MAPLE LEAF CEMENT

ANNUAL REPORT

2022

CONTENTS

Financial Statements

Consolidated Financial Statements

ABOUT THE REPORT

Maple Leaf Cement Factory Limited (MLCFL) corporate □nnual □eport □□□□ covers the period from □st □uly □□□□ to □□th □une □□□□. □ll the activities and performance related data is related to MLCFL and its wholly owned subsidiary Maple Leaf □ower Limited (ML□L) and does not include any information or data related to its holding and□or associated companies unless where required by legal and corporate regulations.

The Annual Report has been prepared to first give an introduction and overview about the principal activities of the business. It then underlines the ris□ management framewor□ of the Company and then goes to explain the governance structure□ their performance and future strategies of the organization which contains the □irectors' report to the shareholders and the chairman's review. □erformance and future outloo□ are divided into economic□ social and environmental categories. Both the financial and non-financial performance is covered in this report. □hile the economic□environmental and social data presented in this report is with reference to activities and operations at Maple Leaf Cement Factory Limited. □long with operational impacts□ the □nnual □eport also covers the Company's aim of aligning its processes and

activities with □ustainability □evelopment Goals (□□Gs) and highlight the Company's current contributions towards each goal. □he Company also explains it's responsibility and performance related to corporate social responsibility. The report concludes with the audited financial statements of the Company along with the auditor's report□prepared in accordance with the accounting and reporting standards as applicable in □a□istan.

□he □nnual □eport has been prepared in compliance of provisions and directives of Companies □ct□□□□□ and Code of Corporate Governance □egulations□ □□□□. □uditor's report of compliance with Code of Corporate Governance also falls part of this report. □here has been no change in the reporting period□boundary and scope of the report.

□his □nnual □eport is available in both print and online form at □□□□ □□ □□□□□

□our feedbac□ is of great value to the Company. □ny queries□grievances or general information can be promptly addressed by our □□□□ call centre number: 0800-41111

2022 YEAR AT A GLANCE (CONSOLIDATED)

01
Net Revenue
48,520
Rs. in Million
37%

02
Gross Profit
13,239
Rs. in Million
56%

03
Earnings Per Share
4.15
Rupees
19%

04
Market Value Per Share (Year End)
27.35
Rupees
-42%

05
Contribution to National Exchequer
19,549
Rs. in Million
25%

06
Current ratio
1.25
Times
-14%

07
Market Capitalization
30,040
Rs. in Million
-42%

08
Return on Equity
11%
Percentage
10%

09
Interest Cover
5.9
Times
26%

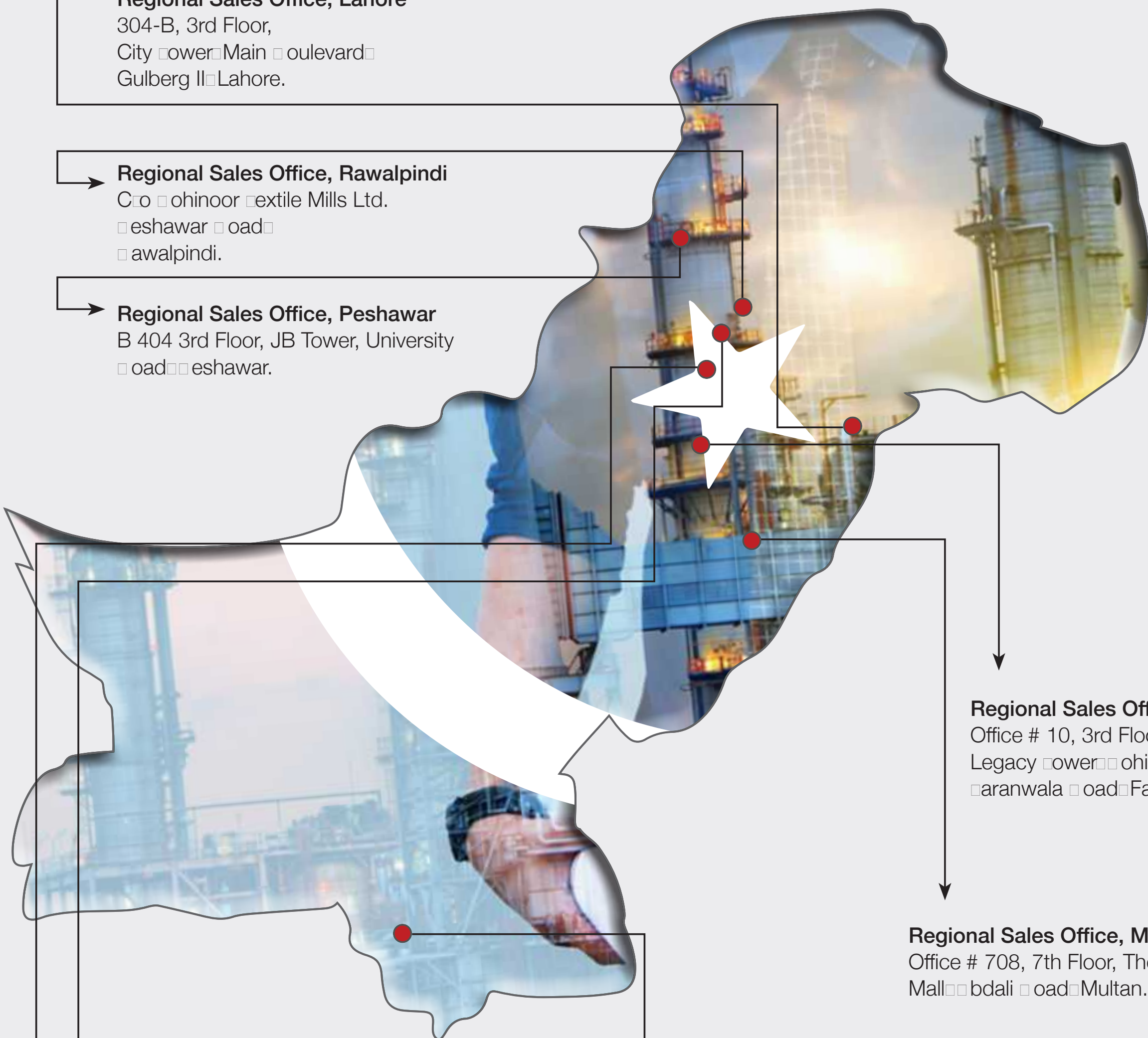
10
Gross Profit ratio
27%
Percentage
13%

11
Debt to Equity ratio
32:68
Times
*
6%

12
Break-Up Value per share
36.22
Rupees
13%

* 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 □ower□Main □oulevard□
Gulberg II□Lahore.

Regional Sales Office, Rawalpindi
C□o □ohinoor □extile Mills Ltd.
□eshawar □oad□
□awalpindi.

Regional Sales Office, Peshawar
B 404 3rd Floor, JB Tower, University
□oad□□eshawar.

Regional Sales Office, Faisalabad
Office # 10, 3rd Floor,
Legacy □ower□□ohinoor City□
□aranwala □oad□Faisalabad.

Regional Sales Office, Multan
Office # 708, 7th Floor, The United
Mall□□bdali □oad□Multan.

Plant
Is□anderabad □istt: Mianwali.

Regional Sales Office, Sargodha
Office No. 59, 2nd Floor,
□l □ehman □rade Centre□
University Road,
□argodha.

Regional Sales Office, Karachi
□□ □ est □ harf □oad□□arachi.

PRINCIPAL BUSINESS ACTIVITIES

Maple Leaf Cement Factory Limited (MLCFL) is part of the □ohinoor Maple Leaf Group which is a reputable manufacturer of textile and cement in □a□istan. Maple Leaf Cement is the largest single cement production site in □a□istan. It is one of the pioneers of cement industry in □a□istan and in □□□□ it was formed by the collaboration between the □ est □a□istan Industrial □ evelopment Corporation and the Government of Canada. Currently□the Company operates via three production lines for the production of grey cement and one line for white cement in which it owns more than □□□ mar□et share. □ll four lines are owned assets of the Company. □otal installed capacity for clin□er production is □□□□□□□□ tons annually.

The Company markets and sells its products all over Pakistan with market presence mainly in North and Central regions. □he Company also exports cement to □fghanistan□Middle East and other □frican countries.

LEADING EDGE INNOVATIVE INITIATIVES

□oday with a current clin□er production capacity of □□□□□ tons□per day we stand as the largest single cement manufacturing unit at single site in □a□istan. □ ur production plants are powered by cutting edge technology that helps us dominate local □ International mar□ets.

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

□ e have □ept ourselves abreast of global improvements in the cement manufacturing technologies and processes. Staying true to our mantra of technological excellence, another state of the art fuel-efficient dry process plant based on the FL□midth technology has been added to the existing production facilities. □he Company enhanced the total clin□er production capacity to approximately □.□□ 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 □□ countries.

MLCFL has a team of almost □□□□ professionals and highly s□illed wor□ers that ma□e us what we are today. □he Company enriches and nurtures its employees by capitalizing and promoting their independent individuality□personality and competence to reach greater heights of logic□reasoning□professionalism and emotional grooming. Active Management Trainee Officer, trainee and internship programs and employing fresh graduates are all insightful initiatives ta□en by the Company to fully grasp and appreciate their fresh ideas and perspective towards □ey business issues for an overall innovative outcome.

NATURALLY ENRICHED

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

OUR PRODUCTS AND MARKETS

OUR □RODUCTS

□o cater to varying needs of the mar□et□the Company produces the following types of cement: -

i) □rdinary □ortland Cement
ii) □ulphate □esistant Cement
iii) Low □l□ali Cement
iv) □ hite Cement
v) □ all 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.

OUR MARKETS

□ ur □ey mar□et consists of all the regions of □a□istan which contributed □□.□□ of our total sales volume during current financial year. We operate in local mar□et through direct orders□ distributors□ dealers and retailers. □ ur products are considered to be a premium brand and first choice by our customers.

□ ur Export team consists of seasoned and competent personnel who are persistently exploring new mar□ets and avenues to bolster sales margins. □ aving a global footprint is imperative if a Company see□s to grow to its utmost potential. □ espite facing massive competition in the international arena from technologically advanced nations□ the Company persevered and contracted favourable export deals in various mar□ets. □ uring the year□export sales quantity constituted □.□□ of total sales. □he Company sold its products to the following countries:

- □fghanistan
- Comoros
- Madagascar
- Mozambique
- Nigeria
- Ethiopia
- □ man
- □ atar
- □eychelles
- □ri Lan□a
- □anzania

COMPANY INFORMATION

Board of Directors
Mr. □ariq □ayeed □aigol ....Chairman
Mr. □ayeed □ariq □aigol ....Chief Executive
Mr. Taufique Sayeed Saigol
Mr. □ aleed □ariq □aigol
Mr. Danial Taufique Saigol
Ms. □ahanara □aigol
Mr. Shafiq Ahmed Khan
Mr. Zulfikar Monnoo
Syed Mohsin Raza Naqvi

Executive Directors
Mr. □ohail □adiq .... Finance
Mr. □ahya □amid .... Mar□eting

Audit Committee
Mr. Shafiq Ahmed Khan........................Chairman
Mr. Zulfikar Monnoo................................Member
Mr. □ aleed □ariq □aigol..........................Member
Mr. Danial Taufique Saigol.......................Member

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

Chief Financial Officer
Syed Mohsin Raza Naqvi

Company Secretary
Mr. Muhammad □shraf

Chief Internal Auditor
Mr. □eeshan Mali□ □hutta

Bankers of the Company
□llied □an□ Limited
□s□ari □an□ Limited
□an□ □lfalah Limited
Bank Al-Habib Limited
□an□Islami □a□istan Limited
□lbara□a □an□ (□a□istan) Limited
□ubai Islamic □an□ Limited
Faysal □an□ Limited
FINCA Microfinance Bank Limited
□abib □an□ Limited
□abib Metropolitan □an□ Limited
MC□ □an□ Limited
MC□ Islamic □an□ Limited
National Bank of Pakistan
□□l□ Investment Company Limited
□amba □an□ Limited
□il□ □an□ Limited
□oneri □an□ Limited
□tandard Chartered □an□ (□a□istan) Limited
□ummit □an□ Limited
□he □an□ of □unjab
United Bank Limited

Auditors
□□MG □aseer □adi □ Co.□
Chartered □ccountants
351 Shadman-1, Jail Road, Lahore, Pakistan.
Tel: +92 42 111-KPMGTH (576484)
Fax: □□□ □□ □□□□□□□□

Legal Adviser
Mr. Abdul Rehman Qureshi - Advocate High Court

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

Factory
Is□anderabad□□istrict: Mianwali
Phone: +92 459 392237-8

Call Center (24/7)
0800-41111

Share Registrar
□ision Consulting Limited
Head Office: 3-C, LDA Flats, First Floor,
Lawrence □oad□Lahore
Phone: +92 42 36283096-97
Fax: □□□ □□ □□□□□□□□
E-mail: shares@vcl.com.pk

Company Website:
www.□mlg.com

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

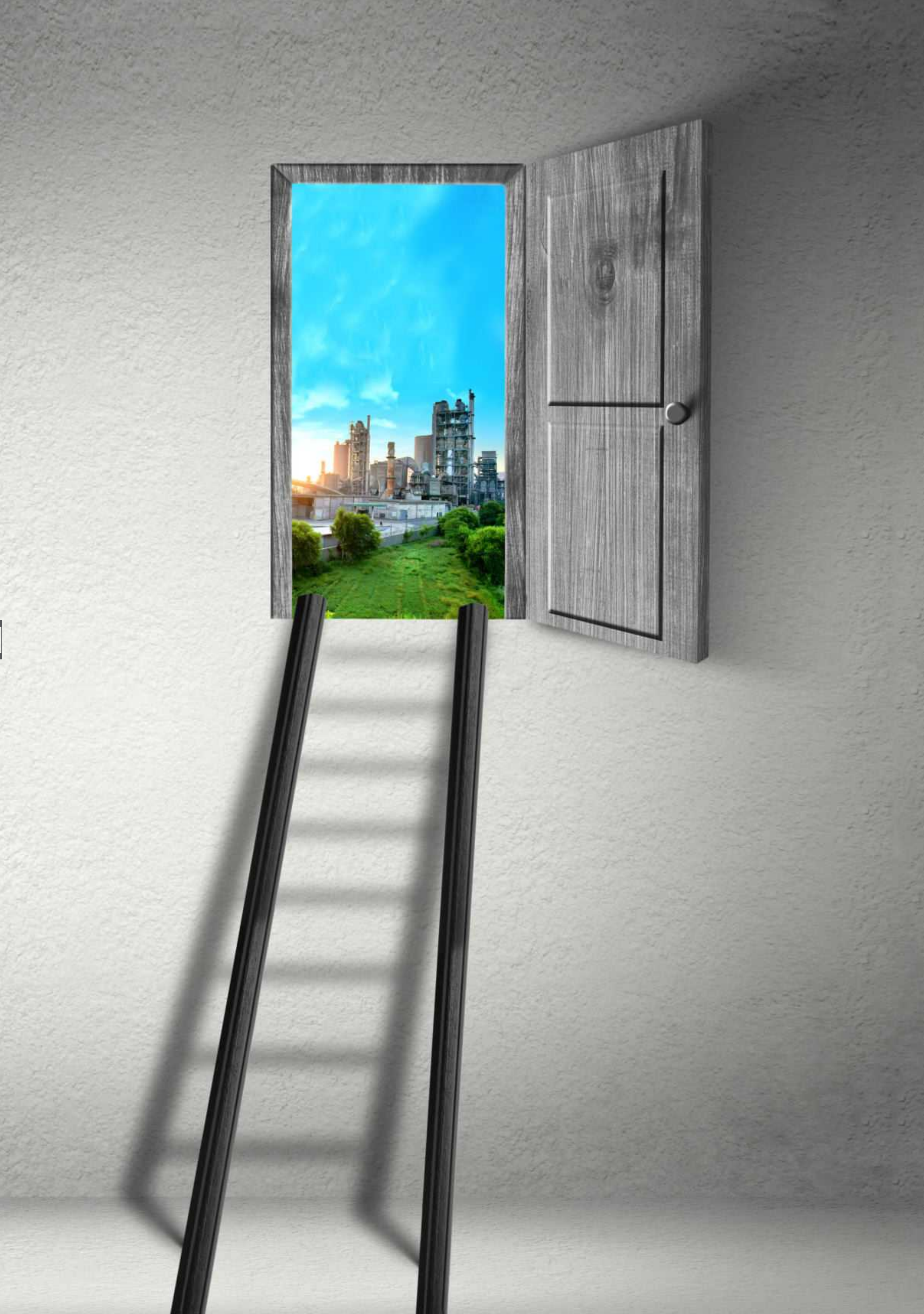
Video presentation of CEO detailing financial per□formance of the Company is also available on the above website

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.

