	2,847
		Dividend paid		1,001,723	1,311,347
b) Key management personnel		Remuneration and other benefits	43	290,855	248,741
c) Employee benefits					
• Gratuity	Post employment benefit plan	Contribution		30,513	16,732
• Provident Fund Trust	Employees benefit fund	Contribution		136,947	110,288

42.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Holding Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel.

43. 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, Executive Directors, Non-Executive Directors and Executives of the Group are as follows:

	2018				
			Directors		
	Chairman	Chief Executive	Executives	Non-Executives	Executives
	(-------------------------- Rupees in thousand			--------------------------)	
Short term benefits					
Managerial remuneration	26,273	20,844	34,857	-	115,601
House rent	4,641	3,116	4,229	-	32,897
Medical and other allowances	-	-	409	-	2,753
Conveyance	-	2,303	1,500	-	10,999
Utilities	1,456	-	2,343	-	9,889
	32,370	26,263	43,338	-	172,139
Post employment benefits					
Contribution to Provident Fund Trust	2,109	1,796	2,733	-	10,107
	34,479	28,059	46,071	-	182,246
Numbers	1	1	4	5	55

	2017				
			Directors		
	Chairman	Chief Executive	Executives	Non-Executives	Executives
	(-------------------------- Rupees in thousand			--------------------------)	
					Restated
Short term benefits					
Managerial remuneration	20,412	14,040	29,154	-	99,391
House rent	3,024	720	3,981	-	37,291
Medical and other allowances	-	-	322	-	1,693
Conveyance	-	1,917	1,248	-	8,278
Utilities	1,764	180	1,990	-	9,912
	25,200	16,857	36,695	-	156,565
Post employment benefits					
Contribution to Provident Fund Trust	1,688	1,278	2,279	-	8,179
	26,888	18,135	38,974	-	164,744
Number	1	1	4	5	50

43.1 The Chairman, Chief Executive, Directors and some of the Executives are also provided with the Group's maintained cars in accordance with their terms of employment.

43.2 Aggregate amount charged in these consolidated financial statements in respect of meeting fee paid to Directors aggregated to Rs. 0.38 million (2017: Rs.0.31 million).

44. CAPACITY AND PRODUCTION

	Capacity		Actual Production	
	2018	2017	2018	2017
	---------------------- Metric tons --------------------			
Clinker	3,360,000	3,360,000	3,529,876	3,299,047

The capacity of plant has been determined on the basis of 300 days.

45. OPERATING SEGMENT

Information about operating segment

These consolidated statements have been prepared on the basis of single reportable segment.

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:

	2018	2017
	(Percentage)	
Geographical area		
Asia	99.57%	99.11%
Africa	0.43%	0.89%
	100.00%	100.00%

All assets of the Group as at 30 June 2018 are located in Pakistan.

46. 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 Holding Company'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 analyze 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 adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

46.1 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 are regularly monitored and assessed.

46.1.1 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:

	2018	2017
	(Rupees in thousand)	
Financial asset at fair value through statement of profit or loss		
Short term investments	32,062	77,659
Loans and receivables		
Long term deposits	56,554	56,474
Trade debts	1,131,753	681,293
Long term loans to employees	14,820	10,293
Short term deposits	107,648	85,158
Accrued profit	1,729	2,628
Other receivables	-	32,437
Cash at bank	678,970	442,527
	1,991,474	1,310,810
	2,023,536	1,388,469

46.1.2 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:

	2018	2017
	(Rupees in thousand)	
Customers	1,131,753	681,293
Banking companies and financial institutions	786,618	527,685
Others	105,165	179,491
	2,023,536	1,388,469

46.1.3 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 default rates and present ages.

46.1.3(a) Counterparties with external credit ratings

These include banking companies and financial institutions. 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:

	Rating			2018	2017
	Short term	Long term	Agency	(Rupees in thousand)	
Bank balances					
Allied Bank Limited	A1+	AA+	PACRA	197	84
Askari Bank Limited	A1+	AA+	PACRA	17,162	7,498
Bank Al-Habib Limited	A1+	AA+	PACRA	121,992	80,955
Bank Alfalah	A1+	AA+	PACRA	3,048	6,578
Bank Islami Pakistan Limited	A1	A+	PACRA	214,132	124,238
Bank of Punjab	A1+	AA	PACRA	24,918	963
Burj Bank Limited	A1	A	PACRA	9	9
Dubai Islamic Bank Pakistan Limited	A-1	AA-	JCR-VIS	2,669	741
Faysal Bank Limited	A1+	AA	PACRA	24,130	758
Habib Bank Limited	A-1+	AAA	JCR-VIS	33,390	11,378
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	59,546	65,967
Meezan Bank Limited	A-1+	AA	JCR-VIS	663	672
MCB Bank Limited	A1+	AAA	PACRA	47,968	78,817
National Bank of Pakistan	A1+	AAA	PACRA	11,165	22,823
NIB Bank Limited	A1+	AA-	PACRA	25,129	28,767
Samba Bank Limited	A-1+	AA	JCR-VIS	10,149	-
Silk Bank Limited	A-2	A-	JCR-VIS	10	10
Soneri Bank Limited	A1+	AA-	PACRA	127	1,263
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,505	2,505
Summit Bank Limited	A-1	A-	JCR-VIS	-	25
United Bank Limited	A-1+	AAA	JCR-VIS	79,162	7,577
U Micro Finance Bank Limited	A-2	A	JCR-VIS	899	899
				678,970	442,527
Margin against bank guarantees					
Allied Bank Limited	A1+	AA+	PACRA	1,700	1,700
United Bank Limited	A-1+	AAA	JCR-VIS	31,214	31,214
Summit Bank Limited	A-1	A-	JCR-VIS	12,792	12,792
Trust Investment Bank	N/A	N/A	-	5,344	5,344
Askari Bank Limited	A1+	AA+	PACRA	10,000	10,000
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	10,000	-
Dubai Islamic Bank Pakistan Limited	A-1	AA-	JCR-VIS	20,000	-
				98,014	68,014
Margin against letters of credit					
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	3,832
Allied Bank Limited	A1+	AA+	PACRA	3,810	9,672
Bank of Punjab	A1+	AA	PACRA	1,000	-
United Bank Limited	A-1+	AAA	JCR-VIS	4,824	-
NIB Bank Limited	A1+	AA-	PACRA	-	3,640
				9,634	17,144

46.1.3(b) Counterparties without external credit ratings

These include customers which are counter parties to local and foreign trade debts against sale of cement. Out of gross trade debts of Rs. 1,156.75 million (2017: Rs. 681.29 million), trade debts that are subject to credit risk amount to Rs. 1,149.31 million (2017: Rs. 646.44 million). The analysis of ages of trade debts of the Group as at the reporting date is as follows:

	2018		2017	
	Gross	Impairment	Gross	Impairment
	--------------- (Rupees in thousand) ---------------			
The aging of trade debts at the reporting date is:				
Not past due	351,874	-	222,788	-
Past due 1 to 30 days	377,410	-	278,542	-
Past due 30 to 150 days	270,744	-	70,297	-
Past due 150 days	156,725	25,000	109,666	-
	1,156,753	25,000	681,293	-

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.

46.2 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 unfavorable 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, 17.1 and 17.2 to these consolidated financial statements is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

46.2.1 Exposure to liquidity risk

46.2.1(a) 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.

	2018				
	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	13,752,696	20,391,834	1,934,266	11,792,200	6,665,369
Long term deposits	8,714	8,714	-	8,714	-
Retention money payable	310,735	388,660	-	388,660	-
Trade and other payables	3,946,888	3,946,888	3,946,888	-	-
Unclaimed dividend	110,743	110,743	110,743	-	-
Mark-up accrued on borrowings	286,162	286,162	286,162	-	-
Short term borrowings	5,784,902	5,784,902	5,784,902	-	-
	24,200,840	30,917,903	12,062,961	12,189,574	6,665,369

	2017				
	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	3,103,760	3,623,846	473,133	2,879,224	271,489
Liabilities against assets subject to finance lease	480,615	484,974	188,196	296,778	-
Long term deposits	8,699	8,699	-	8,699	-
Trade and other payables	1,737,253	1,737,253	1,737,253	-	-
Unclaimed dividend	101,219	101,219	101,219	-	-
Mark-up accrued on borrowings	101,465	101,465	101,465	-	-
Short term borrowings	3,138,159	3,138,159	3,138,159	-	-
	8,671,170	9,195,615	5,739,425	3,184,701	271,489

46.3 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.