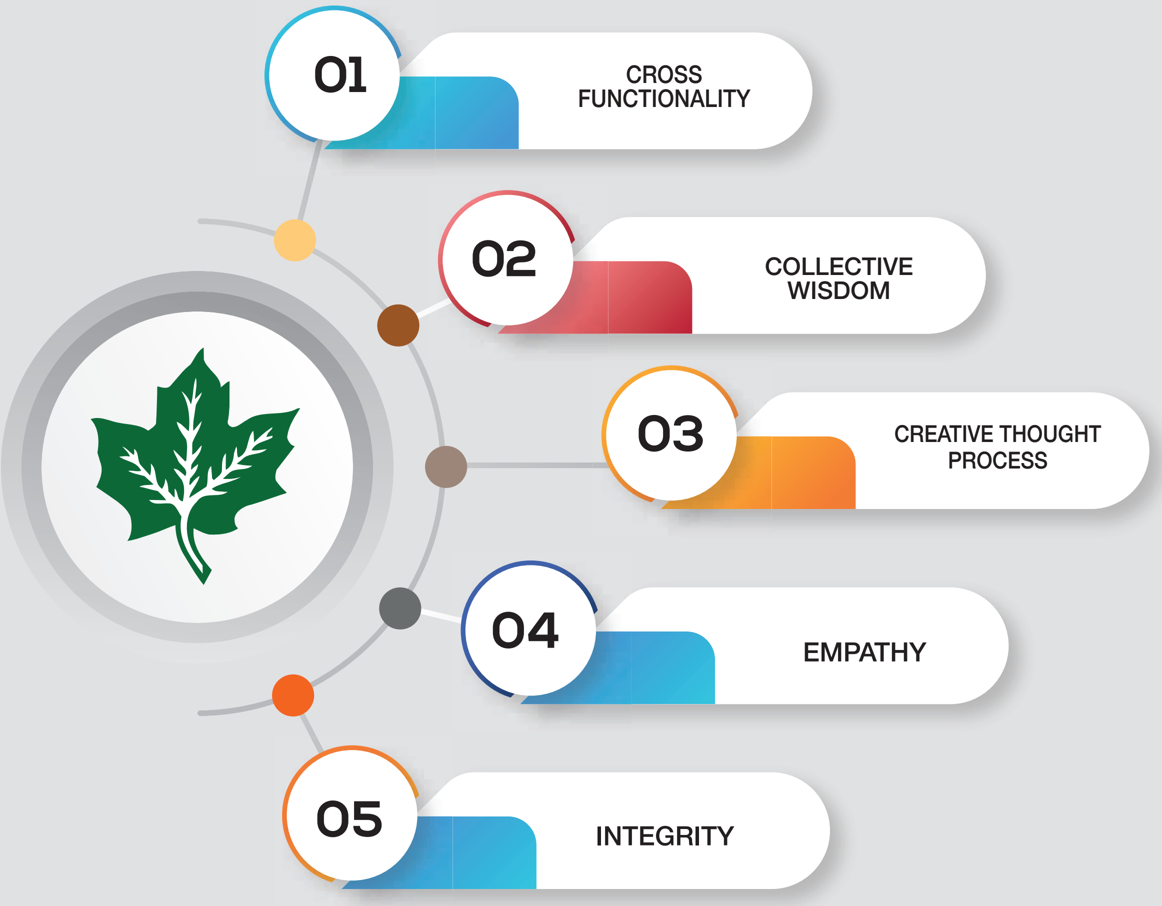
MISSION STATEMENT

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



CORE VALUES

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



CROSS FUNCTIONALITY

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

COLLECTIVE WISDOM

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

CREATIVE THOUGHT PROCESS

Out of the box ideas.

EMPATHY

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

INTEGRITY

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

CORPORATE STRATEGY

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

CULTURE

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

CODE OF BUSINESS CONDUCT AND ETHICAL PRINCIPLES

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

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

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

ETHICAL PRINCIPLES

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

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

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

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

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

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

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

HISTORY OF MAPLE

□□□□ □he Company was established by the □est □a□istan Industrial □evelopment Corporation (□ □I□ C) and incorporated as □Maple Leaf Cement Factory Limited□. □he capacity of the plant was □□□□□□ tons clin□er per annum.

1967 □ company with the name of □□ hite Cement Industries Limited□ (□ CIL) was established with the clin□er capacity of □□□□□ tons per annum.

1974 Under the WPIDC Transfer of Projects and the Companies □ct□ □□□□□ the management of two companies namely□MLCFL and □ CIL were transferred to the newly established □tate Cement Corporation of □a□istan (□CC□).

□□□□ □CC□ expanded □ CIL's white cement plant by adding another unit of the same capacity parallel to the existing one□it increased total capacity to □□□□□ tons clin□er per annum.

□□□□ □CC□ set up another production unit of grey cement under the name of □a□ Cement Company Limited (□CCL) with a capacity of □□□□□□ tons per annum.

1992 □he Company□□ CIL and □CCL were privatized and transferred to the □MLG. □ll three companies were merged into Maple Leaf Cement Factory Limited on □uly □□□□□□□.

1994 □he Company was listed on all □toc□ Exchanges in □a□istan.

□□□□ □ separate production line for grey portland cement of □□□□□□ tons per annum clin□er 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 □he coal conversion project at new dry process plant was completed.

2005 □ry process plant capacity was increased from □□□□ tons per day (tpd) to □□□□ tpd through debottlenecking and up-gradation of equipment and necessary adjustments in operational parameters.

2006 □ 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 □□□ □□□□ million.

2007 □he Company undertoo□ another expansion project of □□□□ tpd grey clin□er capacity which commenced its commercial production on November □□□□□□□.

2008 □wo existing lines of white cement □□ tpd each clin□er capacity converted into oil well cement plant which started its commercial production.

2011 □he Company successfully started □ aste □eat □ecovery □oiler □lant.

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

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

2014 □he Company and □a□istan □ailway signed an agreement to transport coal and cement from □arachi to □aud□hel and vice □ versa.

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

2016 □he Company yet again recorded the highest ever turnover quantitatively (□.□□ 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 □ecember □□□□. □he Company also established a wholly owned subsidiary□ Maple Leaf □ower Limited□for the establishment and commissioning of a 40 MW coal fired power plant.

2017 □ecord cement sales amounting to □s.□□.□ billion were made during the year with total dispatches crossing □.□□ million tons. □he Company announced another expansion project of □□□□ tpd grey clin□er.

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

2019 □he Company has reached a new milestone of □s.□□ billion □ales □evenue. □lso□a new production line having capacity of □□□□ tpd of grey clin□er production, a brown field expansion at the Company's existing site at Is□andarabad has started its commercial operations. □s a result of this expansion□ total grey clin□er capacity has increased to □□□□□ tpd.

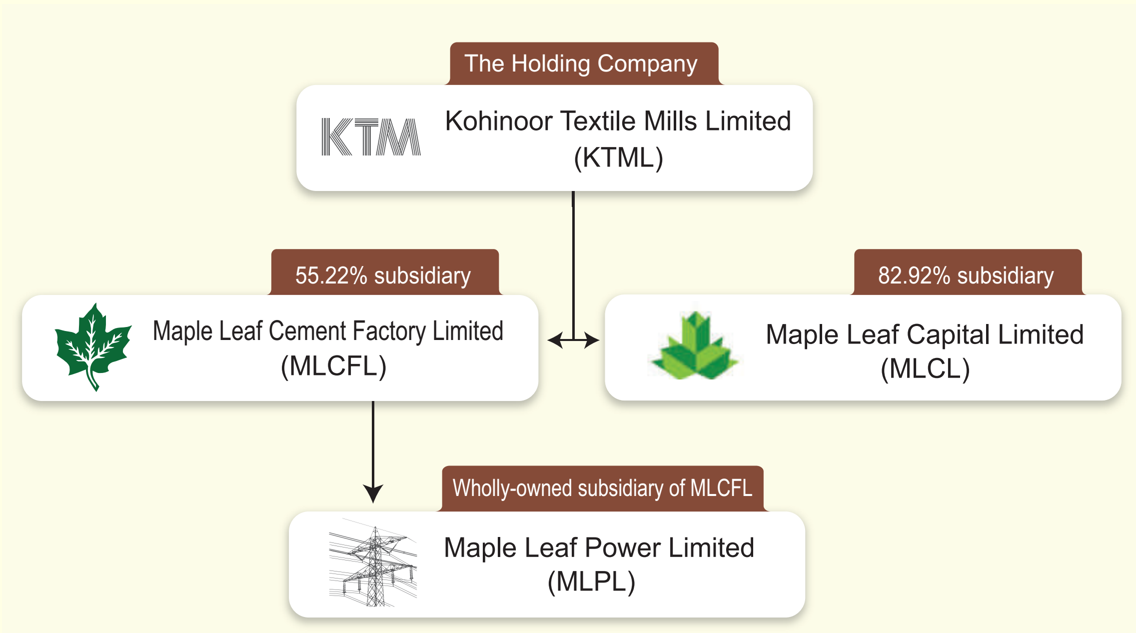
2020 □he Company has achieved another milestone with the highest ever sales revenue of □s.□□ billion and the highest ever sales quantity of □.□ million tons of cement. □he Company raised □s. □.□□ billion by □ight issue to ma□e early repayments of its loan obligations.

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

2022 □he Company has achieved highest ever net sales revenue of □s. □□ billion and highest ever operating profit of Rs. 9 billion. WHRP on line III and □olar projects □□.□ M□ completed during the year.

COMPANY PROFILE
AND GROUP STRUCTURE

Maple Leaf Cement Factory Limited is a part of □ohinoor Maple Leaf Group (□MLG). □MLG comprises of two listed public limited companies i.e. □ohinoor □extile Mills Limited (□□ML) and Maple Leaf Cement Factory Limited (MLCFL) and two unlisted public limited companies i.e. Maple Leaf Capital Limited (MLCL)□and Maple Leaf □ower Limited (ML□L). □he Group companies are ran□ed amongst the top companies in the cement□ textile□power and investment sectors. □ll the group companies operate in □a□istan only.



Maple Leaf Cement Factory Limited (MLCFL) was incorporated in □a□istan on □□ □pril □□□□ under the Companies □ct□□□□□ (now the Companies □ct□ □□□□) as a public company limited by shares. □he Company is listed on □a□istan □toc□ Exchange. □he cement factory is located at Is□anderabad □istrict Mianwali in the province of □unjab. □he principal activity of the Company is production and sale of cement. □he Company is a subsidiary of □ohinoor □extile Mills Limited (□the □olding Company□).

Maple Leaf Power Limited (MLPL) was incorporated in □a□istan on □□ □ctober □□□□ under the Companies □rdinance □□□□ (now the Companies □ct□ □□□□) as a public company limited by shares. □he principal objective of ML□L is to develop□ operate and maintain electric power generation plant in connection therewith to engage in the business of generation□sale and supply of electricity. ML□L is wholly-owned subsidiary of MLCFL.

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

Maple Leaf Capital Limited (MLCL) was incorporated in □a□istan on □□ □pril □□□□ under the Companies □rdinance □□□□ (now the Companies □ct□ □□□□) as a public company limited by shares. □he 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.

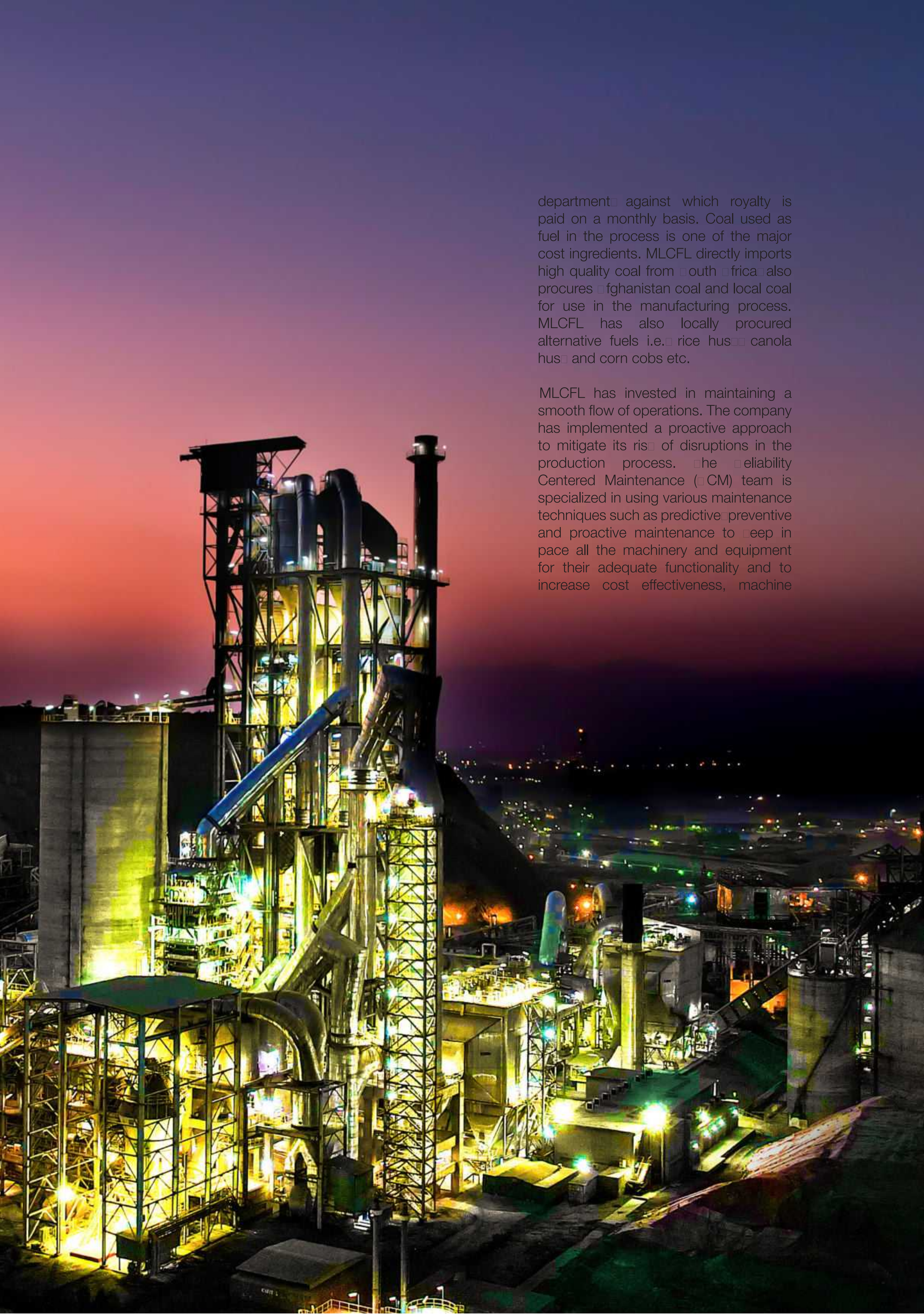
VALUE CHAIN ANALYSIS

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.

In the upstream part of value chain, raw material for cement manufacturing includes limestone, gypsum, clay, iron ore etc., which mainly are excavated from mines either directly by the Company or through contractors. These materials are first excavated from mountains obtained on lease from the Minerals

department, against which royalty is paid on a monthly basis. Coal used as fuel in the process is one of the major cost ingredients. MLCFL directly imports high quality coal from South Africa, also procures Afghanistan coal and local coal for use in the manufacturing process. MLCFL has also locally procured alternative fuels i.e., rice husk, canola husk and corn cobs etc.

MLCFL has invested in maintaining a smooth flow of operations. The company has implemented a proactive approach to mitigate its risk of disruptions in the production process. The Reliability Centered Maintenance (RCM) team is specialized in using various maintenance techniques such as predictive, preventive and proactive maintenance to keep in pace all the machinery and equipment for their adequate functionality and to increase cost effectiveness, machine



uptime□ and a greater understanding of the level of ris□ that the organization is presently managing. □t 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 □□□ Customer □ervice Centre□ first ever in the history of the Pakistani cement industry. □he objective of this service is to bring MLCFL a step closer towards our valued customers. Customers can obtain any information pertaining to our Company□ our products□ order dispatch details□ payment history and for complaints□suggestions□ direct access to the top management.

Through efficient use of its marketing strategy, MLCFL is creating a pull effect by locking-in its customers and is consequently able to tap the potential mar□ets proactively. □arious activities focusing on engaging the dealers and even the masonry staff have been initiated by the Company. □uch activities encourage the dealers and masons to recommend the product portfolio of MLCFL. □ e in collaboration with □E□□ have created a pool of highly s□illed masons through the Master Mistri □rogram.

□alue chain analysis has enabled MLCFL to identify its core competencies and to identify □ey sta□eholders 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.

BUSINESS MODEL

Maple Leaf Cement Factory Limited (MLCFL) is a Public Listed Company engaged in the manufacture of cement products. The Company aims to maximize shareholder value by adopting a unique marketing mix strategy which offers superior quality products at competitive prices through our vast dealership network. Through smart and efficient Marketing, the Company solidifies its hold in a vastly competitive market to certify that Maple leaf is a renowned symbol of trust and ethical integrity. Management stringently monitors its KPI's to measure and predict drivers of change to design innovative emergent strategies to better explore potential opportunities and mitigate business risks.

INPUTS

Financial Capital (Rs. in Million)
42,287 in Equity
82,467 Total Assets
17,535 Long Term Loans

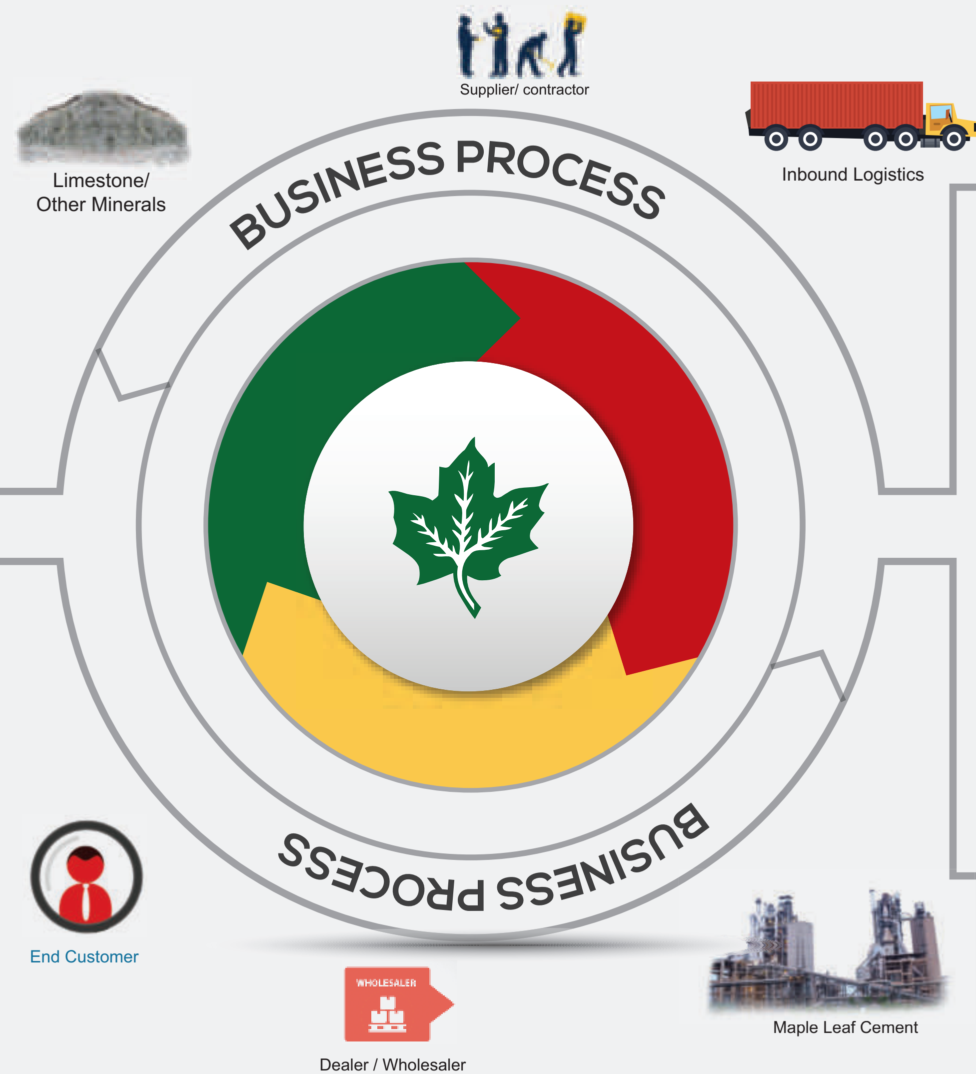
Manufactured Capital
4 Cement lines,
8 Regional Sales offices,
1 Power Plant

Intellectual Capital
Enterprise Resource Management (ERP) software

Human Capital
1,590 Number of Persons Employed

Social and Relationship Capital
Distributor and Dealer Network
Financial Institutions

Natural Capital (Rs. In Million)
2,389 Raw material Consumed
22,524 Fuel Consumed



OUTPUT

Clinker produced (M.Tons)
4,528,651

Cement produced (M.Tons)
4,741,944

Electric power generated (Units)
403,818,750

OUTCOMES

Financial Capital
Rs. 19,511 Million contribution to national exchequer
Rs. 27.35 Share Price At Year End
Rs. 48,520 Million in Net Sales

Manufacturing Capital
Substantial Grey Market share
>90% White Market share

Human Capital
Rs. 2,139 Million Salaries and wages paid

Social and Relationship
Rs. 6,605 Million Donation made

Capital
ISO 45001- Occupational Health & Safety Certification
Painters and Masons Trained

Natural Capital
Over 150,700 Trees Planted in last 5 years
ISO 14001- Environmental Management System Certification
Air Emission Monitoring and Control

* Based on Consolidated figures.

KEY ELEMENTS OF THE BUSINESS MODEL

Capitals	Key Elements
Input	□aw material (Limestone□Gypsum□Clay)
□usiness □rocess	Manufacture of Cement □roducts
□utput	Clin□er and Cement □roduced
□utcome	Economic and Social Benefits

SIGNIFICANT FACTORS AFFECTING EXTERNAL ENVIRONMENT AND MLCFL'S RESPONSE

External Component	Factors	Organizational Response
□olitical	• □he decline in G□□ growth□ significant cut in PSDP and blea□ economic situation. • □rolonged political unrest badly impacting the performance of □a□istan □toc□ Exchange (□□□).	• 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 mar□et. • □egular mar□et analysis by senior management and the □oard. • Conducting corporate briefings and roadshows, both at national and international level□ to mitigate the impact of government policies and actions on the mar□et capitalization of the company. It further helped increase and sustain foreign shareholding in the total capital structure of the company.
Economical	• □rice hi□e in major input costs especially fuel□power and pac□ing materials. • □evaluation of local currency. • Inflation. • Inconsistent economic policies	• Usage of coal fired power project has resulted in a handsome decline in the overall power cost pool□which led to a reduction in per ton power cost. • Installation of renewable energy i.e. solar power projects of □□.□ M□ . • Installation and commercial production of waste heat recovery plant at line III. • □he Company met price hi□es in input costs by□ a) Efficient procurement of coal and pet coke on account of better negotiation. b) □ransportation cost□ being a major component of overall overhead cost□ is curtailed by transportation agreement with □a□istan □ailways. c) Effective inventory management by meticulously reviewing inventory-holding periods. d) Cost reduction initiatives to control production and non -production related fixed costs.

External Component	Factors	Organizational Response
□ocial	• □ta□eholders' inclination towards C□□ compliant organizations. • □etter retention in organizations offering affordable health and educational facilities. • □ttitude change towards welfare of public at large.	• Ensuring compliance with all requirements of Corporate □ocial □esponsibility (C□□). • □he Company's focus to report performance based on □riple □ottom Line □eporting Framewor□. • □he Company built a state of the art hospital at its plant site in collaboration with Al-Shifa Islamabad to provide health facilities to employees and general public. Further□ the Company contributed to educational facilities for public at large □□l □leem medical college in Ghulab □evi Educational Complex. • Company regularly contributes a handsome amount of donation towards hospitals□schools□ mosques and sports centres.
□echnological	• □echnical obsolescence of production facilities. • Continuous development of information technology infrastructures and Management Information □ystems (MI□) software. • Communication infrastructure.	• Company has the most novel European plant from FL□midth to avoid any ris□ of technical obsolescence. □dditionally□ company is in the process of adding a state-of-the art new grey cement line. • Company continuously invests in the robust hardware and software for system up-gradation and MI□. □ecently company has managed E□□ and E□M modules for meeting latest reporting needs. • Company has developed a highly interactive □upply Chain Management □oftware that has been designed to trac□ shipments and create online orders. • □he Company has ensured the provision of latest Microsoft outloo□ software to meet communication needs of all company personnel internally and with all external sta□eholder groups.

External Component	Factors	Organizational Response
Environmental	• □ttitude towards and support for renewable energy. • □ir pollution □ deforestation • Lowering of underground water belt. • Growing attention towards □green□ attitudes • Global pandemic e.g. Covid-19	• Company is successfully operating waste heat recovery project (□ □□□) for electricity generation from emitted heat of the □ilns. □he Company has installed □□.□ M□ solar power projects. • □lanting 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. • □he Company has been approved the standards of I□□ □□□□□ and I□□ □□□□□ for complying with an effective Environmental Management System (EM□) and □ccupational □ealth and □afety □ssessment □eries (□□□□□) requirements. • □he Company has responded to the global pandemic e.g. Covid-19 by thoroughly following all the □□□s and guidelines as advised by □orld □ealth □rganization (□□□) and the Government of □a□istan. □he Company's operations have been continued during pandemic while □eeping the employees' health & safety as first priority.
Legal	• Enforcement of new Companies □ct □□□□. • Continuous amendment in the provisions of Income □ax □rdinance □□□□ and □ales □ax □ct □□□□ resulting from finance bill on annual basis. • □mendments in the requirements of code of corporate governance□ □a□istan □toc□ Exchange rules and the requirements of □EC□ □ct. • □evere F□□ actions to deter non- compliance and late payments. • □mendments inemployment laws and industrial relations regulations.	• Company has engaged an efficient team of professionals to ensure compliance with all enacted and or substantially enacted statutes□ acts and ordinances. It further equips the company with an up to date □nowledge 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. • □he Company has equipped itself with a competent legal team to ma□e itself updated on employment and industrial laws. It further helps the management in complying with requisite updates on timely basis.

EFFECT OF SEASONALITY ON BUSINESS

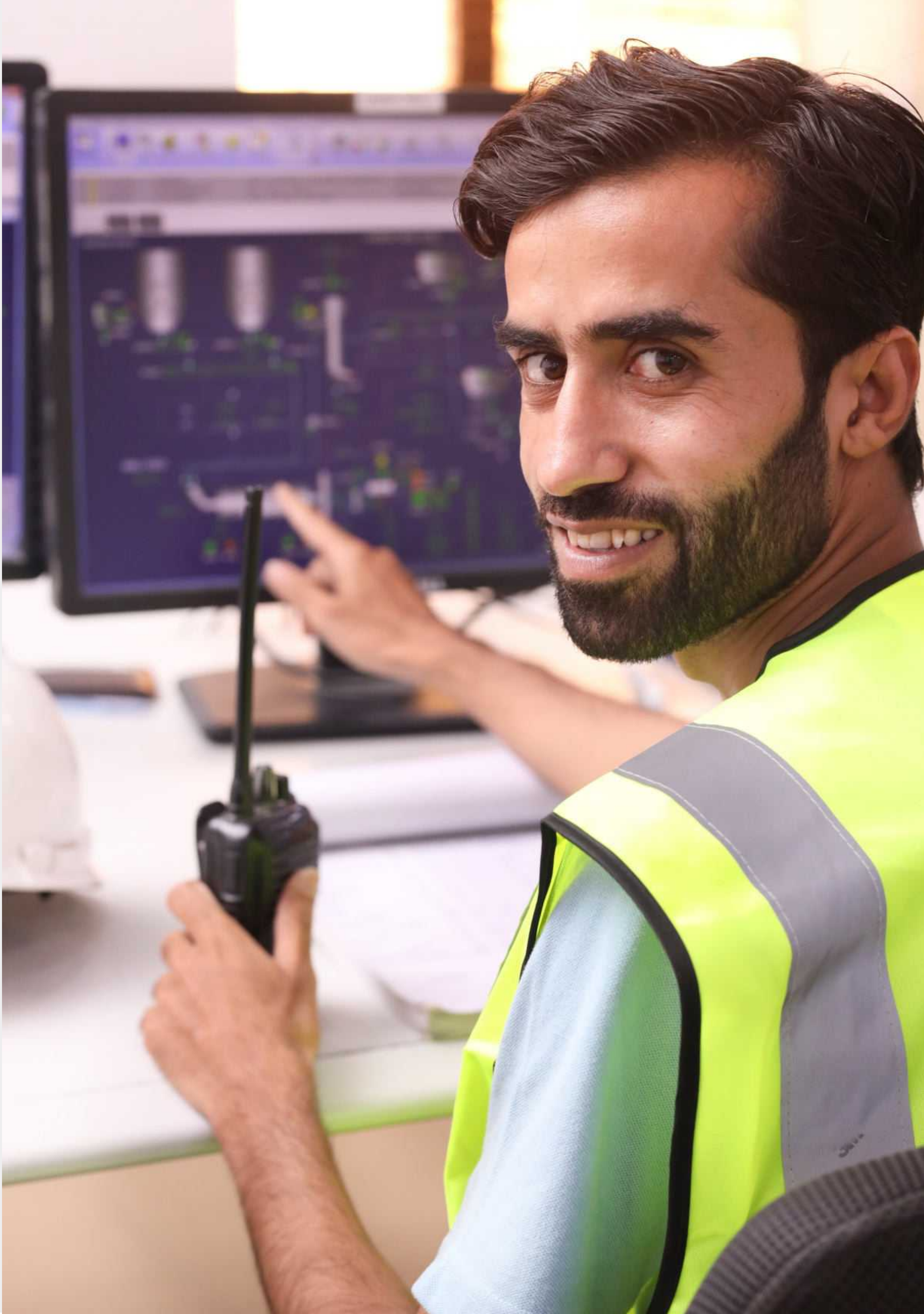
□easonality has no impact on cement production. Cement sales are higher in spring□summer months due to longer duration of the day□ the sales fall during monsoon and winter due to less construction activities.

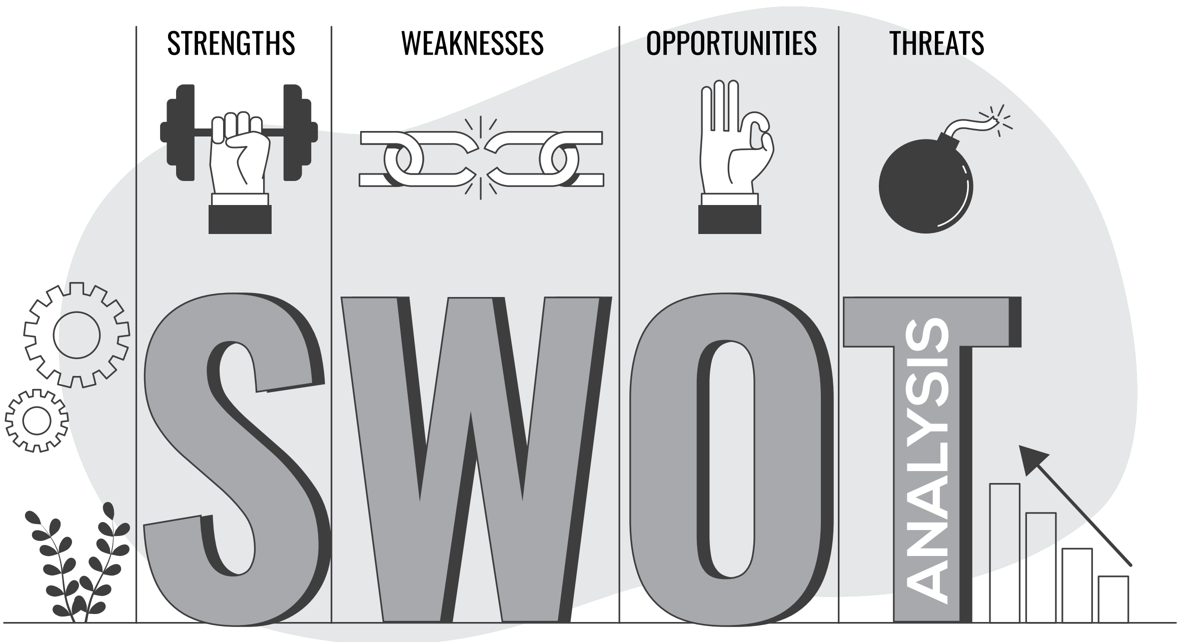
LEGITIMATE NEEDS, INTEREST OF KEY STAKEHOLDERS AND INDUSTRY TRENDS

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

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

□. Capacity expansions to meet higher demands□
□. □doption of latest technologies to be cost efficient;
□. □o avail renewable energy resources li□e □ □□□ and solar projects□and
□. □o explore alternate fuels to be used in production process.





□□ □□ 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 wea□nesses to avoid mar□et and other threats. Management at Maple Leaf considers the following factors of □□ □□ 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.
- □igh transport cost.
- □ighly regionalized and localized mar□et.
- □igh electricity cost.
- □igh 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.

THREATS

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


KOMATSU
80

CUSTOMER LANDSCAPE AND MARKET POSITIONING

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

THREAT OF NEW COMPETITION

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

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

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

THREAT FROM SUBSTITUTE PRODUCTS

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

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

BARGAINING POWER OF CUSTOMERS

Generally, cement in Pakistan is not directly sold to end consumers. The manufacturing company sells the product to registered distributors, dealers and retailers who further the supply to the end consumers. MLCFL endeavours to add more dealers to its customer base with whom the Company enjoys a healthy, mutually beneficial relationship based on trust and honouring of business terms.

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

BARGAINING POWER OF SUPPLIERS

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

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

INTENSITY OF COMPETITIVE RIVALRY

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

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

LEGISLATIVE AND REGULATORY ENVIRONMENT IN WHICH THE COMPANY OPERATES

Maple Leaf Cement Factory Limited was incorporated in Pakistan under the Companies Act, 2017 and is listed on Pakistan Stock Exchange. The Company is subject to all the relevant laws and regulations which are prevailing and are applicable to all the listed companies operating in Pakistan. Further financial statement of the Company has been prepared in accordance with the Accounting and Reporting Standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

POLITICAL ENVIRONMENT AND IMPACT OF OTHER COUNTRIES ON THE COMPANY

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

SIGNIFICANT CHANGES FROM PRIOR YEARS

The external environment is constantly changing such as low spending of government on □□□□ during the year, constant rise in inflation, halted construction activities, strict monitoring and regulation by the Government on certain industrial sectors and the global economic impact of COVID-19 pandemic. Global coal and oil prices started picking up during the 3rd and 4th quarters of the financial year on an increasing trajectory due to ongoing war between Russia and Ukraine. To cater with high increase in coal rates the industry has shifted its usage from South African and Indonesian coal to local and Afghan coal. Interest rates have significantly increased during the year. Further, Pak Rupee devaluation resulted in higher inflation and input costs.