46.3.1 Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, 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.

46.3.1(a) Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows. The figures represent foreign currency balances after conversion in Pak Rupees using exchange rates prevailing at the statement of financial position date.

	2018					
	GBP	CHF	EURO	USD	YEN	Equivalent to RUPEES
	(in thousand)					
Assets						
Trade debts	-	-	-	61	-	7,418
Cash and bank balances	2	-	-	30	-	3,990
	2	-	-	91	-	11,408
Liabilities						
Trade creditors and bills payable	-	-	-	(6,588)	-	(801,101)
Net statement of financial position exposure	2	-	-	(6,497)	-	(789,693)
Off statement of financial position items						
Outstanding letters of credit	-	(18)	(18,991)	(9,964)	-	(3,902,380)
Net exposure	2	(18)	(18,991)	(16,461)	-	(4,692,073)

	2017					
	GBP	CHF	EURO	USD	YEN	Equivalent to RUPEES
	(in thousand)					
Assets						
Trade debts	-	-	-	333	-	34,898
Cash and bank balances	2	-	-	24	-	2,874
	2	-	-	357	-	37,772
Liabilities						
Liabilities against assets subject to finance lease	-	-	-	(4,577)	-	(480,585)
Creditors and bills payable	-	-	(23)	-	-	(2,763)
	-	-	(23)	(4,577)	-	(483,348)
Net statement of financial position exposure	2	-	(23)	(4,220)	-	(445,576)
Off statement of financial position items						
Outstanding letters of credit	-	-	(82,117)	(5,735)	(10,486)	(10,477,568)
Net exposure	2	-	(82,140)	(9,955)	(10,486)	(10,923,144)

46.3.1(b) Exchange rates applied during the year

The following significant exchange rates have been applied during the year:

	2018		
	Reporting date spot rate		Average rate
	Buying	Selling	for the year
GBP	159.14	159.41	149.12
CHF	122.11	122.32	113.88
EURO	141.33	141.57	132.06
USD	121.40	121.60	110.63
YEN	1.10	1.10	1.01

	2017		
	Reporting date spot rate		Average rate
	Buying	Selling	for the year
GBP	136.42	136.68	133.05
CHF	109.54	109.75	105.83
EURO	119.91	120.14	114.37
USD	104.80	105.00	104.75
YEN	0.94	0.94	0.96

46.3.1(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	
	2018	2017
	(Rupees in thousand)	
GBP	32	27
CHF	-	-
EURO	-	(276)
USD	(79,004)	(44,310)
YEN	-	-
	(78,972)	(44,559)

46.3.1(d) Currency risk management

Since the maximum amount exposed to currency risk is only 1.31% (2017: 1.14%) of the Group's total assets, any adverse / favorable movement in functional currency with respect to US dollar, GBP and Euro will not have any material impact on the operational results.

46.3.2 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.

46.3.2(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 consolidated financial statements. The Group's interest / mark-up bearing financial instruments as at the reporting date are as follows:

		2018		2017	
		Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Note	--------- (Rupees in thousand) ---------			
Non-derivative financial instruments					
Short term borrowings - cash finance and others	17	-	3,921,178	-	2,820,233
Bank balances at deposit accounts	31	333,001	-	224,984	-
		333,001	3,921,178	224,984	2,820,233

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 statement of profit or loss. Therefore, a change in mark-up / interest rates at the reporting date would not affect profit or loss.

46.3.2(b) Variable rate financial instruments

		2018		2017	
		Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Note	--------- (Rupees in thousand) ---------			
Non-derivative financial instruments					
Long term loans from banking companies - secured	8	-	13,752,696	-	3,103,760
Liabilities against assets subject to finance lease	9	-	-	-	480,615
Short term borrowings - running finance	17	-	1,269,647	-	255,890
		-	15,022,343	-	3,840,265

The related mark-up / interest rates for variable 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. The analysis is performed on the same basis for the year 2017.

	Profit	
	2018	2017
	(Rupees in thousand)	
Increase of 100 basis points		
Variable rate instruments	(150,223)	(38,403)
Decrease of 100 basis points		
Variable rate instruments	150,223	38,403

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.

46.3.2(c) Interest rate risk management

The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Group's significant borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

46.3.3 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.

46.3.3(a) Investments exposed to price risk

At the statement of financial position date, the Group's investment in quoted equity securities is as follows:

	2018	2017
	(Rupees in thousand)	
Investment in equity securities	32,062	77,659

46.3.3(b) Sensitivity analysis

A 10% increase / (decrease) share prices at statement of financial position date would have increased / (decreased) the Group's fair value gain on investment as follows:

	Equity 2018	Equity 2017
	(Rupees in thousand)	
Short term investment at fair value through statement of profit or loss		
Effect of increase	3,206	7,766
Effect of decrease	(3,206)	(7,766)

46.3.3(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.

47. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the 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.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Group 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:

	Note	Carrying Amount: Fair Value through statement of profit or loss	Loans and receivables	Other financial liabilities	Total	Fair Value: Level 1	Level 2	Level 3
		(Rupees in thousand)						
On-statement of financial position instruments								
30 June 2018								
Financial assets measured at fair value								
Short term investments		32,062	-	-	32,062	32,062	-	-
		32,062	-	-	32,062	32,062	-	-
Financial assets not measured at fair value								
Cash and bank balances		-	684,954	-	684,954	-	-	-
Long term loans to employees		-	14,820	-	14,820	-	-	-
Short term deposits		-	107,648	-	107,648	-	-	-
Accrued profit		-	1,729	-	1,729	-	-	-
Long term deposits		-	56,554	-	56,554	-	-	-
Trade debts		-	1,131,753	-	1,131,753	-	-	-
	47.1	-	1,997,458	-	1,997,458	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from banking companies - secured		-	-	13,752,696	13,752,696	-	-	-
Long term deposits		-	-	8,714	8,714	-	-	-
Retention money payable		-	-	310,735	310,735	-	-	-
Trade and other payables		-	-	3,946,888	3,946,888	-	-	-
Unclaimed dividend		-	-	110,743	110,743	-	-	-
Mark-up accrued on borrowings		-	-	286,162	286,162	-	-	-
Short term borrowings		-	-	5,784,902	5,784,902	-	-	-
	47.1	-	-	24,200,840	24,200,840	-	-	-

	Note	Carrying Amount: Fair Value through statement of profit or loss	Loans and receivables	Other financial liabilities	Total	Fair Value: Level 1	Level 2	Level 3
		(Rupees in thousand)						
On-statement of financial position instruments								
30 June 2017								
Financial assets measured at fair value								
Short term investments		77,659	-	-	77,659	77,659	-	-
		77,659	-	-	77,659	77,659	-	-
Financial assets not measured at fair value								
Cash and bank balances		-	449,482	-	449,482	-	-	-
Long term loans to employees		-	10,293	-	10,293	-	-	-
Short term deposits		-	85,158	-	85,158	-	-	-
Other receivables		-	32,437	-	32,437	-	-	-
Accrued profit		-	2,628	-	2,628	-	-	-
Long term deposits		-	56,474	-	56,474	-	-	-
Trade debts		-	681,293	-	681,293	-	-	-
	47.1	-	1,317,765	-	1,317,765	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from banking companies - secured		-	-	3,103,760	3,103,760	-	-	-
Liabilities against assets subject to finance lease		-	-	480,615	480,615	-	-	-
Long term deposits		-	-	8,699	8,699	-	-	-
Trade and other payables		-	-	1,737,253	1,737,253	-	-	-
Unclaimed dividend		-	-	101,219	101,219	-	-	-
Mark-up accrued on borrowings		-	-	101,465	101,465	-	-	-
Short term borrowings		-	-	3,138,159	3,138,159	-	-	-
	47.1	-	-	8,671,170	8,671,170	-	-	-

47.1 The Group has not disclosed the fair values of these financial assets and liabilities as these are for short term or re-price over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

47.2 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 Holding Company. The valuation experts used a market based approach to arrive at the fair value of the Holding 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 consolidated financial statements.

48. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Issued, subscribed and paid-up capital	Share premium	Dividend Payable	Long term financing	Liabilities against assets subject to finance lease - secured	Short term borrowing	Accrued markup	Total
	-------------------------------- (Rupees in thousand) --------------------------------							
As at 01 July 2017	5,277,340	1,529,874	101,219	3,103,760	480,615	3,138,159	101,465	13,732,432
Changes from financing cash flows								
Proceeds from issuance of shares	659,667	3,628,171	-	-	-	-	-	4,287,838
Dividend paid	-	-	(1,804,561)	-	-	-	-	(1,804,561)
Proceeds from short term borrowings - net	-	-	-	-	-	1,632,986	-	1,632,986
Share issuance cost	-	(46,008)	-	-	-	-	-	(46,008)
Financial charges paid	-	-	-	-	-	-	(662,621)	(662,621)
Proceeds from long term financing - net	-	-	-	10,648,936	-	-	-	10,648,936
Payment of finance lease liabilities	-	-	-	-	(480,615)	-	-	(480,615)
Total changes from financing cash flows	659,667	3,582,163	(1,804,561)	10,648,936	(480,615)	1,632,986	(662,621)	13,575,955
Other changes								
Dividend declared	-	-	1,814,085	-	-	-	-	1,814,085
Change in short term running finances	-	-	-	-	-	1,013,757	-	1,013,757
Interest expense	-	-	-	-	-	-	847,318	847,318
Total liability related other changes	-	-	1,814,085	-		1,013,757	847,318	3,675,160
As at 30 June 2018	5,937,007	5,112,037	110,743	13,752,696	-	5,784,902	286,162	30,983,547

49. 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.

	Unit	2018	2017 Restated
Total debt	Rupees in '000	19,537,598	6,722,534
Less: Cash and bank balances		(684,954)	(449,482)
Net debt		18,852,644	6,273,052
Total Equity	Rupees in '000	30,809,188	23,665,506
Total capital employed	Rupees in '000	49,661,832	29,938,558
Gearing	Percentage	37.96%	20.95%

Total debt comprises of long term loans from banking companies, liabilities against assets subject to finance lease 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 Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

50. PROVIDENT FUND TRUST

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

	Un-audited 2018	Audited 2017
	(Rupees in thousand)	
Size of the fund - total assets	704,838	625,628
Cost of investments made	460,765	335,765
Percentage of investments made	85.49%	77.57%
Fair value of investments	602,600	485,282

The break-up of fair value of investments is:

	2018		2017	
	Rs. in thousand	Percentage	Rs. in thousand	Percentage
Shares in quoted securities	22,925	3.80%	52,544	10.79%
Term deposit receipts	179,000	29.70%	84,000	17.25%
Government securities	276,554	45.90%	242,743	50.12%
Mutual funds	124,121	20.60%	105,995	21.84%
	602,600	100.0%	485,282	100%

The 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.

51. NUMBER OF EMPLOYEES

The total and average number of employees of the Group during the year and as at 30 June 2018 and 2017 respectively are as follows:

	2018	2017
Average number of employees during the year		
- Plant	1,100	982
- Other locations	359	319
	1,459	1,301
Total number of employees as at 30 June		
- Plant	1,145	1,040
- Other locations	376	327
	1,521	1,367

52. NON ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Holding Company in its meeting held on September 17, 2018 has proposed a final cash dividend of Re. 1/- per share, for the year ended June 30, 2018 for approval of the members in the Annual General Meeting to be held on October 27, 2018.

53. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue by the Board of Directors of the Holding Company in their meeting held on September 17, 2018.

54. GENERAL

Figures in the consolidated financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.

CHIEF EXECUTIVE OFFICER　　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)

of ______________________________________another member of the Company

or failing him/her ______________________________________

(Name)

of ______________________________________another member of the Company

as my/our proxy to attend, speak and vote for and on my/our behalf, at the 58th Annual General Meeting of the Company to be held at its Registered Office, 42-Lawrence Road, Lahore on Saturday, October 27, 2018 at 11:00 AM and any adjournment thereof.

As witnessed given under my/our hand(s) ______________ day of October 2018.

1. Witness:

Signature : ______________

Name : ______________

CNIC : ______________

Address : ______________

: ______________

2. Witness:

Signature : ______________

Name : ______________

CNIC : ______________

Address : ______________

: ______________

Affix
Revenue
Stamp of Rs. 5/-

____

Signature of Member / Attorney

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 Shareholders, entitled to attend, speak and vote at this meeting, must bring with them their Computerized National Identity Cards (CNIC) / Passports in original to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport.

3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee should be attached with the proxy form.

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

میں/ہم---

ساکن --

بحیثیت حصہ دار میپل لیف سیمنٹ فیکٹری لمیٹڈ--

(ممبر کا نام)

ساکن--یا بصورت دیگر--------------------------------------

(ممبر کا نام)

ساکن --کو اپنی جگہ ہفتہ **27 اکتوبر 2018**ء کو دن گیارہ(11:00) بجے رجسٹرڈ آفس

42-لارنس روڈ لاہور میں منعقدہ یا ملتوی ہونے والے **58** ویں اجلاس عام میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

دستخط------------------ (ممبر/مجاز افسر)

مورخہ-------- اکتوبر **2018**ء

5 روپے کا رسیدی ٹکٹ
چسپاں کر کے دستخط کریں

گواہان

1. دستخط----------------------------
   نام----------------------------
   شناختی کارڈ نمبر----------------------
   پتہ----------------------------

2. دستخط----------------------------
   نام----------------------------
   شناختی کارڈ نمبر----------------------
   پتہ----------------------------

حامل عام حصص-------------------

سی ڈی سی کا شراکتی آئی ڈی اور اکاؤنٹ نمبر-------------------- فولیو نمبر-----------------------

کمپیوٹرائزڈ شناختی کارڈ نمبر | | | | | | - | | | | | | | | - | |

نوٹس:

(ا) پراکسیز کے مؤثر ہونے کیلیئے 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 اجلاس ہذا میں شرکت کرنے، بولنے اور ووٹ دینے کیلیئے اہل ہیں اور اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ ساتھ لائیں اور پراکسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔

(۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نمائندہ کے دستخط پراکسی فارم کے ساتھ لف کرنے ہوں گے۔

AFFIX
CORRECT
POSTAGE

The Company Secretary

MAPLE LEAF CEMENT FACTORY LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36278904-05

نظرثانی شدہ اشتمال شدہ مالیاتی گوشواروں پرڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 جون 2018 کوختم ہونے والے سال کے لئے میپل لیف سیمنٹ فیکٹری لمیٹڈ (ہولڈنگ کمپنی) اور اسکی مکمل ذیلی کمپنی میپل لیف پاورلمیٹڈ (باہم ایک گروپ) کے نظرثانی شدہ اشتمال شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

گروپ کے نتائج

گروپ نے گزشتہ سال کے9,376 ملین روپے کے مقابلے میں 8,525 ملین روپے کا مجموعی منافع کمایا ہے۔گروپ نے اس سال 4,573 ملین روپے کا بعد از ٹیکس منافع کمایا جوگزشتہ سال4,776 ملین روپے تھا۔

گروپ کے مجموعی نتائج حسب ذیل ہیں:

	30 جون 2018	30 جون 2017
	روپے ملین میں	
فروخت	25,684	23,885
مجموعی منافع	8,525	9,376
آپریشنز سے نفع	6,183	7,044
مالی اخراجات	847	174
بعد از ٹیکس خالص منافع	4,573	4,776
	روپے	Restated
فی حصص آمدنی۔ بنیادی اور ڈائلیوٹڈ	7.92	8.81

ذیلی کمپنی

میپل لیف پاورلمیٹڈ

میپل لیف سیمنٹ فیکٹری لمیٹڈ نے ایک مکمل ذیلی کمپنی بنام "میپل لیف پاورلمیٹڈ (MLPL)" تشکیل دی۔MLPL ("مکمل ذیلی کمپنی") 15 اکتوبر 2015 کو پاکستان میں کمپنیز آرڈیننس1984 (اب کمپنیز ایکٹ2017) کے تحت ایک پبلک لمٹیڈ کمپنی کے طور پر قائم ہوئی۔ MLPL کا اصل مقصد ہولڈنگ کمپنی کو بجلی پیدا کرکے فروخت اور فراہمی کے کاروبار میں مشغول کرنے کے سلسلے میں الیکٹرک پاور جنریشن پلانٹ تیار، ڈیزائن، چلانا اور برقرار رکھنا ہے۔

اظہار تشکر

ڈائریکٹرز گروپ کے ارکان، مالیاتی اداروں، صارفین اور ملازمین کے تعاون اور حمایت کے شکر گذار ہیں۔وہ مختلف کرداروں میں کام کرنے والے ملازمین کی سخت محنت اورلگن کو بھی سراہتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

سعید طارق سہگل
چیف ایگزیکٹو آفیسر

سید محسن رضا نقوی
ڈائریکٹر

لاہور: 17 ستمبر 2018

ہیومن ریسورس اور ریمنریشن کمیٹی

نام	عہدہ
جناب شفیق احمد خان	چیئرمین / آزاد ڈائریکٹر
جناب ضمیر الدین آذر	رکن / نان ایگزیکٹو ڈائریکٹر
جناب دانیال توفیق سہگل	رکن / نان ایگزیکٹو ڈائریکٹر

سال کے دوران ہیومن ریسورس اور ریمنریشن کمیٹی کا ایک (01) اجلاس منعقد ہوا (تمام ارکان نے اجلاس میں شرکت کی)۔

آزاد اور نان ایگزیکٹو ڈائریکٹرز کے لئے 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 -/10,000 روپے (دس ہزار روپے صرف) فی اجلاس یا بورڈ اور اسکی کمیٹی کے اجلاس میں شرکت کے لئے 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۔

شیئر ہولڈنگ کا نمونہ

30 جون 2018 کے مطابق کمپنیز ایکٹ 2017 کے تحت کمپنی کے شیئر ہولڈنگ کا نمونہ منسلک کیا گیا ہے۔

مستقبل کا نقطہ نظر

آئندہ دنوں میں، نئی حکومت کی طرف سے بجٹ کے اقدامات کے باعث ہم پی ایس ڈی پی ایلوکیشنز میں کمی کے لحاظ سے سیمنٹ کی مقامی طلب میں کمپریشن کی توقعات ہیں۔ سیمنٹ انڈسٹری بھی سی پیک کی پیشرفتوں پر گہری نظر رکھ رہی ہے اور یہ موقع پورے ملک کے لئے بہت فائدہ مند ثابت ہوگا۔ حالیہ انتخابی مہم کے دوران ہونے والی سیاسی غیر یقینی صورتحال کے باوجود، سی پیک منصوبوں پر سیاسی اور فوجی قیادت کے اجتماعی اقدامات کی وجہ سے تیز رفتاری دکھائی دیتی ہے اور نئی صلاحیتوں سے مستقبل کی سپلائی جذب کرنے کے لئے یہ ایک ٹرائیگر ثابت ہونے کی امید ہے۔ حال ہی میں قائم ہونے والی حکومت جاری منصوبوں یعنی بجلی کے منصوبوں، موٹروے، اورنج ٹرین سمیت بنیادی اسکیموں کو مکمل کرنے، کم آمدنی ہاؤسنگ اسکیموں پر توجہ مرکوز کرنے، ملک کے پانی کے ذخائر کو تعمیر کرنے کے لئے پرعزم ہے، جس سے سیمنٹ کی صنعت کو بھرپور فائدہ ہوگا۔

ادائیگیوں کے توازن میں خرابی، غیر ملکی کرنسی کے ذخائر میں کمی، حکومت پاکستان کی طرف سے بین الاقوامی قرضوں کی واپسی پاکستانی روپیہ کی قدر میں مزید کمی کا خطرہ درپیش اور میکرو اقتصادی اشاروں میں رکاوٹ کا سبب بن سکتا ہے۔

اگلے سال کے لئے سیمنٹ کی طلب میں کم طلب کے امکانات کے باعث، فروخت کی قیمتیں دباؤ میں رہنے کی توقع ہے۔ کوئلے اور ایندھن کی قیمتوں میں اضافے کی وجہ سے مجموعی مارجنز بھی متاثر ہوسکتا ہے۔ تمام آپریشنل شعبوں میں لاگت میں کمی کی کوششوں پر توجہ مرکوز جاری ہے اور کمپنی نے تیل اور کوئلہ کی قیمتوں میں اضافہ کے باوجود متبادل ایندھن کے استعمال اور پلانٹ کے مؤثر آپریشن سمیت اخراجات کو کم کرنے کے لئے مختلف حکمت عملیاں اپنائی ہیں۔

اظہار تشکر

بورڈ اس موقع پر حصص داران، 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

(سعید طارق سہگل)	(سید محسن رضا نقوی)
چیف ایگزیکٹو آفیسر	ڈائریکٹر

لاہور: 17 ستمبر 2018ء

ترتیب:

آزادڈائریکٹرز	01
دیگرنان ایگزیکٹوڈائریکٹرز	05
ایگزیکٹوڈائریکٹرز	02

زیرجائزہ 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 ڈائریکٹر کی طرف سے حاضری مندرجہ ذیل ہے:

نام	عہدہ	اجلاسوں میں حاضری
جناب شفیق احمد خان	آزاد ڈائریکٹر	4
جناب طارق سعید سہگل	نان ایگزیکٹوڈائریکٹر	5
جناب توفیق سعید سہگل	نان ایگزیکٹوڈائریکٹر	5
جناب ولید طارق سہگل	نان ایگزیکٹوڈائریکٹر	2
جناب دانیال توفیق سہگل	نان ایگزیکٹوڈائریکٹر	5
جناب ضمیرالدین آذر	نان ایگزیکٹوڈائریکٹر	5
جناب سعید طارق سہگل	ایگزیکٹوڈائریکٹر	5
سید محسن رضا نقوی	ایگزیکٹوڈائریکٹر	4

اجلاس میں شرکت نہ کرسکنے والے ارکان کو غیر شرکت کی باقاعدہ اجازت دی گئی تھی۔

مندرجہ ذیل ایگزیکٹوڈائریکٹرز دوسری کمپنیوں میں نان ایگزیکٹوڈائریکٹرز بھی ہیں۔

عہدہ	نام	دیگر کمپنیوں میں نظامت کی تعداد
ایگزیکٹوڈائریکٹر	جناب سعید طارق سہگل	2
ایگزیکٹوڈائریکٹر	سید محسن رضا نقوی	2

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کی ضروریات کے مطابق، درج ذیل کمیٹیاں دوبارہ تشکیل دی گئی ہیں:

آڈٹ کمیٹی

زیرجائزہ سال کے دوران، آڈٹ کمیٹی کے کل پانچ (5) اجلاس منعقد ہوئے اور ہر رکن کی حاضری مندرجہ ذیل ہے:

نام	عہدہ	اجلاسوں میں شرکت
جناب شفیق احمد خان	چیئرمین / آزاد ڈائریکٹر	5
جناب ضمیرالدین آذر	رکن / نان ایگزیکٹوڈائریکٹر	5
جناب ولید طارق سہگل	رکن / نان ایگزیکٹوڈائریکٹر	2
جناب دانیال توفیق سہگل	رکن / نان ایگزیکٹوڈائریکٹر	5