CALENDAR OF CORPORATE EVENTS

JULY 2021 - JUNE 2022

- **28 SEP 21** — Annual General Meeting Held
- **21 OCT 21** — 1st Qtr Sep-2021 Results Declared
- **25 OCT 21** — Human Resource & Remuneration Committee Meeting Held
- **22 FEB 22** — Half Yearly Dec-2021 Results Declared
- **19 APR 22** — 9 Months Mar-2022 Results Declared
- **17 MAY 22** — EOGM for approval of buy back of 25 Mn Ordinary Shares

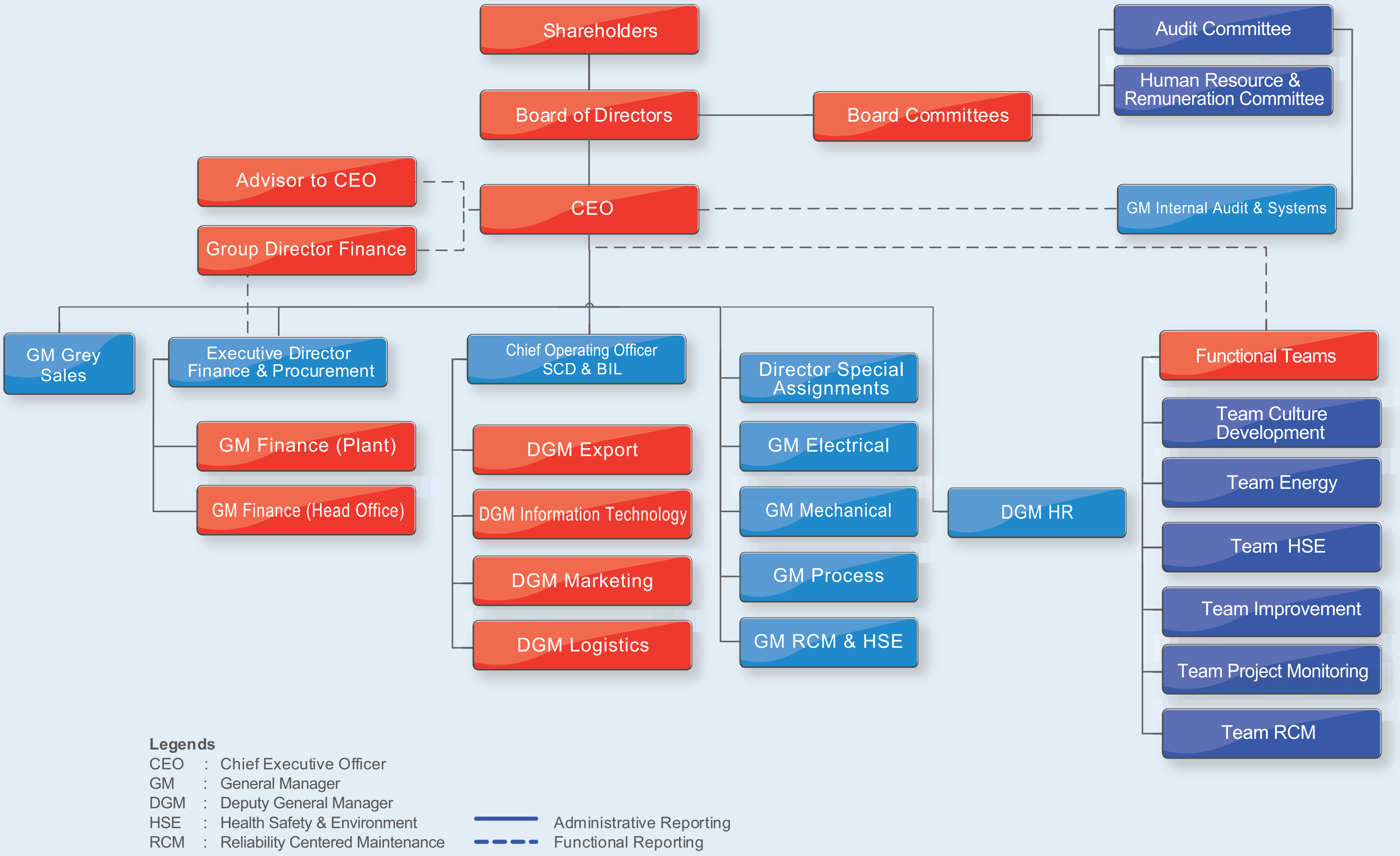
CALENDAR OF OTHER NOTABLE EVENTS

JULY 2021 - JUNE 2022

- 14-Aug-21 — Azadi Celebration
- 19-Oct-21 — Eid Milad un Nabi
- 31-Oct-21 — WHRP of 9 MW Capitalized
- 15-Dec-21 — Solar Project of 5 MW Capitalized
- 25-Dec-21 — Christmas Celebrations
- 18-Feb-22 — GMs' BBQ Night
- 05-Mar-22 — HODs family Day Out
- 12-Mar-22 — Maple Sports Week
- 23-Apr-22 — Solar Project 7.5 MW Capitalized
- 29-Jun-22 — Mango Feast

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

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 2022-2023

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

SHORT TERM OBJECTIVES

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

MEDIUM TERM OBJECTIVES

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

LONG TERM OBJECTIVES

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

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 [illegible] days considering it as an opportunity to improve our bottom line. We believe that training is the source of all process driven thinking. Local and international trainings for key management personnel are arranged on regular intervals including 6 sigma trainings. We have framed well defined different teams to address the key areas like Team Energy, Team Reliability Centered Maintenance, Team Improvement and Team Culture Development. Priority is being assigned to control production cost.

We have reduced variable cost due to efficient energy management and other cost reduction measures. The to date results, financial and non-financial, 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 [illegible] call center to ease our customers' queries, new product introduction in the market and to manage brand loyalty.

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

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

ALLOCATION PLAN OF ENTITY'S SIGNIFICANT RESOURCES

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

HUMAN RESOURCES

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

FINANCIAL CAPITAL MANAGEMENT

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

STRATEGY TO OVERCOME LIQUIDITY RISK

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

KEY RESOURCES AND CAPABILITIES
PROVIDING SUSTAINABLE ADVANTAGE

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

Value created by the business for stakeholders using resources and capabilities

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

EFFECT OF TECHNOLOGICAL CHANGE, SOCIETAL ISSUES AND ENVIRONMENTAL CHALLENGES

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

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

PROCESS FOR MONITORING CULTURE, INTEGRITY AND ETHICAL ISSUES

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

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

KEY PERFORMANCE
INDICATORS (KPIS)

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

Sr. No.	Objectives	Measures
□	Improved capacity utilization of the Company's production facilities.	Number of days run factor, mean time between failure (M□□F).
□	Modernization of production facilities in order to ensure the most effective production.	□eduction in unplanned stoppages.
□	Effective marketing and innovative concepts.	Increase in retention and sales volume.
□	Implementation of effective human resource solutions through personnel development□ creating proper environment for professional growth of highly s□illed professionals□ ensuring safe labour environment□ competitive staff remuneration and social benefits in accordance with scope and quality of their wor□.	□igher return on human capital.
□	Effective use of available resources.	□ecrease in variable cost.
□	Explore alternative energy resources.	□educed dependence on national grid.
□	Further improvements in Code of Corporate Governance through restructuring of assets and optimization of management processes.	□igher legal compliance level and reduction in contingencies.
□	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 □□□s.
□	Implementation of projects in social and economic development of communities.	□llocation of funds for C□□ and their monitoring.

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


Strong CO_2 interactions
MEE
Film forming
4-Methoxyphenol
Cross-linking
2-Allylphenol

STRENGTH THROUGH RESILIENCE

SIGNIFICANT PLANS AND DECISIONS DURING THE YEAR

□he Company has completed and capitalized the □ □□□ on line III and solar projects of □□.□ M□ during the year. □he Company has plans to complete the ongoing project of line I□ in □'□ of F□'□□□□. □he Company has adopted the strategy to utilize maximum cash profits with minimal reliance on debt. Moreover, in order to reduce the higher financial costs, the Company has availed Long Term Finance Facilities (LTFF) and Temporary Economic Refinance Facilities (TERF) for its capex projects.

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

SIGNIFICANT CHANGES FROM PRIOR YEARS

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

RISKS AND OPPORTUNITIES

RISK MANAGEMENT FRAMEWORK

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

A. STRATEGY FORMULATION

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

B. KEY RISKS AND OPPORTUNITIES OF CAPITALS

FORM OF CAPITAL	KEY RISK	KEY OPPORTUNITIES
Financial Capital	Increased packing and power generation cost	Resumption of CPEC projects and future. reduction in SBP's policy rates.
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:

[illegible]	[illegible]
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. RISK MANAGEMENT METHODOLOGY

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

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

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

[illegible]. RISK AND COUNTER MEASURES STRATEGY MATRIX

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

□. RISK AND COUNTER MEASURES STRATEGY MATRIX

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

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

F. OPPORTUNITY ANALYSIS

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 62nd Annual General Meeting of the members of Maple Leaf Cement Factory Limited (the "Company") will be held on Thursday, October 27, 2022 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

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

[illegible]) To appoint Auditors for the year ending June [illegible] 2023 and fix their remuneration.

SPECIAL BUSINESS:

3) To consider and, if deemed fit, pass the following resolution as a special resolution under Section [illegible] of the Companies Act, [illegible] 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 [illegible] of the Companies Act, [illegible] (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. [illegible] million (Rupees five hundred million only) for a period of one year commencing November 01, 2022 to October 31, 2023 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on September [illegible] by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. [illegible] million which is valid till October [illegible].

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

[illegible]) To ratify and approve transactions conducted with the Related Parties for the year ended June [illegible] by passing the following special resolution with or without modification: -

"Resolved that the transactions conducted with the Related Parties as disclosed in the note [illegible] of the unconsolidated financial statements for the year ended June 30, 2022 and specified in the Statement of Material Information under Section 134(3) be and are hereby ratified, approved and confirmed."

[illegible]) To authorize the Board of Directors of the Company to approve transactions with the related parties for the financial year ending on June [illegible] 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, 2023.

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 [illegible]

NOTES:

1. The Share Transfer Books of the Company will remain closed from October [illegible] to October [illegible] (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Limited, 3-C, LDA Flats, First Floor, Lawrence Road, Lahore, at the close of business on October [illegible] will be considered in time 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 to attend, speak and vote instead of him/her. CDC beneficial owners and Proxy Holders must bring with them their Computerized National Identity Cards (CNIC)/Passports in original to prove his/her identity. In case of Proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their 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. A member shall not be entitled to appoint more than one proxy.

3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form or may be provided at the time of meeting.

4. Members holding aggregate [illegible] or more shareholding, residing in a city other than Lahore, 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(s) / Attorney

(Please affix also company stamp, in case of corporate entity)

5. The Securities and Exchange Commission of Pakistan ("SECP") vide Circular No. 4 of 2021 dated February [illegible], has advised to provide participation of the members through electronic means. The members can attend the AGM via video link using smart phones / tablets. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides) / passport, attested copy of Board Resolution / power of attorney (in case of corporate shareholders) through email at muhammad.ashraf@kmlg.com by October [illegible] 2022: -

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

6. 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, 2022 are available on website of the Company. Further, the Company has sent its Annual Report [illegible] 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.

7. Shareholders are requested to notify / update the following information / documents with their respective CDS participants and in case of physical shares to our Share Registrar, if not earlier notified / updated: -

a. Change in their addresses;

b. Pursuant to requirement of Section [illegible] of the Companies Act, [illegible] and the Companies (Distribution of Dividends) Regulations, 2017, provide their bank details including International Bank Account Number

(IBAN) of 24 digits in order to receive unclaimed e-dividends. Further, shareholders may contact at the Registered Office of the Company to collect / enquire about their unclaimed physical dividends / physical shares, if any.

c. Individual Members who have not yet submitted a copy of their valid Computerized Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore. Corporate Members are requested to provide their National Tax Number (NTN) and folio number thereon while sending the copies to the Share Registrar of the Company. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, [illegible] and [illegible]s issued thereunder.

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

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

e. For any query / information, the shareholders may contact with the Company Secretary at the above Registered Office and / or Mr. Abdul Ghaffar Ghaffari of Share Registrar, Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore, Ph. Nos. (042) 36283096-97.

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

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October [illegible].

Agenda Item No. 3 of the Notice - Investment in Kohinoor Textile Mills Limited

Kohinoor Textile Mills Limited ("KTML"), the holding company, having its Registered Office at 42-Lawrence Road, Lahore, is manufacturer of yarn and cloth, processing and stitching the cloth and trade of textile products. The spinning production facilities comprise [illegible] Ring Spindles, 2,712 Open-end Rotors and 384 MVS Spindles capable of producing a wide range of yarn counts using cotton and man-made fibers. The weaving facilities at Raiwind comprise 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 [illegible] has approved Rs. [illegible] million as loans / advances, being a reciprocal facility, to KTML on the basis of satisfactory profit trend of KTML subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to KTML in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

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

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

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

(A) Regarding associated company or associated undertaking: -

Ref. No.	Requirement	Information
(i)	Name of associated company or associated undertaking:	Kohinoor Textile Mills Limited (the "KTML")
(ii)	Basis of relationship:	KTML is a holding company of Maple Leaf Cement Factory Limited (the "Company").
(iii)	Earnings per share for the last three years:	See table below
(iv)	Break-up value per share, based on latest audited financial statements;	As on June [illegible] With revaluation surplus Rs. [illegible] Without revaluation surplus Rs. [illegible]
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	Based on the audited financial statements for the financial year ended 30 June 2022, the financial position of KTML is as under: -

(iii) Earnings per share for the last three years (Rupees)

Year	Basic	Diluted
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

(v) Financial position

Particulars	Amount Rupees (000)
Paid up capital	[illegible]
Surplus on revaluation of freehold land and investment properties	[illegible]
Total Reserves	[illegible]
Total Equity	[illegible]
Current liabilities	[illegible]
Current assets	[illegible]
Revenue	[illegible]
Gross Profit	10,169,257
Operating Profit	7,379,749
Net Profit	4,740,723
Earnings per share (Rs.)	[illegible]

(B) General Disclosures: -

Ref. No.	Requirement	Information
(i)	Maximum amount of investment to be made;	Rs. 500 million (Rupees five hundred million only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	**Purpose:** To earn income on the loans and/or advances to be provided to □□ML from time to time for working capital requirements of □□ML. **Benefits:** The Company will receive mark up at the rate of one percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit the Company's cash flow by earning profit on idle funds. **Period:** For a period of one year from November □□□□□□□ to October □□□□□□□.
(iii)	Source of funds to be utilized for investment	Loan and/or advance will be given out of own funds of the Company.
	where the investment is intended to be made using borrowed funds, - (I) Justification for investment through borrowings; (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis;	N/A
(iv)	Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	**Nature:** Loan / advance **Purpose:** To earn mark-up / profit on loan / advance being provided to □□ML which will augment the Company's cash flow **Period:** One Year **Rate of Mark-up:** One percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. **Repayment:** Principal plus mark-up / profit upto October □□□□□□□ **Penalty charges:** @ 3-months KIBOR plus one percent in addition to the outstanding amount(s).

Ref. N□□	Requirement	Information
(v)	□irect or indirect interest of directors□ sponsors□ majority shareholders and their relatives□ if any□ in the associated company or associated underta□ing or the transaction under consideration□	Investing Company i.e. the Company is a subsidiary company of KTML and Nine □irectors including CE□ 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 underta□ing has already been made□ the performance review of such investment including complete information/justification for any impairment or write offs; and	□ similar nature of loan□advance facility of □s. □□□ million from time to time for wor□ing capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the □nnual General Meeting held on □eptember □□□ □□□□ which is valid till □ctober □□□□□□□. □here is no impairment and□ or write off against the above facility.
(vii)	□ny other important details necessary for the members to understand the transaction□	N/A

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

Ref. N□□	Requirement	Information
(i)	Category-wise amount of investment;	□hort term loan for wor□ing capital requirement for a period of one year as dilated in preamble.
(ii)	□verage borrowing cost of the investing company, the Karachi Inter Bank Offered □ate (□I□□□) for the relevant period□rate of return for □hariah Compliant products and rate of return for unfunded facilities□ as the case may be□ for the relevant period□	□verage borrowing cost of the Company is □.□□□ for the year ended □une □□□□□□□.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company□	Mark-up will be charged from KTML at one percent above three months □I□□□ or one percent above the average borrowing cost of the Company□whichever is higher.
(iv)	□articulars of collateral or security to be obtained in relation to the proposed investment□	No collateral is considered necessary since □□ML 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, 2022 to October [illegible] (both days inclusive). KTML will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October [illegible].

Disclosure under Regulation 4(1)

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

Name	%age of Shareholding in KTML	%age of Shareholding in the Company
Mr. Tariq Sayeed Saigol	[illegible]	[illegible]
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	[illegible]	[illegible]
Mr. Taufique Sayeed Saigol	14.9110	0.0015
Mr. Sayeed Tariq Saigol	[illegible]	[illegible]
Mr. Waleed Tariq Saigol	[illegible]	[illegible]
Mr. Danial Taufique Saigol	0.0010	0.0005
Ms. Jahanara Saigol	[illegible]	[illegible]
Mr. Shafiq Ahmed Khan	0.0010	0.0014
Mr. Zulfikar Monnoo	0.[illegible]	[illegible]

Disclosure under Regulation 4(2):

Name of Investee Company	Kohinoor Textile Mills Limited
□otal Investment □pproved:	Loan □ advance upto □s.□□□ million was approved by members in □GM held on □eptember □□□ □□□□ for a period of one (□□) year.
□mount of Investment Made to date:	Investment has not been made yet to date.
□easons for not having made complete investment so far where resolution required it to be implemented in specified time:	□he Company will provide funds to □□ML from time to time as per wor□ing capital requirements to □□ML upon request.
Material change in financial statements of associated company or associated underta□ing since date of the resolution passed for approval of investment in such company:	□t the time of approval of loan□advances of Rs.500 million, as per latest financial statements for the year ended □une □□□ □□□□□ the basic earnings per share was Rs. 9.21 and break-up value per share (without surplus) was □s.□□.□□. As per latest financial statements for the year ended □une □□□ □□□□□ the basic earnings per share is □s. □□.□□ and brea□up value per share (without surplus) is □s. □□.□□.

Agenda Item No. 4 of the Notice – Ratification and approval of the related party transactions

□ransactions conducted with the related parties have to be approved by the □oard of □irectors duly recommended by the □udit Committee on quarterly basis pursuant to clause □□ of Listed Companies (Code of Corporate Governance) □egulations□ □□□□. □owever□ during the year since majority of the Company's □irectors were interested due to their common directorships and therefore these transactions are being placed for the approval by shareholders in the □nnual General Meeting. In last □nnual General Meeting of the Company□ in order to promote transparent business practices□ the shareholders had authorized the □oard of □irectors to approve transactions with the related parties from time-to-time on case to case basis for the year ended □une □□□ □□□□ and such transactions were deemed to be approved by the shareholders. □uch transactions were to be placed before the shareholders in the next annual general meeting for their formal approval/ratification. Accordingly, these transactions are being placed before the shareholders in this meeting for their formal approval□ ratification.

All transactions with related parties to be ratified have been disclosed in the note □□ to the unconsolidated financial statements for the year ended June 30, 2022. Party-wise details of such related party transactions are given below: -

	Name of Parties	Relationship	Transactions	2022	2021
				(Rupees in thousand)	
a)	Kohinoor Textile Mills Limited	Holding Company ([illegible]% equity held)	Sale of goods to related party	[illegible]	[illegible]
			Purchase of fixed assets	-	[illegible]
			Expenses paid by related party on behalf of the Company	[illegible]	[illegible]
			Expenses paid by the Company on behalf of related party	[illegible]	[illegible]
b)	Maple Leaf Power Limited	Subsidiary Company	Coal provided to Subsidiary Company	[illegible]	[illegible]
			Coal received from Subsidiary Company	[illegible]	-
			Long term loan from subsidiary	[illegible]	-
			Long term loan repaid to subsidiary	-	[illegible]
			Rent charged to subsidiary company	[illegible]	[illegible]
			Purchase of goods and services (inclusive of taxes)	[illegible]	[illegible]
			Payments made by related party on behalf of the Company	[illegible]	-
			Markup paid during the year to related party	[illegible]	[illegible]
			Dividend received from related party	-	[illegible]
			Expenses paid on behalf of related party.	[illegible]	[illegible]
c)	Mr. Tariq Ahmed Mir	Key management personnel	Sale proceed from sale of vehicle	[illegible]	-
d)	Key management personnel	Key management personnel	Remuneration and other benefits	[illegible]	[illegible]
e)	Employee benefits				
	Gratuity	Post-employment benefit plan	Contribution	[illegible]	[illegible]
	Provident Fund Trust	Employees benefit fund	Contribution	[illegible]	[illegible]

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

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

Agenda Item No. [illegible] of the Notice – Authorization for the Board of Directors to approve the related party transactions during the year ending on June [illegible]

The Company shall be conducting transactions with its related parties during the year ending on June [illegible] 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 [illegible] 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, 2022 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2021-22. 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, [illegible] 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 2022 and I am pleased to report that the overall performance benchmarked on the basis of criteria set for the year [illegible] remained satisfactory. Such assessment was based on standards set by the Board in line with best corporate governance practices.

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

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

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

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

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

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

Tariq Sayeed Saigol
Chairman

Lahore: September [illegible]

DELIVERING GROWTH AND EXCELLENCE


Rising Higher. Growing Faster.
Emerging Stronger.

DIRECTORS' REPORT
TO THE SHAREHOLDERS

In compliance with □ection □□□ of the Companies □ct□□□□□□the □irectors of your Company have pleasure to present standalone and consolidated audited financial statements for the year ended □□th □une □□□□.

Maple Leaf Cement Factory Limited (the □Company□) is a □ublic Listed Company and a subsidiary of □ohinoor □extile Mills Limited. □he 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	
	2022	2021	Amount	%age
	(Rupees in thousand)			
Net Sales Revenue	48,519,622	35,538,301	12,981,321	36.53%
Gross Profit	13,239,339	8,498,640	4,740,699	55.78%
Operating Profit	9,797,684	6,297,246	3,500,438	55.59%
Finance Cost	[illegible]	[illegible]	[illegible]	[illegible]
Profit Before Taxation	8,139,412	4,970,043	3,169,369	63.77%
□axation	[illegible]	[illegible]	[illegible]	[illegible]
Profit After Taxation	4,553,125	3,828,494	724,631	18.93%
Earnings □er □hare (□s.)	[illegible]	[illegible]	[illegible]	[illegible]

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

	Year Ended			
	July to June		Variance	
	2022	2021	Amount	%age
	(Rupees in thousand)			
Net Sales Revenue	48,519,622	35,538,301	12,981,321	36.53%
Gross Profit	12,275,466	7,402,882	4,872,584	65.82%
Operating Profit	8,924,538	8,783,531	141,007	1.61%
Finance Cost	[illegible]	[illegible]	[illegible]	[illegible]
Profit Before Taxation	7,183,512	7,289,601	(106,089)	-1.46%
□axation	[illegible]	[illegible]	[illegible]	[illegible]
Profit After Taxation	3,626,340	6,254,109	(2,627,769)	-42.02%
Earnings Per Share (Rs.)	3.30	5.69	(2.39)	-42.00%

During the financial year 2021-22, production and dispatches decreased in comparison to last year's performance as evident from the data shown below:

	July to June		Variance	
	2022	2021	Change	%age
	--------------------M.Tons---------------			
Production				
Clinker Production	4,528,651	4,881,669	(353,018)	-7.23%
Cement Production	4,741,944	4,994,594	(252,650)	-5.06%
Sales				
Domestic	4,651,200	4,696,040	(44,840)	-0.95%
Exports	110,311	327,404	(217,093)	-66.31%
	4,761,512	5,023,444	(261,932)	-5.21%

Total sales volume of [illegible] tons depicts a decrease of [illegible] over [illegible] tons sold during last year. The domestic sales volume declined to [illegible] tons registering a decrease of [illegible] and exports sales volume to 110,311 tons, decreased by 66.31% from last financial year.

During the year 2021-22, the Company recorded net consolidated sales of Rs. [illegible] million against Rs. [illegible] million in the previous year. The top line of the Company increased by [illegible] mainly due to an improvement in selling prices in the local market. Increase in selling prices is mainly due to high inflationary impact on input costs, especially fuel and power. Growth in construction sector was slower than expected due to lackluster implementation of large-scale projects, less utilization of PSDP budget and lower than expected demand in housing sector.

The Company's export volume decreased by almost [illegible] to reach [illegible] metric tons from [illegible] metric tons in corresponding period. This decline is mainly attributable to Afghanistan market due to the slow economic activity post American exodus from the country, low margins and banking restrictions. Further, cement dispatches to rest of world are still not feasible due to high production costs in Pakistan and increased shipping rates impacting competitiveness in the regional markets.

Relying on own power generation sources, the Company was able to avoid the likely adverse impact on its profitability due to hikes in electricity tariff by NEPRA. The Company relied mainly on its internal power generation sources to meet its needs which came from coal fired power plant (CFPP) setup as wholly- owned subsidiary, Maple Leaf Power Limited (MLPL), a cost competitive advantage to the Company, Solar Power Plant and Waste Heat Recovery Plant which is the cheapest source of electricity for the Company. Waste Heat Recovery Plant is now representing one third of the power mix of the Company.

Global coal and oil prices started picking up during the 3rd and 4th quarters of the financial year on an increasing trajectory due to ongoing war between Russia and Ukraine which reduced the supply of oil by Russia and caused prices of commodities to increase further. Further devaluation of Pak Rupee during the period under review resulted in pressure on fuel and power costs of the Company.

□owever□ the Company was able to □eep its fuel and power costs under control by using □fghan coal and domestic coal to a certain optimal mix despite the problems of inconsistent supply and quality issues. □he Company is also benefitting by use of pet coke which is cost effective due to higher energy content and inventory of imported□ local coal and pet co□e at cheaper rates.

□he Management of the Company has initiated cost control measures and adopted various strategies in all areas including use of alternative fuels and optimized operations of the plant with a specific focus to reduce fixed costs. The Company continues to benefit from lower inland transportation costs through transport via railway networ□ resulting in reasonable savings.

□n account of aforementioned factors impacting cost of production□ the Company achieved consolidated gross profit of Rs. □□□□□□ million during the year□an impressive increase of □□.□□□ from □s. □□□□□ million reported last year.

□uring the year under review□ monetary policy rate was reviewed by the □tate □an□ of □a□istan (□□□) and enhanced from □□ to □□.□□□. □ue to these increases□ the Company's finance cost has increased during the second half of the financial year. The Long □erm Finance Facility (L□FF) and □emporary Economic Refinance Facility (TERF) launched under the directives of the □□□ have lent sustainable financial support to the Company by helping it avail long-term borrowing at attractive mark-up rates to import plant and machinery and setting up new projects.

□he Company has started its capacity enhancement project i.e. Line □ (□□□□ tpd) at its existing plant site. □he construction wor□ is in progress with satisfactory pace. □he said project is being financed with a mix of concessionary debt and internally generated cash during the period. Management is targeting to achieve C□□ in □□ of F□ □□□□.

The Company recorded consolidated pre-tax profit of Rs. 8,139 million for the financial year 2021-22 against consolidated pre-tax profit of □s. □□□□□ million in corresponding year.

Consolidated taxation amounted to □s. □□□□□ million for the reporting year as compared to consolidated tax charge of □s. □□□□□ million in the corresponding year. □his major increase in taxation resulted from increase in profit before tax, imposition of super tax @10% by the Federal Government through Finance □ct 2022 on the earnings of financial year ended □□ □une □□□□ and increased deferred tax expense due to imposition of super tax @4% on future earnings of the Company.

Profits earned from Maple Leaf Power Limited (ML□L)□ a wholly owned subsidiary of the Company□ established to install and operate 40 MW imported coal-fired captive power plant are exempt from charge of income tax. □owever□ partial tax charge pertains to other income. MLPL has earned net profit of Rs. 916 million during the financial year 2021-22. ML□L operations have favourably impacted consolidated results by yielding substantial savings in power cost.

The above factors have impacted post-tax bottom line for the reporting year to register an increase of 18.93% at a profit of Rs. 4,553 million against consolidated profit of Rs. 3,828 million in the bottom line for corresponding period last year.

DIVIDEND

It was decided to pass over dividend for the year ended □une □□□ □□□□ to preserve funds required for the dry process grey clin□er production Line □ of □□□□□ metric tons per day□ presently under construction. Future prospects of dividend hinges on the li□elihood of improved demand□increase in cement prices in the local mar□et to absorb sharp uptic□ in international coal prices and reduction in input costs due to commissioning of □ aste □eat □ecovery □lants. □verall improved economic and despatch conditions will favourably impact prospects of dividend payments in future.

ADEQUACY OF INTERNAL CONTROL

□he □oard of □irectors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal financial controls for ensuring effective and efficient conduct

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

MANAGEMENT'S RESPONSIBILITY TOWARDS PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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

AUDITORS

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

As suggested by the Audit Committee, the Board recommended re-appointment of the retiring Auditors and authorized the Chief Executive Officer to negotiate and finalize their audit fee subject to approval of the shareholders in the forthcoming Annual General Meeting.

DEFAULT OF PAYMENTS, DEBT/LOAN, TAXES AND LEVIES

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

FUTURE OUTLOOK

Going forward□ cement demand in the domestic mar□et is expected to decline despite the change in government. □he Cement sector is facing a rather precarious situation wherein multiple ris□s in the shape of major factors including devaluation of □a□ □upee□ high inflation, increase in interest rates and aggressive taxation measures are affecting its profitability. These factors have severe impact on cement manufacturers margins. Expected contained □□□□ spend may result in decline in cement demand for the financial year 2022-23.

Further□high coal rates in international mar□ets coupled with exorbitant sea freight□ stumbling □a□ □upee against US$, rising SBP discount rate, negative macro-economic indicators and gas shortage in international mar□ets will put pressure on the input costs of cement. □□□ has further substantially enhanced the monetary policy rate to □□.□□□ from □□.□□□ in □uly □□□□ which will increase the Company's finance cost in the coming quarters. Given the global energy demand supply dynamics, coal prices are unlikely to cool off in the near future. □herefore□the Company has decided to use □fghan Coal□local coal and other alternative fuels to mitigate the impact of high coal rates in international mar□ets and to lower the ris□ of currency devaluation. □owever□due to increase in demand of □fghan and domestic coal in cement sector□rates are increasing dramatically. □ecently□□fghanistan Government has inched up the ex-mining coal price alongwith an increase in export tax on coal which resulted in higher price of □fghanistan coal. Further□due to uncertain outcome of the ongoing Ukraine-Russia war, the price of oil remains on the higher side since supply from Russia remains affected till the situation improves. Moreover□due to recent change in Government and prevailing political uncertainty□the fate of construction sector remains uncertain and demand for cement cannot be ascertained with precision. □bove all□due to mounting pressure on the Government to meet IMF conditions□the Government intends to increase power tariffs and streamline fuel price adjustments to prevent accumulation of future power sector arrears. As a consequence, National Grid prices are expected to rise further which will result in increased power costs for the Company. □o partially mitigate the above mentioned cost escalation factors□the Company is wor□ing on installation of further renewable energy resources to reduce reliance on National Grid to the minimum.

BUSINESS RATIONALE OF CAPITAL EXPENDITURE / ONGOING EXPANSIONS OF THE COMPANY

□espite uncertain conditions□the cement sector is anticipated to expand capacity in the upcoming years as manufacturers try to increase mar□et share. □he expansion cycle is billed to be different from previous ones which is evident from major green field and brown field projects announced by key cement producers. □he Company has also signed a contract during March □□□□ for supply of equipment and engineering for a dry process clinker production Line-4 of 7000 metric tons per day. □he Company has established Letters of Credit for import of equipment during □pril 2021. The project will significantly bolster the top line figures of the Company in the future and is expected to commence production in □□ of F□□□□□.

□he Company has completed its expansion of existing □aste □eat □ecovery □lant which has increased to a total capacity of □□ M□ □resulting in substantial saving in power cost.

In addition to above□the Company has also initiated wor□ on a new □aste □eat □ecovery □lant for ongoing addition of new cement Line-4. The planned project is expected to increase capacity further from □□ M□ to □□ M□ . In this regard□the Company has established Letter of Credit for import of equipment and partial deliveries are being reached at plant site. Civil wor□s are in process with satisfactory pace.

□he Company is also investing in sustainability and renewable energy with installation of solar energy projects at its plant site. □he Company has installed □ solar power plants of □ M□ and □.□ M□ during the financial year 2021-22.

BUY BACK OF SHARES

In pursuance of □ection □□ of the Companies □ct□ □□□□□the Members of the Company in Extra □rdinary General Meeting held on □□ May□□□□□ approved the buy-back of shares upto a maximum of 25 Million ordinary shares of the face value of Rs.□□ each at the spot/current share price prevailing during the purchase period commencing from □□ May, □□□□ and ending on □□ August, □□□□ for cancellation purpose. The Company duly completed buy back of □□ Million ordinary shares of the Company in July, □□□□. This will result in increase in earnings per share and break-up value per share of the Company.

SUBSEQUENT EVENTS

The devastating floods which have hit with ferocity during the last few weeks are a major concern and it is uncertain how the economy will be impacted. A comment on this major development would be premature at this early stage.

There is no material change and commitment affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relates and the date of the report.

CHANGE IN NATURE OF BUSINESS

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

NON-FINANCIAL PERFORMANCE

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

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

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

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

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

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

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

In recognition of Company's effort to promote environment friendly practices, The Professionals Network has declared Maple Leaf Cement Factory Limited as winner of □th International □wards on Environment□ □ealth □ □afety for the year □□□□.

PRINCIPAL RISKS, CHALLENGES AND UNCERTAINTIES

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

i. □upee devaluation and escalation of coal prices in the international market squeezing profit margins.

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

iii. □igh interest rates.

iv. □igh fuel rates.

v. Overall inflationary increase in operational expenses.

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

vii. Impact of devastating floods which have hit large parts of the country.