اجلاس میں شرکت نہ کرسکنے والے ارکان کو غیر شرکت کی باقاعدہ اجازت دی گئی تھی۔

جناب ضمیرالدین آذر، چیئرمین آڈٹ کمیٹی 26 اکتوبر 2017 کو منعقدہ گزشتہ AGM میں موجود تھے۔

بورڈ بورڈ کمیٹیوں بشمول آڈٹ کمیٹی کی کارکردگی کی سالانہ تشخیص کرتا ہے۔

اثرات کوکم کرنے کے لئے، کمپنی ملازمین اور مقامیوں کو صحت مند ماحول فراہم کرنے کے لئے تمام تر کوششوں کو آگے بڑھا رہی ہے۔اس سلسلے میں کمپنی کی طرف سے اہم ماحول دوستی کی کوششیں مندرجہ ذیل ہیں:

i) قدرتی ماحولیاتی معیار کے مطابق اسٹیک 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 منداور خوشگوار ماحول کو برقرار رکھنے کے لئے وسیع پیمانے پر درخت پودے لگانے کا پروگرام کیا گیا۔

iv) کمپنی اپنی پلانٹ سائٹ پر اپنا ہسپتال اور ٹراما سنٹر رکھتی ہے۔کارکنوں کی محفوظ 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 ویسٹ پری وینشن ری سائیکلنگ کی کیٹگری میں میپل لیف سیمنٹ فیکٹری لمیٹڈ کو سال 2018 کے لئے ماحول، صحت اور حفاظت پر 4th بین الاقوامی ایوارڈز کا فاتح قرار دیا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی معاشرے کی طرف اپنی ذمہ داری قبول کرتی ہے اور مختلف خیراتی اداروں کے ذریعے سماجی ترقی کے منصوبوں کو مستقل بنیاد پر مالی مدد فراہم کر کے اپنی ذمہ داری کو پورا کرتی ہے۔کمپنی کو پاکستان کے مرکز برائے خدمت خلق کی طرف سے سماجی اور خیراتی اداروں کے رہنما کے طور پر تسلیم کیا گیا ہے اور ان کمیونٹیز جس میں اس کی موجودگی ہے، کی تخلیقی ممبر بننے کی کوشش کرتی ہے۔

کمپنی نے میڈیکل سوشل سائنسز پروجیکٹ میں حصہ لیا ہے اور اس سلسلے میں، موجودہ سال کے دوران، کمپنی کے بورڈ آف ڈائریکٹرز اور ہولڈنگ کمپنی کے بورڈ نے گلاب دیوی چیسٹ ہاسپٹل (GDCH) لاہور میں العلیم میڈیکل کالج کی تعمیر کی خاطر گلاب دیوی ایجوکیشنل کمپلیکس، لاہور کو 132.5 ملین روپے عطیہ دینے کا مشترکہ فیصلہ کیا 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۔

کوہِ نور میپل لیف گروپ نے "ساتواں سوشل رسپانسیبلٹی نیشنل ایکسلینس ایوارڈ" مختلف سماجی ذمہ داریوں کی کارکردگی کے سبب حاصل کیا ہے۔

اصل خطرات اور غیر یقینی

i۔سیمنٹ کی مقامی طلب میں نمو کا فروغ بہتر اقتصادی سرگرمی، سی پیک پر جاری کاموں اور PSDP پر حکومتی ایلوکیشن پر منحصر ہے۔

ii۔برآمد فروخت پر مارجن کی کمی، سیمنٹ درآمد کرنے والے ملکوں کی طرف سے سرحدی پابندیوں اور جنوبی افریقہ کی طرف سے نافذ ہونے والی اینٹی ڈمپنگ ڈیوٹی۔

iii۔روپیہ کی قدر میں مزید کمی کے نتیجے کوئلہ کی قیمتوں میں اضافہ اور مارجن کو کم کر دے گی۔

iv۔آپریشنل اخراجات میں مجموعی طور پر افراط زر کا اضافہ۔

v۔اضافی قرض اور بینکوں کی طرف سے مارک اپ کی شرح میں اضافے کی وجہ سے مالی لاگت میں اضافہ۔

vi۔سیمنٹ مینوفیکچررز کے درمیان حوصلہ مند صلاحیت بڑھانے کے لئے قیمتوں پر اور فروخت پر مقابلہ کا سامنا۔

قیادتی ڈھانچہ

ڈائریکٹرز کے نام اور بورڈ کے اجلاس

ڈائریکٹرز کی کل تعداد:

a)۔مرد	8
b)۔خاتون	کوئی نہیں

ادائیگیوں، ڈیبٹ / قرضہ کی نادہندگی

بہترین کاروباری طریقوں پر عملدرآمد کرتے ہوئے، کمپنی واجب رقوم کی بروقت واپس ادائیگی کی اپنی ذمہ داری کو تسلیم کرتی ہے۔ زیرِ جائزہ سال کے دوران قرضہ / ڈیبٹ کی ادائیگی پر کوئی نادہندگی درج نہیں کرائی گئی۔

بعد کے واقعات

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی تبدیلیاں یا معاہدے وقوع پذیر نہیں ہوئے ہیں۔

کاروبار کی نوعیت میں تبدیلی

کمپنی یا اسکی ذیلیوں، 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۔

بڑے پراجیکٹس اور کیپکس تجاویز کے پیچھے دلائل

میپل لیف پاور لمیٹڈ (مکمل ملکیتی ذیلی کمپنی)، 40 میگاواٹ درآمدہ کول فائرڈ کیپٹو پاور پلانٹ نصب اور چلانے کے لئے قائم کی گئی، نے اکتوبر 2017 سے اپنی تجارتی پیداوار کامیابی سے شروع کر دی۔ منصوبہ بجٹ کے اندر اور اپنے مقررہ مدت کے مطابق مکمل ہوا۔

نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی (نیپرا) نے کمپنی، میپل لیف سیمنٹ فیکٹری لمیٹڈ کو بجلی کی فروخت پر منتقلی قیمت کے طور استعمال کے لئے 12.92/KWH روپے کا ٹیرف منظور کیا۔ MLPL سے حاصل کیا گیا منافع انکم ٹیکس آرڈیننس کے دوسرے شیڈول کی شق 132 کے تحت ٹیکس سے مستثنا ہے۔

اس کے نتیجے موجودہ مالی سال کے دوران MLPL میں 758 ملین روپے کا ٹیکس فری خالص منافع حاصل ہوا۔ 12 اکتوبر 2017 کو پاور پلانٹ کے کامیاب آغاز نے بجلی کی یونٹ قیمت میں کمی کے لحاظ سے بجلی کے اخراجات میں تسلی بخش بچت دی اور مجموعی نتائج پر موزوں اثر ڈالا۔ اس کے علاوہ، بجلی کی ذاتی پیدائش نے قومی گرڈ پر انحصار کو کم کر دیا۔

صلاحیت کی توسیع کا منصوبہ

کمپنی نے سکندر آباد میں کمپنی کی موجودہ سائٹ میں براؤن فیلڈ کی توسیع کے ساتھ 7,300 ٹن یومیہ گرے کلنکر پیداوار کی ایک اضافی خشک پروسیس پیداواری لائن قائم کرنے کے لئے کام شروع کیا ہے، تاکہ گرے سیمنٹ کی کل صلاحیت کو 18,000 ٹن یومیہ تک بڑھایا جا سکے۔ کل منصوبے کی کل لاگت 25 بلین روپے میں پاکستانی روپیہ کی حالیہ قدر میں کمی کے اثرات سمیت منصوبے سے متعلقہ مالی اخراجات شامل ہیں۔ کل منصوبے کی مالی ضروریات کو تقریباً 17% رائٹ اجراء کے ذریعے، 51% بینک قرضوں کے ذریعے اور باقی کمپنی کی کارروائیوں سے نقدی پیداوار کے ذریعے پورا کیا جا رہا ہے۔ سول تعمیر اور میکانیکل تعمیراتی کام کے لئے ٹھیکہ ڈیسکون انجینئر نگ لمیٹڈ کو دیا گیا ہے جبکہ منصوبے کی مجموعی نگرانی میسرز ایف ایل سمتھ A/S ڈنمارک کے سپرد کی گئی ہے۔ سائٹ پر تعمیراتی کام تیز رفتار سے ہو رہا ہے اور تقریباً 75% سول کام مکمل ہو چکے ہیں۔ سول کام کی ترقی کی رفتار کو دیکھتے ہوئے، پلانٹ کی تنصیب کا کام بھی تیز ہو گیا ہے جس میں 25% پلانٹ کی میکانیکل تعمیر کا کام رپورٹنگ تاریخ تک مکمل ہو گیا ہے۔ اہم کریڈٹ لیٹر سے متعلق تقریباً تمام ترسیل پلانٹ سائٹ پر پہنچ گئے ہیں۔ 7300 ٹن یومیہ کی نئی لائن سے تجارتی پیداوار موجودہ مالی سال کی چوتھی سہ ماہی کے اندر شروع ہونے کی توقع ہے۔

کیپیٹل اختراجات کے پیچھے کاروباری دلائل

CPEC کے مستقبل، پاکستان میں بڑھتی ہوئی تعمیراتی سرگرمیوں اور سیمنٹ کی برآمدی نشو ونما کو مدِ نظر رکھتے ہوئے کمپنی اپنی پیداواری صلاحیت کو بڑھانے جا رہی ہے۔ اگلے مالی سال 2018-19 میں تقریباً 9 ارب روپے کا کیپکس کرنے کی منصوبہ بندی کی گئی ہے۔ یہ اخراجات توازن، جدت اور بحالی کے منصوبوں اور نئی پیداواری لائن کیلئے مالی سال 2018-19 میں مالی ضروریات کو پورا کرنے کیلئے درکار ہوں گے۔ یہ منصوبہ جات موجودہ پلانٹ کی کارکردگی کو مزید بہتر بنانے اور برقرار رکھنے کے لئے مددگار ثابت ہوں گے۔

غیر مالیاتی کارکردگی

معیار، گاہکوں کا اطمینان، ملازم کی ترقی اور پیشہ ورانہ معیار کمپنی کے اہم شعبے ہیں جہاں انتظامیہ نے انہیں بہتر بنانے کے لئے ضروری اقدامات کئے ہیں۔ کمپنی فی الحال اعلی معیار کی مصنوعات پیدا اور فراہم کرتی ہے جو گاہکوں کے زیادہ سے زیادہ اطمینان کو یقینی بناتی ہے۔ سال کے دوران، کمپنی نے موجودہ انسانی سرمایہ کی ترقی کے لئے مختلف تربیتی کورس کا انعقاد کیا ہے۔ کمپنی تمام شراکت داروں کے ساتھ انتہائی اطمینان بخش تعلقات برقرار رکھتی ہے۔ کمپنی نے مختلف کمیٹیاں تشکیل دی ہیں جو کلیدی شعبوں کی موئثر نگرانی کی ذمہ دار ہیں۔

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۔ اردگرد کے ماحول پر صنعتی

تھا۔MLPL سے کمایا گیا منافع آمدنی کے ٹیکس سے مستثنیٰ ہے۔ مذکورہ بالا آمدنی کی کارکردگی کے اثرات کی وجہ سے گزشتہ سال کی اسی مدت میں نچلی لائن میں 4,776 ملین روپے کے مقابلے موجودہ سال کے لئے 4,573 ملین روپے بعداز ٹیکس جو مجموعی منافع میں 4.25% کی کمی ظاہر کررہا ہے۔

تصرفات

سال کے لئے کمپنی (واحد) کا ٹیکس کے بعد منافع کی تقسیم حسب ذیل ہے:

روپے ہزاروں میں

تفصیل	2018	2017
بعداز ٹیکس منافع	3,632,201	4,777,081
سال 2017 کے لئے حتمی نقد منافع منقسمہ 1.75 روپے فی شیئر (2016: 2.5 روپے فی شیئر)	(923,534)	(1,319,335)
سال 2018 کے لئے عبوری نقد منافع منقسمہ 1.5 روپے فی شیئر (2017: 2 روپے فی شیئر)	(890,551)	(1,055,468)
منافع کی کل تقسیم	(1,814,085)	(2,374,803)
سال کے لئے جمع پونجی کو منتقلہ منافع	**1,818,116**	**2,402,278**

ڈیویڈینڈ

نتائج کو دیکھتے ہوئے، بورڈ آف ڈائریکٹرز نے حتمی نقد منافع منقسمہ بشرح 10% یعنی 1 روپیہ فی شیئر کا اعلان کیا ہے۔ یہ پہلے سے ادا شدہ عبوری نقد منافع منقسمہ 15% یعنی 1.50 روپے فی شیئر کے علاوہ ہے، اس طرح 30 جون 2018 کو ختم ہونے والے سال کے لئے کل نقد منافع منقسمہ بشرح 25% یعنی 2.50 روپے فی شیئر بنتا ہے۔

رائٹ اجراء

توسیعی منصوبہ کے جزوی فنانس کے لئے، بورڈ آف ڈائریکٹرز نے 15 اگست 2017 کو منعقدہ اپنے اجلاس میں رائٹ اجراء کے ذریعے تازہ ایکوئٹی اکٹھی کرنے کا فیصلہ کیا۔12.5% رائٹس شیئرز (ہر 8 شیئرز کے مالک کے لئے ایک رائٹ شیئر)-/65 روپے فی شیئر (بشمول -/55 روپے فی شیئر کا پریمئم) کی قیمت پر پیش کئے گئے تھے۔ رائٹ اجراء کے ذریعے کل 4,288 ملین روپے اکٹھے ہوئے۔ ڈائریکٹرز اور اسپانسرز نے رائٹ سبسکرپشن کے اپنے کلی شیئر کو سبسکرائب کر دیا، پبلک پورشن کا 88.2% حصص داران کی طرف سے سبسکرائب کیا گیا جبکہ کل رائٹ اجراء کا باقی 5.3% کلی طور انڈر رائٹرز کو دے دیا گیا تھا۔

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 مؤثر عمل کو یقینی بنانے، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور قواعد وضوابط 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 عملدرآمد کا جائزہ اور نگرانی کرتا ہے، جبکہ آڈٹ کمیٹی داخلی کنٹرول فریم ورک کی مؤثر گی اور مالیاتی حسابات کا سہ ماہی بنیاد پر جائزہ لیتی ہے۔

مالی حسابات کی تیاری اور نمائندگی کیلئے انتظامیہ کی ذمہ داری

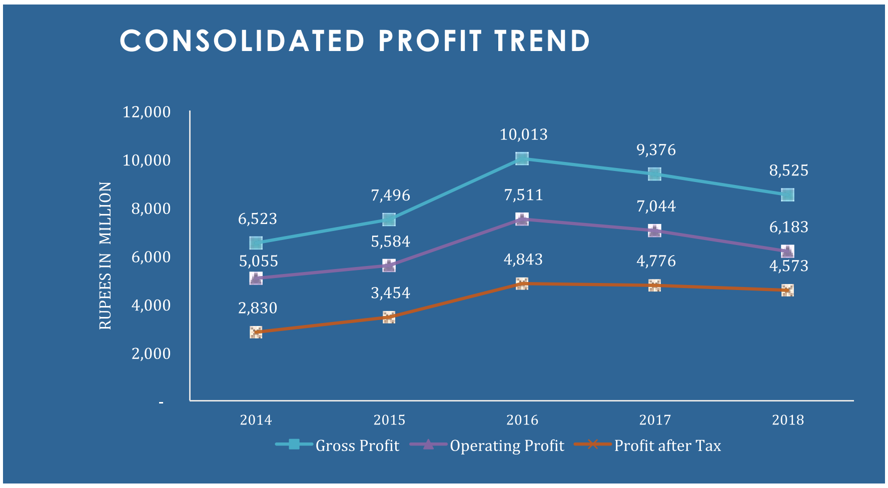
انتظامیہ پاکستان میں لاگو اکاؤنٹنگ اور رپورٹنگ معیارات اور کمپنیز ایکٹ 2017 (XIX of 2017) کی ضروریات کے مطابق مالی حسابات کی تیاری اور منصفانہ نمائندگی کے لئے اپنی ذمہ داری سے آگاہ ہے اور ایسا داخلی کنٹرول جو انتظامیہ متعین کرے، مالی حسابت کی تیاری کو فعال بنانے کے لئے ضروری ہے جو کسی مواد کی غلطی سے پاک ہو، چاہے وہ دھوکہ دہی یا سہواً ہو۔