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

APPROPRIATION

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

DESCRIPTION	2022	2021
	-----Rs. in '000'-------	
Profit after tax	3,626,340	6,254,109
□ividend	-	-
Balance Transferred to Retained Earnings	**3,626,340**	**6,254,109**

LEADERSHIP STRUCTURE

COMPOSITION OF THE BOARD OF DIRECTORS & COMMITTEES:

Total Number of Directors:

a) Male .... □
b) Female .... □

Composition:

□	Independent □irectors	□
□	Other Non-Executive Directors	□
□	Executive □irectors (including CE□)	□
□	Female Director (Non-Executive Director)	□

DIRECTORS AND BOARD MEETINGS

□uring the year under review□ four meetings of the □oard of □irectors were held in □a□istan and no □oard meeting was held outside Pakistan. The attendance of each Director was as under: -

CATEGORY	NAME	MEETINGS ATTENDED
Independent □irectors	Mr. Shafiq Ahmed Khan Mr. Zulfikar Monnoo	4 4
Other Non-Executive Directors	Mr. Tariq Sayeed Saigol - *Chairman* Mr. Taufique Sayeed Saigol Mr. □ aleed □ariq □aigol Mr. Danial Taufique Saigol	□ 4 □ 4
Executive □irectors	Mr. □ayeed □ariq □aigol *Chief Executive Officer* Syed Mohsin Raza Naqvi	□ 4
Female □irector *Non-Executive Director*	Ms. □ahanara □aigol	□

Leave of absence was granted to the □irector who could not attend the □oard Meeting.

AUDIT COMMITTEE

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

CATEGORY	NAME	MEETINGS ATTENDED
Mr. Shafiq Ahmed Khan	Chairman (Independent Director)	4
Mr. Zulfikar Monnoo	Member (Independent Director)	4
Mr. Waleed Tariq Saigol	Member (Non-Executive Director)	3
Mr. Danial Taufique Saigol	Member (Non-Executive Director)	4

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

Mr. Shafiq Ahmed Khan, the Chairman Audit Committee attended the last AGM held on September 28, 2021.

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

One meeting of Human Resource and Remuneration Committee was held on October 25, 2021. Mr. Zulfikar Monnoo (Member) did not attend the meeting and leave of absence was granted to him.

The Board shall consider to constitute the Nominee Committee and Risk Management Committee after next election of Directors.

DIRECTORS' REMUNERATION

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

- No Director shall determine his/her own remuneration.
- Meeting fee of a Director other than regular paid Chief Executive, Sponsors and /or family Directors and full time working Director(s), shall be net of tax amounting to Rs. 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.

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

PATTERN OF SHAREHOLDING

□attern of shareholding of the Company in accordance with the Companies □ct□□□□□ as at □une □□□□□□□ is annexed.

ACKNOWLEDGEMENT

□he □oard ta□es this opportunity to express its deep sense of gratitude and than□s 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 □oard

Syed Mohsin Raza Naqvi
□irector

Sayeed Tariq Saigol
Chief Executive

Lahore: □eptember □□□□□□□

STATEMENT OF COMPLIANCE

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

Name of Company:	**Maple Leaf Cement Factory Limited**
□ear Ended:	**June 30, 2022**

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

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

   Male: □
   Female: □

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

i.	Independent □irectors	□□
ii.	Non-Executive Directors	04
iii.	Executive □irectors (including CE□)	□□
iv.	Female Director (Non-Executive)	01

   □etermination of number of independent □irectors comes to □.□□ (rounded to □) which is based on Eight Elected □irectors□excluding CE□ who is considered as deemed director. □he fraction contrived in one-third number is not rounded up as the two elected independent directors have requisite competencies□s□ills□□nowledge and experience to discharge and execute their duties competently□ as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations□hence□appointment of a third independent director is not warranted.

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

□. □he Company has prepared a Code of Conduct and has ensured that appropriate steps have been ta□en to disseminate it throughout the Company along with its supporting policies and procedures□

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

□. □ll the powers of the □oard have been duly exercised and decisions on relevant matters have been ta□en by the □oard □□hareholders as empowered by the relevant provisions of the Companies □ct□ □□□□ (the □□ct□) and these □egulations□

□. □he meetings of the □oard were presided over by the Chairman. □he □oard has complied with the requirements of the □ct and the □egulations with respect to frequency□ recording and circulating minutes of meetings of the □oard□

□. □he □oard has a formal policy and transparent procedures for remuneration of □irectors in accordance with the □ct and these □egulations□

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

Sr□	□a□ e of □ □re□tor□	Qualification & Years of Experience
□.	Mr. □ariq □ayeed □aigol	Exempted from □irectors' □raining □rogram. □e is □irector in □ohinoor □extile Mills Limited (□□ML) since □□□□ and was graduated from Government College University, Lahore, following which he studied Law at University Law College, Lahore.
□.	Mr. □ayeed □ariq □aigol	□irector in □□ML since □□□□. He graduated from McGill University with a degree in management.
□.	Mr. Taufique Sayeed Saigol	Exempted from □irectors' □raining □rogram. □e is □irector in □□ML since □□□□ and graduated as an Industrial Engineer from Cornell University, USA in 1974.
□.	Mr. □ aleed □ariq □aigol	□irector of the Company since □□□□. □e holds a bachelor's degree in □olitical □cience from the London □chool of Economics □ □olitical □cience.
□.	Mr. Danial Taufique Saigol	Certificate obtained for Directors' Training Program. □e began his career with □MLG in □anuary □□□□ as Executive □irector. He holds a bachelor's degree in Finance from McGill University, Montreal, Canada.
□.	Ms. □ahanara □aigol	□ppointed on the □oard of the Company on □ecember □□□□□□□□. □he is currently completing □h□ in Islamic □rt and □rchitecture at □□ □□□ University of London. She has also completed degrees in MA, SOAS, University of London and M. St, University of Oxford. □irectors' □raining □rogram within a period of one year from the date of appointment as a director is non-mandatory and compliance will be made in due course.
□.	Mr. Shafiq Ahmed Khan	□irector in □rust Investment □an□ Limited from □□□□ to □□□□ and □irector in □□ML since □□□□. He got his bachelor degree from Punjab University and has experience over 36 years in different field of finance.
□.	Mr. Zulfikar Monnoo	Director in Rafhan Maize Product Co. Limited since 1990 and certificate obtained for □irectors' □raining □rogram. □e is a businessman with experience of □□ years as a director having degree of bachelor in science and economics with a major in finance.
□.	Syed Mohsin Raza Naqvi	Certificate obtained for Directors' Training Program. Mr. Mohsin Naqvi is Fellow Member of the Institute of Chartered □ccountants of □a□istan with over □□ years of Financial Management experience.

10. During the year, there was no any such appointment of the Chief Financial Officer, the Company □ecretary and the □ead of Internal □udit□

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the □oard□

□□. □he □oard has formed committees comprising of members given below:

a) Audit Committee

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

b) **Human Resource & Remuneration Committee**

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

c) **Nomination Committee:** Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute nomination committee after next election of directors.

d) **Risk Management Committee:** Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly. The Board shall consider to constitute risk management committee after next election of directors.

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

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

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

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

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

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

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

Lahore: September [illegible]

Sayeed Tariq Saigol
Chief Executive

Tariq Sayeed Saigol
Chairman

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road,
Lahore 54000 Pakistan
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 9907

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

INDEPENDENT AUDITOR'S REVIEW REPORT

□o the members of Maple Leaf Cement Factory Limited

□eview □eport on the □tatement of Compliance contained in Listed Companies (Code of Corporate Governance) □egulations□□□□□

□ e have reviewed the enclosed □tatement of Compliance with the Listed Companies (Code of Corporate Governance) □egulations□□□□□ (the □egulations) prepared by the □oard of □irectors of Maple Leaf Cement Factory Limited (□the Company□) for the year ended □□ □une □□□□ in accordance with the requirements of regulation □□ of the □egulations.

□he responsibility for compliance with the □egulations is that of the □oard of □irectors 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 □egulations. □ review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the □egulations.

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 □oard of □irectors' statement on internal control covers all ris□s and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and ris□s.

□he □egulations require the Company to place before the □udit Committee□ and upon recommendation of the □udit Committee□place before the □oard of □irectors for their review and approval□its related party transactions. □ e are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the □oard of □irectors upon recommendation of the □udit Committee.

□ased on our review□ nothing has come to our attention which causes us to believe that the □tatement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the □egulations as applicable to the Company for the year ended □□ □une □□□□.

□□MG □aseer □adi □ Co.
Chartered □ccountants

Lahore
□ate: □□ □eptember □□□□
UDIN: CR 20221018318pDJL249

BRIEF PROFILE OF DIRECTORS

MR. TARIQ SAYEED SAIGOL
(CHAIRMAN / DIRECTOR)

OTHER ENGAGEMENTS

CHAIRMAN / DIRECTOR
□ohinoor □extile Mills Limited
Maple Leaf □ower Limited

Mr. □ariq □ayeed □aigol is the Chairman of □ohinoor Maple Leaf Group (□MLG). □e is a member of the reputed □aigol 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. □aigol was schooled at □itchison College□Lahore and graduated from Government College University, Lahore, following which he studied Law at University Law College□Lahore.

□e started his career in □□□□ at □ohinoor's Chemical Complex at Kala Shah Kaku. Upon trifurcation of the Group in □□□□□ he became Chief Executive of □ohinoor □extile Mills Limited□ □awalpindi. □ince □□□□□ he has been Chairman of □ohinoor Maple Leaf Group which has interests in textiles□ cement manufacturing and energy.

□e remained Chairman of □ll □a□istan □extile Mills □ssociation from □□□□ to □□□ □resident of Lahore Chamber of Commerce and Industry for 1995-97 and Chairman of □ll □a□istan Cement Manufacturers Association from 2003-2006.

Mr. □aigol was a member of the Federal Export □romotion □oard and Central □oard of □tate □an□ of □a□istan. □e has also served on several Government Commissions and Committees on a number of subjects□including Export □romotion□reorganization of □ □□□□ and E□□□ □ight □izing of □tate owned Corporations and □esource Mobilization. □e is the author of □□extile □ision □□□□□which was adopted by the Government in □□□□ and also its critique prepared in □□□□. □e also served as a member of the Central □oard of □tate □an□ of □a□istan for a second term in □□□□ and was a member of the □rime Minister's Economic □dvisory Council established in □□□□.

□e ta□es □een interest in the development of education and health care in □a□istan. □e has been a member of the □oard of Governors of Lahore University of Management Sciences, Founding Chairman of the □oard of Governors of Chandbagh School, Founder Trustee of Textile University of Pakistan, member of the Syndicate of University of □ealth □ciences and Member of □oard of Governors of □itchison College□ Lahore. □e presently serves on the Managing Committee□ Gulab □evi Chest □ospital□Lahore.

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

□e is a □een golfer and has represented □a□istan at Golf in □ri Lan□a and □a□istan in □□□□.

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

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR
Maple Leaf □ower Limited

DIRECTOR
□ohinoor □extile Mills Limited
Maple Leaf Capital Limited

Mr. □ayeed □ariq □aigol is the Chief Executive of Maple Leaf Cement and Maple Leaf □ower Ltd. □e graduated from McGill University with a degree in management. Mr. □ayeed □aigol also has several years of wor□ experience in the textile industry. □rior to joining Maple Leaf Cement□ he was involved in setting up and managing an apparel dyeing company. □e is a member of the □oard of Governors of the Lahore University of Management Sciences.

MR. TAUFIQUE SAYEED SAIGOL
(□I□ EC□□ □)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR
□ohinoor □extile Mills Limited

CHAIRMAN / DIRECTOR
Maple Leaf Capital Limited

DIRECTOR
Maple Leaf □ower Limited

Mr. Taufique Sayeed Saigol is the Chief Executive of □ohinoor □extile Mills Limited and □irector in all □MLG companies. □e is a leading and experienced industrialist

of □a□istan. □e graduated as an Industrial Engineer from Cornell University, USA in 1974. He has widely travelled and his special forte is in the export business.

□e is a business man of impeccable credibility and vision and has substantial experience of wor□ing in different environments.

MR. WALEED TARIQ SAIGOL
(□I□EC□□□)

OTHER ENGAGEMENTS

DIRECTOR
□ohinoor □extile Mills Limited
Maple Leaf □ower Limited

CHIEF EXECUTIVE / DIRECTOR
Maple Leaf Capital Limited

CHAIRMAN / DIRECTOR
□□G □a□istan Limited

Mr. □aigol was schooled at □itchison College□□arrow □chool and holds a bachelor's degree from the London □chool of Economics □ □olitical □cience. □e has a rich experience of □extile □ Cement □ectors and is currently the Chief Executive Officer and Director of Maple Leaf Capital Limited (MLCL). □ver the years□he has acquired deep insight in capital mar□et activities. □is expertise of capital mar□et operations has helped MLCL to become one of the leading investment management companies in the country.

□e serves on the □oards of □ohinoor □extile Mills Limited□Maple Leaf Cement Factory Limited and Maple Leaf □ower Limited. □e is also a Member of □udit Committees of both the listed companies of □ohinoor Maple Leaf Group and is □eenly involved in formulation of vision□ strategies and governance structures of these companies. □is valuable deliberations and able guidance are considered valuable assets.

□e is a □een golfer and has won several tournaments in □a□istan.

MR. DANIAL TAUFIQUE SAIGOL
(□I□EC□□□)

OTHER ENGAGEMENTS

DIRECTOR
□ohinoor □extile Mills Limited
Maple Leaf □ower Limited
Maple Leaf Capital Limited

Mr. □anial □aufique □aigol is the younger son of Mr. □aufique □ayeed □aigol□CE□ of □□ML. □anial began his career with □MLG in □anuary □□□□ as Executive □irector. □e holds a bachelor's degree in Finance from McGill University, Montreal, Canada. □e is currently posted at □ohinoor □extile Mills□□awalpindi.

MS. JAHANARA SAIGOL
(□I□EC□□□)

OTHER ENGAGEMENTS

DIRECTOR
□ohinoor □extile Mills Limited
Maple Leaf Capital Limited

Ms. □ahanara □aigol is daughter of renowned industrialist□ Mr. □ariq □ayeed □aigol who is the Chairman of □ohinoor Maple Leaf Group. □he is currently completing □h□ in Islamic □rt and Architecture at SOAS, University of London. She has also completed degrees in MA, SOAS, University of London and M. St, University of Oxford.

MR. SHAFIQ AHMED KHAN
(□I□EC□□□)

OTHER ENGAGEMENTS

DIRECTOR
□ohinoor □extile Mills Limited

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

□ince □□□□ to □□□□□ he has been associated with □a□istan's largest private sector commercial ban□ as □enior Executive □ice □resident □ Group □ead and ta□en responsibilities for devising and implementing business strategies for MC□ □an□ Limited. □e also served on the □oard of □rust Investment □an□ Limited from □□□□ to □□□□. □ver the course of □□ years in a career□ he used up in domestic and international mar□et with all necessary s□ills for developing □ implementing successful strategies for institutions' businesses across geographical segments particularly in ban□ing relationships and enjoy sound relationships with regulatory authorities in various countries. Currently□ being an Independent □irector□ he is the Chairman of □udit Committee as well as □uman □esource and □emuneration Committee of □ohinoor Maple Leaf Group's listed companies.

MR. ZULFIKAR MONNOO
(□I□EC□□□)

OTHER ENGAGEMENTS

DIRECTOR
□ohinoor □extile Mills Limited
Unilever Pakistan Foods Limited,
□afhan Maize □roducts Co. Limited

DIRECTOR / CHIEF EXECUTIVE
□a□west Industries (□vt.) Limited

Mr. Zulfikar Monnoo joined the Board of Unilever □a□istan Foods Limited when the company was formed. □e is past Chairman and now a member of both the □udit and the □□□ □ Committees.

□e is also □irector of □afhan Maize □roducts Co. Limited since □□□□ and a member of both the □udit and the □□□ □ Committees.

□e is the Chief Executive of □a□west Industries (□vt.) Ltd.□Lahore. □e is an alumni of □he □ harton □chool□ University of Pennsylvania and Aitchison College, Lahore.

□e is a businessman with experience of □□ years as a director having degree of bachelor in science and economics with a major in finance. He obtained Directors' Training certification from Pakistan Institute of Corporate Governance in □□□□. □is special expertise□specialized s□ills are Finance □ □ccounting□ □uman □esource□□ales and has industrial experience in food □ textile ingredient manufacturing as well as artificial leather (coated fabrics).

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

OTHER ENGAGEMENTS

DIRECTOR / CHIEF FINANCIAL OFFICER
□ohinoor □extile Mills Limited
Maple Leaf □ower Limited
Maple Leaf Capital Limited

NOMINEE DIRECTOR
Greentree □oldings Limited

Mr. Mohsin Naqvi is Fellow Member of the Institute of Chartered □ccountants of □a□istan with over □□ years of Financial Management experience. □is 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.

□e is former board member of □ohinoor Mills Limited and Al-Wazan Group, Kuwait. He has experience of wor□ing in several countries which include □audi □rabia□ □uwait□ □hilippines□ Morocco□ □ordan and □a□istan.

DIVERSITY IN THE BOARD

□he members of □oard of □irectors of the Company have diversified experience, skills and knowledge in the field of finance, operations, banking and corporate sectors.

CORPORATE BRIEFINGS

MATTERS DECIDED AND DELEGATED BY BOARD OF DIRECTORS

Matters Decided by the Board of Directors

□he □oard of □irectors approves overall corporate strategy which is in line with Company's □ision. □ll the □trategic □ecisions of the Company are ta□en by the □oard. □s sanctioned by the Companies □ct□ □□□□ and authorised by □rticles of □ssociation of the Company□following decisions are ta□en by the □oard namely: -

- Issue of shares□
- Buy-back of shares;
- Ma□e borrowings in the form of loans□debentures□ leasing contracts or redeemable capital□
- Investment of funds of the company□
- Approval of financial statements;
- □pproval of bonus to employees□
- Incurring capital expenditure and disposal of fixed assets□
- □eclaration of interim dividend□
- Provision / Writing off bad debts, advances and receivables□
- Writing off other assets of the company;
- □o 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
- □ther matters of strategic nature e.g. ta□ing over a company or acquiring a controlling or substantial sta□e 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 □oard of □irectors. □actical and operational matters are delegated to the Management of the Company which mainly include:

- Cash flow Management;
- □elling and Mar□eting□
- Compliance with legal requirements□
- □roduction Management□
- □rocurement Management and
- □ther support functions li□e □uman □esource Management.

ANNUAL EVALUATION OF BOARD PERFORMANCE

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

i. □dequate □oard composition.
ii. □atisfactory processes and procedures for □oard meetings.
iii. □he □oard sets objectives and formulates an overall corporate strategy.
iv. □he □oard has set up adequate number of its Committees.
v. Each □irector has adequate □nowledge of economic and business environment in which the company operates.
vi. Each Board member contributes towards effective and robust oversight.
vii. □he □oard 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. □he □oard 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:

□. Financial policies reviewed and updated□

□. Capital and operating budgets approved annually□

3. Board receives regular financial reports;

□. □rocedure for annual audit□

□. □oard approves annual business plan□

□. □oard focuses on goals and results□

□. □vailability of □oard's guideline to management□

□. □egular follow up to measure the impact of □oard's decisions□

□. □ssessment to ensure compliance with code of ethics and corporate governance.

□uring the year under review□ the performance review of □oard was not carried out by any external consultant.

PERFORMANCE REVIEW OF BOARD COMMITTEES

□erformance of □oard Committees is regularly evaluated by the □oard of □irectors based on the terms of reference as defined and approved by the □oard.

UNRESERVED COMPLIANCE OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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

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

CEO PERFORMANCE REVIEW

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

FORMAL ORIENTATION TRAINING PROGRAM FOR DIRECTORS/ DIRECTORS' TRANING PROGRAM

All the Directors are suitably qualified and experienced and most of them are exempt from Directors' training program due to [illegible] years of education and [illegible] years of experience on the Boards of listed companies.

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

CREDIBILITY OF INTERNAL CONTROLS AND SYSTEMS

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

The Company obtains external assurance from:

- Statutory Audit of Financial Accounts from Audit firm KPMG
- ([illegible]) Audit to ensure compliance with ISO [illegible] by [illegible]

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

IMPLEMENTATION OF GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENT

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

Following additional governance practices implemented by the management include:

- Disbursement of additional corporate and financial information to shareholders and legal authorities,

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

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

POLICY ON DIVERSITY

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

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

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

Disclosure of interest in significant contracts and arrangement by Directors

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

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

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

No fee is paid to executive Directors of the Company by way of their appointment in other associated companies in the capacity of non executive Director.

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

FOREIGN DIRECTOR

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

HUMAN RESOURCE MANAGEMENT

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

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

Succession Planning

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

INTERACTION WITH STAKEHOLDERS

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

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

- Corporate Briefing Session (September 2021)
- Corporate Briefing Session (February 2022)
- Corporate Briefing Session (March 2022)

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

INVESTORS' GRIEVANCES POLICY

The Company believes that Investor services is a vital element for sustained business growth and we want

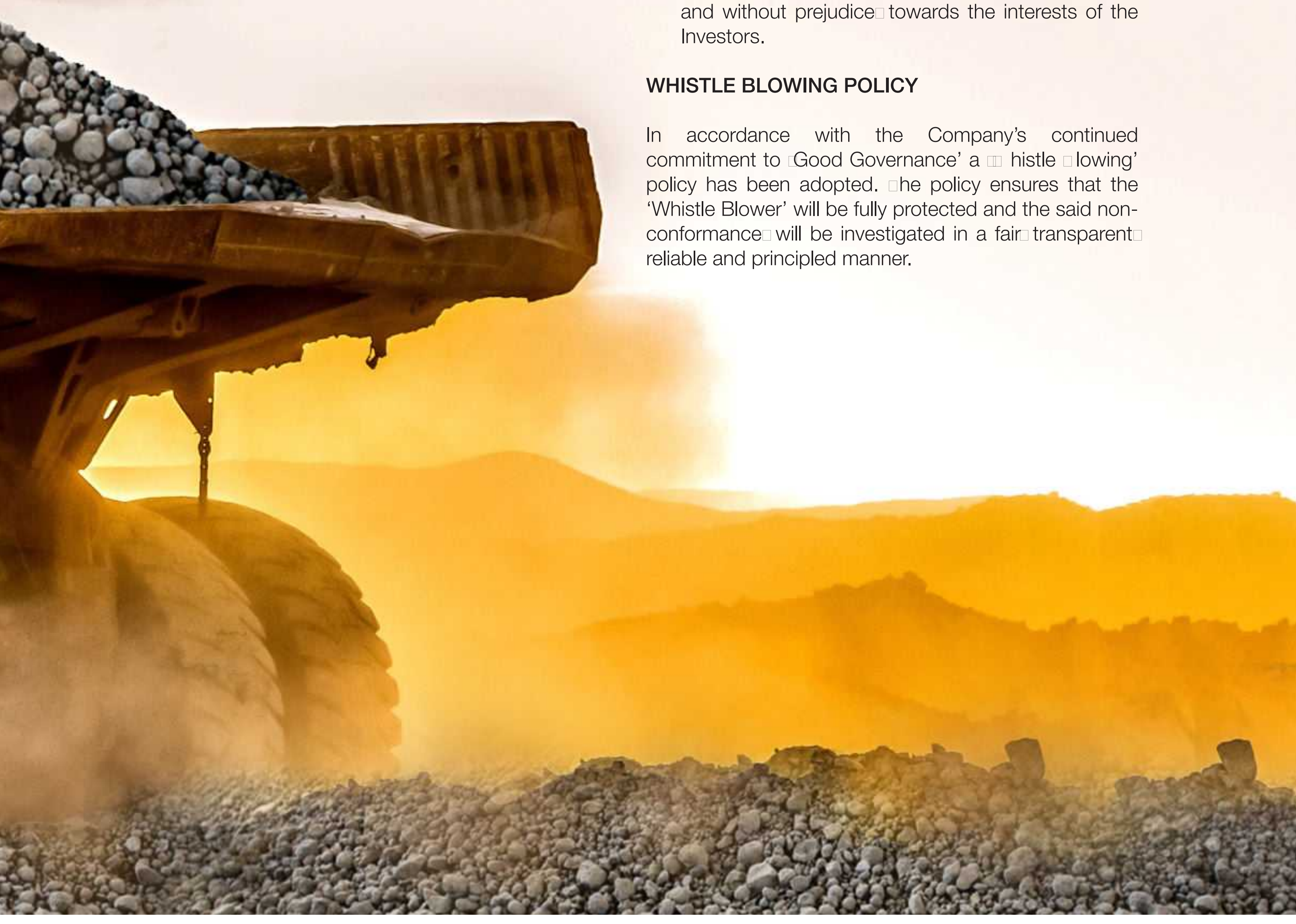
to ensure that our Investors receive exemplary service across different touch points of the Company. Prompt and efficient service is essential to retain existing relationships and therefore, Investor satisfaction becomes critical to the Company. Investor queries and complaints constitute an important voice of Investors 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 [illegible] to register their grievances. The Company's Grievance policy follows the following principles:

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

WHISTLE BLOWING POLICY

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



Highlights of the policy are as follows:

□. □ll □rotected □isclosures should be addressed to the nominated □mbudsman of the Company.

□. □he □rotected □isclosures 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.

□. □he □rotected □isclosures should be forwarded with a covering letter bearing the identity of the whistle blower.

□. □nonymous disclosures will not be entertained.

□. If in an initial enquiry by the □mbudsman□ it is felt that the complaint is not substantial□it can be dismissed.

□. If initial enquiry establishes that further investigation is necessary□ the □mbudsman 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.

□. Further investigation shall only be carried out if the □mbudsman feels that the complaint is factual□fair and not speculative. It should contain as much factual information to necessitate a preliminary investigation.

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

SAFETY OF RECORD

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

- □o 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 □ecords Management □rogram□
- □o 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 □nowledge sharing□
- Information will be held only as long as required and disposed of in accordance with the record retention policy and retention schedules□and
- □ecords and information are owned by the Company□not by the individual or team.

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

□he □oard of □irectors periodically review the Company's □usiness Continuity □ □isaster □ecovery (□C□□) 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. □C□ □□ plan mainly includes daily tas□s such as customers□ suppliers correspondence□ production data□ trading activities□project management□system bac□ups and help des□ operations.

□he primary activities of the □oard for the execution of the plan include:

□) □o develop and maintain a formal plan that is responsive to the Company's current business needs and operating environment.

□) □o ensure that a □usiness Continuity □ecovery □eam includes representatives from all business units.

□) □o provide ongoing business continuity training to all employees□including executive management and the □oard.

□) Ensure that thorough current business impact analysis and ris□ assessments are maintained.

□) Ensure a centralized executive view of the business continuity plan and programs.

PANDEMIC RECOVERY PLAN BY THE MANAGEMENT AND POLICY STATEMENT

The emergence of the COVID-19 pandemic has created a serious challenge for the world as well as for □a□istan. □he Company's management too□ early proactive steps to educate and guide its employees and all sta□eholders in the value chain about prevention□spread and treatment of the disease.

□s the situation developed□ □he Company implemented comprehensive rules and □□□'s in the light of the guidelines issued by □orld □ealth Organization (WHO), National Institute of Health and □he Government of □a□istan to alternatively conduct business.

The salient features of the policy include:

□. □hermal scan of all individuals entering the Company's premises.

□. □arring entry of all employees who exhibit symptoms and encouraging them to isolate themselves□underta□e laboratory test and medical check-ups.

□. Installing hand sanitizers at all entry points and the mandatory washing of hands.

□. Face mas□ made compulsory.

□. □isinfecting all surfaces□corridors and rooms.

□. Ensuring physical distancing and adopting the practice of cyclic rotation and wor□ing from home.

□. □nline attendance mar□ing and introducing a system of live communication and data sharing amongst employees via internet.

□. □reventing unnecessary gatherings and discouraging physical contact amongst personnel.

9. Improving air flow and proper ventilation in closed spaces.

10. Label the business premises with floor marks.

11. Categorization of staff and adopting alternative wor□ shift schedules to reduce physical presence at office.

Despite recurring lockdowns throughout the financial year on the orders of the Government□the Company's business activities remained operational subject to adherence to strict guidelines and □□□s. Further□ the Company ensured that all of its employees and support staff were effectively vaccinated.

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

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

CONFLICT OF INTEREST MANAGEMENT POLICY

Policy Statement

□he 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 see□s to set out the process□ procedures and internal controls to facilitate compliance with the □olicy as well as to highlight the consequences of non-compliance with the Policy by all its employees and directors. □he Company □olicy provides a guide as to what constitutes a conflict of interest, the processes and procedures that are in place in order to facilitate compliance and, the consequences of non-compliance. □he □olicy is intended to assist directors and employees in ma□ing the right decisions when confronted with potential conflict of interest issues.

Management of Conflict of Interest:

□he 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. □o do this MLCFL has set the following procedures to manage and monitor the conflict of Interest:

□. Identify areas of ris□.

□. □evelop strategies and responses for ris□y areas.

3 Educate all employees about the conflict of interest policy.

□. Communicate with sta□eholders to provide the platform for proper disclosure.

□. Enforce the policy.

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

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

Approved Training Organization – ICAP & ICAEW

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

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

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

Social Responsibility Policy:

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

Environmental Responsibility Policy

- Ensure our products, operations and services comply with relevant environmental legislation and regulations.
- Maintain and continually improve our environmental management systems to conform to the ISO Standards or more stringent requirements as dictated by specific markets or local regulations.
- Operate in a manner that is committed to continuous improvement in environmental sustainability through recycling, conservation

of resources, prevention of pollution, product development and promotion of environmental responsibility amongst our employees.
- Responsibly managing the use of hazardous materials in our operations, products and services and promote recycling or reuse of our products.
- Inform suppliers, including contractors, of our environmental expectations and require them to adopt environmental management practices aligned with these expectations.

Policy on Corporate Social Responsibility

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

RELATED PARTY TRANSACTIONS

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

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

TRANSACTION / TRADE OF COMPANY'S SHARES

The Board has reviewed the threshold for disclosure of interest by executives holding of Company's shares which includes Chief Executive Officer, Chief Financial Officer, Executive Director (Finance), General Manager (Finance), Head of Internal Audit and Company Secretary. None of the Directors, CEO, CFO, Executive Director (Finance), General Manager (Finance), Head of Internal Audit and Company Secretary (including their spouses and minor children) traded in the shares 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 here under: -

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

TERMS OF REFERENCE OF BOARD COMMITTEES

AUDIT COMMITTEE

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

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

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

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

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

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

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

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

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

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

(ix) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

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

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

(xii) Determination of compliance with relevant statutory requirements;

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

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

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

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

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

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

i. Recommending human resource management policies to the Board;

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

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

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

CROSS-FUNCTIONAL TEAMS

Team Energy

Higher management of the company has formulated a team of pioneer executives with diversified skills to cope up the situation regarding increased energy cost for cement manufacturing. Energy consumption is quite intensive at cement plant; therefore, the price fluctuation of cement requires some cheap and efficient energy solutions. □he team has been wor□ing 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
M□. □ME□ □IL□L	M□. □□ □□IL □□□I□
M□. □□IF I□□□	M□. □□□I□ □□ME□ MI□
MR. ZEESHAN AHMED	MR. ZEESHAN MALIK BHUTTA

Number of Meetings Held – 52

Team Improvement

A team of proficient personnel has been formulated to encourage the concept of sustainable development through □uality Management □ystem (□M□) that supports the process of continuous improvement of products and processes involved within the organization. □hey accentuate on the development of long term strategies for achieving the company objectives for sustainable development and reinforce the culture of quality. □ll 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	MS. AMNA NAUMAN
MR. ABDUL HANAN	MR. NASIR IQBAL
M□. □ME□ □IL□L	M□. □□IF I□□□
MR. SOHAIL SADIQ	MR. ZEESHAN AHMED
MR. TARIQ AHMED MIR	MR. MUHAMMAD BASHARAT
MR. YAHYA HAMID	MR. ZEESHAN MALIK BHUTTA

Number of Meetings Held – 52

Team Reliability Centered Maintenance

□eliability Centered Maintenance (□CM) 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. □CM □eam is specialized in using various maintenance techniques such as predictive□preventive and proactive maintenance to □eep 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
M□. □ME□ □IL□L	M□. □□□□IL □□□I□
M□. □□IF I□□□	M□. □□□I□ □□ME□ MI□
MR. ZEESHAN AHMED	MR. ZEESHAN MALIK BHUTTA

Number of Meetings Held – 52

Team Culture Development

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

MEMBERS:	
MR. SAYEED TARIQ SAIGOL	MS. AMNA NAUMAN
MR. ABDUL HANAN	MR. SOHAIL SADIQ
M□. □□IF I□□□	M□. □□□□□ □□MI□
MR. ZEESHAN MALIK BHUTTA	

Number of Meetings Held -12

REPORT OF THE AUDIT COMMITTEE

The Audit Committee comprises of two Independent Directors and two Non-Executive Directors. The Chief Financial Officer, the Chief Internal Auditor and the external auditors attend the Audit Committee meetings as provided in Listed Companies (Code of Corporate Governance) Regulations, 2019. Four meetings of the Audit Committee were held during the year 2021-2022. 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 [illegible]. They are professional services company and one of the big four auditors. They carry out objective examination and evaluation of the financial statements to make sure that the records are fair and accurate representation of the transactions. M/s. 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, M/s. 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 M/s. KPMG Taseer Hadi & Co., Chartered Accountants, as external auditors for the year 2022-2023.

On behalf of the Audit Committee

(Shafiq Ahmed Khan)
Chairman, Audit Committee
September [illegible]

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

ERP Structure and Integration Processes in a Single System: □he Company uses □racle □□□ e-Business Suite (ERP system) that contains Oracle Financials□ Inventory□ □upply Chain□ □rocurement□ Landed Cost Management□ □uman □esource and □rder Management. □ll □hese modules are integrated with each other that provides automation, efficiency and productivity in day to day business operations.

Management Support in implementation and continuous updation: □he Company's management is □een to modernize business equipment to maintain efficiencies as well as organizational growth. In this view the company upgraded E□□ from □racle e-Business Suite R12.1.3. to Oracle e-Business Suite R12.2.9. This new upgradation offers significant enhancements across security□performance stability and new features. □he company has recently acquired □racle Fusion Cloud E□□ (Financial□ □upply Chain and Maintenance system)□ which will be implemented by Jun-2023. Oracle Fusion Cloud E□□ is next generation E□□ system□ which has enhances security, mobility, state-of-art analytics and dashboards separately for each layer of users□ Manager and C-Level executives, all these analytics and dashboards has single source of facts.