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز میسرز KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے سال کے لئے کمپنی کے مالی حسابات پر اپنی آزاد آڈیٹر رپورٹ میں کمپنی کے امور پر ایک ان کوالیفائیڈ رائے کا اظہار کیا ہے۔

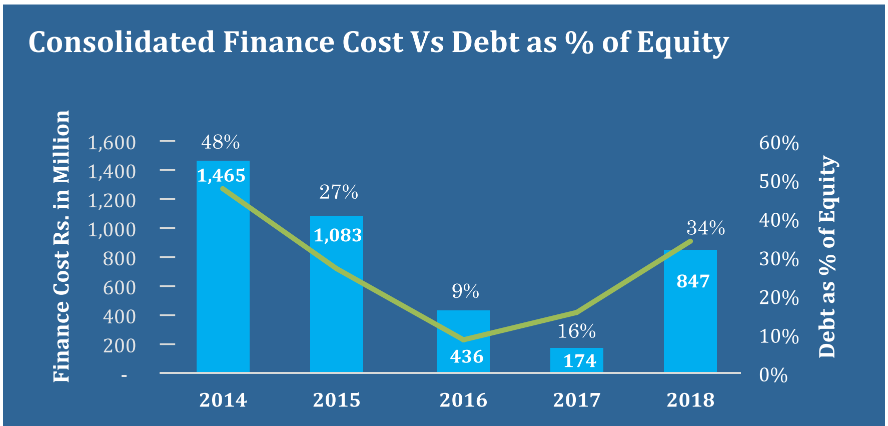
ریٹائر آڈیٹرز نے اہل ہونے کی بناپر، دوبارہ تقرری کے لئے خود کو پیش کیا ہے، آئندہ سالانہ اجلاس عام میں ارکان کی منظوری کے حوالہ سے بورڈ نے آڈٹ کمیٹی کی تجویز کے مطابق میسرز KPMG تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس، کی تقرری کی منظوری دے دی ہے۔

دوران8,525ملین روپے کا مجموعی منافع کمایا۔



آپریشنل اخراجات میں افراط زر میں اضافہ کے ساتھ مجموعی منافع میں کمی مجموعی آپریشنل مارجن پر اثر انداز ہوئی ہے۔گزشتہ سال کے اسی عرصے کے مقابلے امسال مارکیٹنگ کے اخراجات میں زیادہ خرچ نے تیز رفتار برانڈنگ اور ڈیلر مشغولیت سرگرمیاں دکھائی ہیں۔مجموعی آپریٹنگ منافع گزشتہ سال میں7,044ملین روپے کے مقابلے12.22% کی کمی کے ساتھ،موجودہ رپورٹنگ سال کے لئے6,183ملین روپے ہے۔

مالیاتی اخراجات گزشتہ سال میں174 ملین روپے کے مقابلے رپورٹنگ مدت کے دوران847 ملین روپے تک زیادہ ہوئے۔جیسا کہ ذیل میں گراف سے ظاہر ہوتا ہے،ڈیبٹ ایکوئٹی مکس فنانس پاور پراجیکٹ سے پیدا ہونے والے اضافی قرضہ کے لحاظ سے گزشتہ سال بیان کردہ سطح سے بھی اوپر چلا گیا۔قرض کے اجزاء میں اضافہ اور مالیاتی اخراجات میں نتیجتاً اضافہ بنیادی طور پر فنانس پاور پراجیکٹ سے پیدا ہونے والے قرضوں اور زیادہ آپریشنل سطحوں کو سہولت دینے کے لئے زیادہ ورکنگ کیپٹل سائیکل کو مدد کے استعمال کے لحاظ سے ہے۔پاکستانی روپیہ کی قدر کی کمی کے خطرے کو حل کرتے ہوئے،کمپنی نے موجودہ مالی سال کی پہلی سہ ماہی میں اپنے تمام غیر ملکی کرنسی قرض کی مکمل ادائیگی کردی۔قرض ایکوئٹی کا تناسب اور مالیاتی لاگت کا رجحان ذیل میں دیکھایا گیا ہے:-



Note: For better comparison of debt/equity mix, equity excludes surplus on revaulation of fixed assets. Debt represents long-term loan including its current maturity

کمپنی نے گزشتہ سال کی اسی مدت میں6,870ملین روپے کے مجموعی ٹیکس سے قبل منافع کے مقابلے موجودہ مالی سال کے لئے5,336ملین روپے کا مجموعی ٹیکس سے قبل منافع درج کیا۔رپورٹنگ سال کے لئے مجموعی ٹیکس چارج1,330 ملین روپے تک کم،کم سے کم ٹیکس سے قبل منافع اور فنانس ایکٹ2018میں منکشف کارپوریٹ ٹیکس کی کم شرح کے مطابق ہے۔اس کے نتیجے میں موجودہ سال کے لئے30% اور آئندہ سالوں کے لئے زیادہ سے زیادہ25% تک مؤخر ٹیکس اجزاء کو کافی کم کرنے کے لئے ہے۔سال کے دوران عائد کیا گیا ٹیکس صرف میپل لیف سیمنٹ فیکٹری لمیٹڈ کے واحد آپریشن سے متعلق ہے اور موجودہ مالی سال کے لئے763ملین روپے جبکہ گزشتہ سال2,039ملین روپے

مالی سال18-2017 کے دوران، مستعمل پیداواری صلاحیت اور ترسیلات گزشتہ سال کی کارکردگی سے بہتر ہوئیں، جیسا کہ درج ذیل اعداد و شمار سے ظاہر ہوتا ہے:

	جولائی تا جون		تغیرات	فیصد
	2018	2017		
پیداوار	----------	میٹرک ٹن	----------	
کلنکر پیداوار	3,529,876	3,299,047	230,829	7.00
سیمنٹ پیداوار	3,760,120	3,341,970	418,150	12.51
فروخت				
مقامی	3,487,492	2,931,708	555,784	18.96
برآمدات	276,343	432,694	(156,351)	(36.13)
	3,763,835	**3,364,402**	**399,433**	**11.87**

زیرِ جائزہ سال کے دوران، کمپنی نے 25 بلین روپے خالص فروخت کے بنچ مارک کو کراس کیا اور پچھلے سال کی اسی مدت میں 23,885 ملین روپے کے مقابلے 25,684 ملین روپے کی مجموعی خالص فروخت درج کی جس کی بنیادی وجہ بہتر اقتصادی سرگرمی اور سی پیک کے جاری منصوبوں سے مقامی فروخت مکس میں 18.96% کی مضبوط مقدار کی نمو ہے۔ زیرِ جائزہ مالی سال کے دوران مقامی ترسیلات 2,931,708 میٹرک ٹن سے 3,487,492 میٹرک ٹن تک یعنی گزشتہ سال کے مقابلے 18.96% تک بڑھ گئیں۔ یہ ترقی سال کے دوران نجی شعبے میں تعمیری سرگرمیوں اور عام انتخابات سے قبل پبلک سیکٹر ڈویلپمنٹ پروگرام (پی ایس ڈی پی) کے جزوی مادہ کو تیز کرنے سے منسوب کی جا سکتی ہے۔

زیادہ منافع بخش مقامی مارکیٹ کی طلب کو پورا کرنے کی ضرورت کو ترجیح دیتے ہوئے، برآمد فروخت حجم میں 36.13% تک کمی جو 156,351 میٹرک ٹن کی کمی درج کر رہی ہے۔ برآمدات میں ایسی کمی کی اہم وجوہات برآمد فروخت پر کم مارجن اور سب سے زیادہ چیلنجنگ عنصر یہ ہے کہ جن ممالک کو ہم برآمد کرتے تھے ان کی طرف سے بنائی جانے والی رکاوٹوں ہیں، جیسے کہ جنوبی افریقہ کی طرف سے اینٹی ڈمپنگ ڈیوٹی عائد کی گئی اور بھارت میں نان ٹیرف بیریئر کی پابندی ہے۔ تاہم، مقامی ترسیلات کے اعلی مارجن میں 18.96% ریکارڈ ترقی نے کسی حد تک، برآمد کے منفی اثرات کو کم کر دیا ہے۔

موجودہ مالی سال 18-2017 کے دوران، مقامی ترسیلات میں 18.96 فیصد حجمی اضافہ کے باوجود، مقامی مارکیٹ کی اوسط فروخت قیمت میں کمی پچھلے سال کے خالص فی ٹن استعمال کے مقابلے میں گرے سیمنٹ کے لئے فی ٹن خالص استعمال پر اثر انداز ہوئی ہے۔ استعمال میں یہ کمی بنیادی طور پر مقامی سیمنٹ پر فیڈرل ایکسائز ڈیوٹی (FED) میں یکم جولائی، 2017 سے مؤثر فنانس ایکٹ 2017 کے تحت 250 روپے فی ٹن اضافے، 23 مئی 2018 سے مؤثر فنانس ایکٹ 2018 کے تحت 250 روپے کے مجموعی مزید اضافہ کے باعث وقوع پذیر ہوئی مقامی سیمنٹ کی فروخت پر وصول کی جانے والی فیڈرل ایکسائز ڈیوٹی کی سطح 1,000 روپے فی ٹن کی پہلی سطح سے 1,500 روپے فی ٹن تک ہوگئی۔

عالمی مارکیٹوں میں کوئلے کی قیمتوں کے اضافہ کا رجحان میں بنیادی طور پر ہندوستانی مارکیٹ کی طلب میں اضافے کے باعث جاری ہے جہاں کوئلہ کے اسٹاکس مون سون کے موسم میں زیادہ پائے جاتے ہیں۔ اس کے علاوہ، بھارتی سپریم کورٹ نے پاور پلانٹس میں مصنوعی کوئلہ کے استعمال پر پابندی عائد کی ہے جس کے باعث طلب بڑھ جانے کی وجہ سے کوئلہ کی قیمتوں میں اضافہ ہوا ہے۔ ماحولیاتی تبدیلیاں جیسے کہ سائیکلون، انتہائی سرد موسم اور کول مائننگ میں پیداوار کے دنوں کی کمی بھی عالمی کوئلے کی قیمتوں پر اثر انداز ہوتی ہے۔
تاہم، کمپنی نے جب قیمتیں نسبتاً کم تھیں کم قیمت انونٹری بلٹ اپ کا استعمال کر کے موجودہ مدت میں نسبتاً کم کوئلہ کی قیمتوں کا جزوی فائدہ اٹھایا ہے۔

میپل لیف پاور لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ کے طور پر قائم شدہ کول فائرڈ پاور پلانٹ (CFPP) نے اکتوبر 2017 میں اپنے تجارتی آپریشنز شروع کر دیئے جس نے کمپنی کو ایک اور کاسٹ کمپٹیٹو فائدہ دیا۔ ویسٹ ہیٹ ریکوری پاور پاور پلانٹ کے بعد، CFPP کمپنی کے لئے بجلی کا سب سے سستا ذریعہ ہے۔ ایندھن کی لاگت میں اضافے کے باوجود خاص طور پر کوئلے کی قیمتوں میں مذکورہ بالا اضافے اور امریکی ڈالر کے برعکس پاکستانی روپیہ کی قدر میں حالیہ کمی کی وجہ سے کمپنی اپنے ایندھن اور بجلی کی لاگت کو کنٹرول کرنے معہ کم قیمت مصنوعی کوئلہ جو زیادہ توانائی مواد کی بدولت قیمت کو زیادہ متاثر کرتا ہے کے استعمال کے ذریعے فائدہ حاصل کرنے میں کامیاب رہی۔ کمپنی ریلوے نیٹ ورک کے ذریعے نقل وحمل استعمال کر کے زمینی نقل وحرکت کے اخراجات کو کم کرنے کا مسلسل فائدہ اٹھا رہی ہے۔

پیداوار کے اخراجات پر اثر انداز ہونے والے مذکورہ بالا عوامل کے لحاظ سے، کمپنی نے مجموعی طور پر گزشتہ سال 9,376 ملین روپے سے 9.08% کمی کے ساتھ موجودہ سال کے

حصص داران کے لئے ڈائریکٹرز رپورٹ

کمپنیز ایکٹ، 2017 کی دفعہ 227 کی تعمیل میں، آپ کی کمپنی کے ڈائریکٹرز 30 جون، 2018 کو ختم ہونے والے سال کے لئے واحد اور مجموعی نظرثانی شدہ مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

میپل لیف سیمنٹ فیکٹری لمیٹڈ (کمپنی) پبلک مندرج کمپنی اور کوہ نور ٹیکسٹائل ملز لمیٹڈ (ہولڈنگ کمپنی) 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) کی مجموعی مالی جھلکیاں مندرجہ ذیل ہیں:-

	مختتمہ سال (جولائی تا جون)			
	2018	2017	تغیرات	فیصد
	---روپے ہزاروں میں---			
خالص فروخت آمدنی	25,684,164	23,885,410	1,798,754	7.53
مجموعی منافع	8,525,344	9,375,633	(850,289)	(99.07)
آپریٹنگ منافع	6,183,158	7,043,834	(860,676)	(12.22)
مالی لاگت	847,318	174,247	673,071	386.27
ٹیکس سے پہلے منافع	5,335,840	6,869,587	(1,533,747)	(22.33)
ٹیکسیشن	763,035	2,093,275	(1,330,240)	(63.55)
ٹیکس کے بعد منافع	4,572,805	4,776,312	(203,507)	(4.26)
فی شیئر آمدنی (روپے)	7.92	8.81	(0.89)	(10.10)

میپل لیف سیمنٹ فیکٹری لمیٹڈ، کمپنی کی واحد مالی جھلکیاں مندرجہ ذیل ہیں:-

	مختتمہ سال (جولائی تا جون)			
	2018	2017	تغیرات	فیصد
	---روپے ہزاروں میں---			
خالص فروخت آمدنی	25,699,113	23,992,079	1,707,034	7.11
مجموعی منافع	7,515,924	9,482,302	(1,966,378)	(20.74)
آپریٹنگ منافع	5,220,918	7,188,705	(1,967,787)	(27.37)
مالی لاگت	825,682	318,349	507,333	159.36
ٹیکس سے پہلے منافع	4,395,236	6,870,356	(2,475,120)	(36.03)
ٹیکسیشن	763,035	2,093,275	(1,330,240)	(63.55)
ٹیکس کے بعد منافع	3,632,201	4,777,081	(1,144,880)	(23.97)
فی شیئر آمدنی (روپے)	6.29	8.81	(2.52)	(28.60)

کمپنی کی واحد مالی جھلکیاں MLPL کی طرف سے نیپرا کے منظور شدہ ٹیرف 12.92/KWH روپے پر فراہم کی گئی بجلی کی قیمت پر مبنی ہیں۔

میپل لیف

MAPLE LEAF CEMENT

ایکدم SOLID

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