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

Management of Risk Factors on ERP projects: There is no such thing as a risk-free project. A project exists to bring about change□ and with change comes uncertainty□ and that means that ris□s have to be ta□en. □he Company focuses on management of ris□ by proper planning□executing and monitoring of □ey ris□ areas and controls to mitigate these ris□s. □he Company used following tools and techniques to address and manage ris□ factors on E□□ □rojects:

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

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

CHAIRMAN'S SIGNIFICANT COMMITMENTS

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

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


FLSMIDTH

CORPORATE
SUSTAINABILITY

□ e at Maple Leaf believe in creating value for all our sta□eholders while □eeping our commitment to a safe clean environment intact. □ hile the □op Management is responsible for laying out and supervising the plan for a strategy towards a sustainable approach□ the functional teams wor□ on its implementation. □eeping in mind that in today's world, a business's success does not solely rely on its profitability, MLCF endorses the □□riple □ottom Line' framewor□ for achieving a sustainable business.

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

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

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

Maple Leaf's alignment with Sustainable Development Goals

Maple Leaf as an organization has always believed in growth through sustainable means. For years now□we have been producing quality products for our customers while underta□ing measures to eliminate the negative impact of our business activity on the environment. In congruence with the company's dedication to provide returns not only to our shareholders but also to our people and community□the business integrates the □□ustainable □evelopment Goals' (□□Gs) within the business processes. These goals were first introduced in 2015 by the United Nations in wake of the growing global challenges: poverty□hunger□increasing inequality□change in climate□peace and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MAPLE LEAF CEMENT

justice□etc. □□Gs comprise of □□ goals in total with □□□ targets that are directed to achieve a sustainable future for everyone around the globe by □□□□. □ e at Maple Leaf envision a bright and prosperous future not only for ourselves but for our country as a whole. Hence, we always strive and make efforts to stay ahead of the curve through our innovations and contributions in our industry. In order to achieve this mission□we align our business processes and activities with the □□Gs and contribute towards a sustainable future as a rightful corporate citizen.

□elow mentioned are Maple Leaf's approach to alignment of the □□Gs:

S□G □o□	□ hat do □ e a□□ to a□h□e□e□	Our contributions
□. Good □ealth and □ ell □eing	Ensure healthy lives and wellbeing for everyone at all ages	- Family club - Medical assistance for employees and families - Al-Shifa- hospital for employees at site - First aid and CPR training - Jungle mein Mangal (VPS) for truck drivers, -Pandemic recovery plan
□. □uality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	-- Sponsorship for 10 classrooms for □olice □ublic Middle □chool□ - 4 schools established in Is□andrabad - Donation to Gulab Devi for □leem Medical College
□. Gender Equality	□chieve gender equality and empower all women and girls	- Female representation in governance body - Equal opportunities for female employees - Zero tolerance towards gender based violence
□. Clean water and □anitation	Ensure availability and sustainable management of water and sanitation for all	- Constructed water supply scheme to the nearby rural areas for □aud □hel□□ora and □hairabad village - Sensor taps to eliminate wastage of water - Water filtration and treatment plant at plant site
5. Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	- Waste Heat Recovery Plant - Coal Fired Power Plant - Wartisila and Nigata generators - Auto-controlled energy sensors (□Cs□lights□etc) - Dust collection electrostatic precipitators and bag filters for environment protection. - R&D for energy alternatives
□. □ecent □ or□ and Economic Growth	□romote sustained□inclusive and sustainable economic growth□full and productive employment and decent wor□ for all	- Employment opportunities for youth - Contribution to National Exchequer - Healthy work environment, - Apprenticeship opportunities - Policies against unfair hiring and recruitment practices

S□G □o□	□ hat do □ e a□□ to a□h□e□e□	Our contributions
□. Industry□Innovation and Infra structure	□uild resilient infrastructure□promote inclusive and sustainable industrialization and foster innovation	- Cement donations for schools□mosques□and other social projects. - Development, renovation and beautification of Mianwali city. - Tackling air emissions, energy saving□etc. - Availing latest technologies at cement plant.
□. □educed Inequality	□educe inequality within and among countries	- Job opportunities for disabled people - Master mistri program
□. □ustainable Cities and Com munities	Ma□e cities and human settlements inclusive□safe□resilient and sustainable	- community development plans for underprivileged communities (rural development program) - Infrastructure enhancement-bus stops□mosques□schools□etc. - Donations to welfare organizations.
□□. □esponsible Consumption and □roduction	Ensure sustainable consumption and production patterns	- Monitored production patterns through independent sources (Eco Green). - Adoption of 5S methodology
□□. Climate □ction	□a□e urgent action to combat climate change and its impacts	- Plantation drives, - Controlling and tackling air emissions□ - Managing waste, - Improving biodiversity through quarry rehabilitation.
□□. □eace and □ustice □trong Institutions	□romote peaceful and inclusive societies for sustainable development□provide access to justice for all and build effective□accountable and inclusive institutions at all levels	- Business ethics and anti-corruption measures. - Lawful and transparent operational policies and practices. - Safety of employees and guests through gated enclosures□validation I□ cards□logs□security cameras and independent security force.

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

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

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

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

Sustainability and Supply Chain:

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

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

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

SOCIAL PERFORMANCE

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

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

HUMAN RESOURCE ACCOUNTING

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

Resource Management are monitored and measured through □□ □udgeting which mainly includes the cost of recruitment, training, development and rewarding staff.

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

Employee Satisfaction:

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

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

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

Employee Engagement, Training And Skills Development Activities:

The Company believes that recreational and skills enhancement activities are imperative in order to

maximize employees' performance. For this purpose, the Management organizes various interactive activities. All these activities are designed to engage employees from all levels of organization. The events held during the year include:

- Eid Milad un Nabi
- Christmas Celebrations
- GMs' BBQ Night
- Azadi Celebration
- [illegible]s family day out
- Maple sports week
- Mango feast
- Environment Day

Nurturing the spirit of employee-centrism, the Company has constructed a purpose-built club at factory site for the employees and their families. The club is equipped with various modern facilities of a pool table, television lounge, fast food point and salon.

Foosball table, chess and carom board games are there to keep all the guests entertained. A separate class room is also part of the club to teach the children music lessons.

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

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

goal oriented and is beneficial for both the employees and the company□ hence the performance and progress of training is regularly reviewed and areas for improvement are highlighted.

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

- □□ □ □□F □ □ □ F Laws □ or□shop
- □ □ Implementation □rogram for Line III
- 5S Awareness Session for Grids Staff (PG&D)
- □wareness □ession on □□□□ □ hys □ M□ □roject Management
- □river's Code of Conduct
- Fire □ender □ perations and Fire Fighting
- First □id □raining Course
- Industrial □elations □ General Management □□ills
- Multitasking Technical Training Program (MTTP) - □ elding
- Packers Skills Development Program - GCD & □C□
- □□□ □roduct □emonstration
- □ecurity □□□ □essions
- □ession on □ vertime □pplication □ystem
- □□ □ L□ □□ □□ for Engineering □ervices (□dmin)
- Training Session on "MS Teams"- Cloud-Based □ideo Conferencing □ervice
- □raining □ession on □ □E □rotocols for □ elding □ Cutting
- Training Session on Scaffolding Inspection
- □raining □ession on □ertical Mill □ ydraulic □ystem□ □ ot □iln □lignment □ □roubleshooting
- □raining □essions on □ights Management □ystem
- Work Instructions - Works
- Environmental Impact □ssessment □raining by E□□

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

Rural Development Program

□eing setup in a rural area□ □he 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. □he area of the plant site is an area deprived with updated facilities and medical aid. In

such a case, prevention becomes more important than cure but unfortunately due to lack of knowledge, new cases keep coming up of such serious diseases.

Industrial Relations

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

HEALTH AND SAFETY

Health and Safety ranks as the top most priority at MLCFL. The ambition of the Company is to provide safe working conditions and environment to employees and be amongst the safest companies countrywide. Health and Safety is at the center of everything performed by MLCFL, from the daily routines at the plants to project worksites and actions in neighbouring communities. The aspiration is to conduct business with zero harm to people and to create a healthy and safe environment equipped with safety measures with an aim to eliminate and reduce accidents, health issues and injuries at work for employees, contractors, communities and customers. Our goal in respect of safety, health and environment is to minimize all adverse environmental and health impacts arising out of our operations and to conserve all kinds of resources and adhere to all legal regulations.

The HSE team at MLCF is a fully dedicated team towards implementation of the action plan that help achieve compliance with health, safety and environment matters. Through continuous coaching and training, our workforce is frequently updated about their health and safety. The Company is committed to managing health and safety ris□s associated with our business and is actively wor□ing towards improving our procedures to reduce□remove or control the ris□ of fire, accidents or injuries to employees and visitors. □he Company strives to provide a safe and healthy wor□place 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 wor□.

□he Company has been approved the standards of I□□ □□□□□ and I□□ □□□□□ for complying with an effective Environmental Management System (EMS) and □ccupational □ealth and □afety □ssessment □eries (□□□□□) requirements.

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

□eeping in view the occupational health of employees□ regular first aid and Cardiopulmonary Resuscitation (C□□) training programs are conducted to ensure safe health of wor□ers. □long with this□the Company also has its own hospital and trauma centre at the plant site.

In recognition of the Company's effort to promote environment friendly practices□ □he □rofessionals Network has declared Maple Leaf Cement Factory Limited as winner of □th International □wards on Environment□□ealth □ □afety for the year □□□□.

Maple Leaf and Al-Shifa International

□o provide state of the art health facilities to its employees and local community□ the Company has built a hospital at its plant site in collaboration with Al-□hifa Islamabad. □hifa International is a □nown name in □a□istan with hospitals in Islamabad and Faisalabad.

Maple Health Care Centre operated by Al-Shifa International Hospital Islamabad, was completed during the financial year 2017. The free medical and hospital centre is treating patients with the help of quality human capital working there.

Measures for Consumer Safety

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


The Sayeed Saigol Educational Complex
honours
Mian M. Sayeed Saigol HQA
(1905-1965)
Prominent businessman and one of the
founders of Industry in Pakistan.
Sponsored in loving memory by his sons
Tariq & Taufique Saigol

Business Ethics & Anticorruption Measures

□he 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 □ic□bac□s.

No employee is allowed to run a parallel business. The Company is maintaining sophisticated □racle based online software using which any employee can report the non-conformance (NC) to the top management. All the NCs reported are being addressed by the top management on timely basis and a regular follow up activity is being carried out in order to ensure that all issues highlighted are being resolved permanently. Moreover□ the company has also formulated whistle blowing policy.

QUALITY MANAGEMENT SYSTEM

□he Company manufactures cement through the plant based on state of the art technology of world renowned FL□midth □□□ □enmar□. □uality is assured through systematic and effective adoption, implementation□ monitoring and continuous enhancement of quality control systems using latest methods of analysis. □o 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□ clin□erization and the finished product are tested rigorously. The quality chec□ parameters during each level of the process are monitored and controlled by the latest version of technology & equipment connected on-line with Central Control □oom through □LC system. □he frequency of sampling and testing along with control parameters is defined.

Procedures Adopted for Quality Assurance:

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

- X-ray Fluorescent Analyzers and X-ray Diffraction □nalyzer to analyze chemical and mineralogical composition.
- □nline □C□ system software.
- □ample preparation tools such as a jaw crusher□ sample dividers□dis□ grinding mill□mixer mill and press mills.
- □utomatic Moisture □nalyzers.
- □recision Electronic □alances.
- □rying □vens □ Furnaces.
- Lab Glassware.
- □utomatic Free Lime □pparatus.
- □C □ased □utomatic Calorimeter and □ulphur.
- □eterminator to analyze fuels.
- Latest □utomatic Compressive □trength machines for determination of cement compressive strength.
- Latest whiteness tester.

COMMUNITIES AND WELFARE

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

For community investment and welfare□the Company ac□nowledges its responsibility towards society and performs its duty by providing financial assistance to projects for society development by various charitable institutions on a consistent basis. □he Company has been recognized by □a□istan Centre for □hilanthropy as a leader in social and charitable contributions and strives to be a constructive member of the communities in which it has a presence. □ohinoor Maple Leaf Group has received □Corporate

Social Responsibility Award □□□□□ on account of its performance in various projects. The Company has taken an array of initiatives for the welfare of its workforce, local community as well as stakeholders. The Company has also contributed in medical social sciences project and in this regard, Company's Board of Directors and the Board of Directors of Kohinoor Textile Mills Limited (KTML) have jointly donated to Gulab Devi Educational Complex, Lahore towards construction of Al- Aleem Medical College in Gulab Devi Chest Hospital (GDCH), Lahore. The construction of said project was completed during the year. To ensure transparency and accountability, a committee of the members of the Board monitored the progress of the project from inception to completion on periodic scheduled meetings.

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

Master Mistri Program

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

Education

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

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

Sr#	Project Name	Description
□	□olice Lines □ublic □chool Mianwali	Fully sponsored construction and provision of furniture for □□ class-rooms
□	□olice □ elfare □chool Mianwali	Construction of auditorium
□	□□F □ase Montessori □chool Mianwali	Construction of □ class rooms
□	□□□ □chool □argodha	Construction of boundary wall and provision of furniture and allied support facilities

Moreover□the Company has established four schools in Is□andarabad city□which provide quality education not only to children of employees of the Company but also to the local residents. □he Company has provided buildings and complete infrastructure to these schools. In addition□ the Company gives a monthly subsidy to partly cover the running expenses. □bout □□□□□ students are currently enrolled in these schools.

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 sta□eholders. □ ith this strategy in mind□the Company has established an exclusive hotel to provide truc□ drivers a lifetime experience. □ hile vehicles are in queue for their turn□instead of waiting for long□drivers can visit the hotel to relax with the touch of fun and refreshment.

Best Corporate Report Award

□he Company □eeping alive the tradition of winning the □ est Corporate □ eport award in Cement Category jointly presented by IC□□ and ICM□□ and has won □nd position award for the year □□□□. □his award was presented to MLCFL management on □ugust □□□ □□□□. MLCFL is the leader in most transparent and easily understandable Financial Reports thus reflecting the sound financial systems of the Company. These

recognitions have strengthened the Company's resolve to be positioned the best in the area of corporate reporting.

Contribution to National Exchequer

During the year, Company has contributed an amount of Rs. [illegible] 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$ 4.8 million.

National Cause Donations

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

Additional Welfare Schemes

- Maple Leaf recognizes its responsibility towards the inclusion of other religious communities. In this regard, Christmas party was arranged both at Head Office and plant site on the 24th December [illegible] to celebrate with the Christian community on their joyous occasion.

- Civil defense week was held for training of staff.
- The Company has always concerned itself with the safety of the general public. To that end, it aided in the setup of a speed monitoring system for the police force and assisted in the promotion and execution of a road safety campaign. It has also distributed safety helmets to the general public at Mianwali.
- In recognition of the efforts of the police force, The Company has constructed a Yadgar-e Shuhada Monument and Rest Houses at Mianwali Police lines.
- The Company has also facilitated in the development, renovation and beautification of Mianwali city. A number of bus stands and city monuments were constructed.
- For recreational purposes of the locals, a cricket ground was revamped. In addition a football ground was rehabilitated and a number of aviaries constructed at Kashmir Park, Mianwali. Housing birds of all kinds, aviaries allow large open spaces for the birds to live in safety.

ENVIRONMENTAL PERFORMANCE

□n environmentally friendly approach has always been MLCF's way of going about the business. □ e understand how our operations have an impact on the environment and ta□e full responsibility towards it. □ust li□e how critical and sensitive we are about our new projects□ we're equally concerned about the effects it will have on our environment in future. In order to fulfil our duty as a responsible corporate citizen□ we wor□ on our precautionary plans side by side with our project planning. □ aving independent parties li□e Eco Green on board□ help us in monitoring and complying with all □ey indicators as suggested by various government authorities. □herefore□ we staunchly wor□ on managing the negative implications of our production on the environment and overall climate change. Monitoring of environmental factors is conducted by EPA certified environmental laboratory; □G□ □a□istan (□vt.) Ltd. □he monitoring is carried out according to Self-Monitoring and Reporting by Industry □ules□□□□□ (□M□□□).

□s a result of energy crisis in the country and environmental impacts of fossil fuel□ MLCFL management has already installed □□.□M□ of □olar □□ □ystems for a cleaner and sustainable plant operations. This effort is another renewable energy source apart from □ aste □ eat □ ecovery.

MLCFL management is very vigilant about carbon foot prints and environmental impacts expected from the operation of the plant and hence have ta□en applaud able measures and have spent huge financial resources for environmentally sustainable operations. Environment □rotection □gency (E□□) Punjab has also recognized the efforts of Maple Leaf Cement Factory recently and have awarded MLCFL with □ est □erformance □ward in □□□□.

MLCFL management strives hard for the most efficient use of resources and cleaner production. In pursuance of these intentions□ MLCFL has a total installed electricity generation capacity of □□ M□ through □ aste □ eat □ ecovery □ower □lant (□ □□□) which is a renewable energy source thereby□ reducing

possible fossil fuel emissions and reducing load on national grid through captive generation. □ □□□ of MLCFL is also an approved C□M □roject in □a□istan depicting the concern and attitude of management towards cleaner environment.

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

Material Usage:

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

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

Energy:

Since the production of cement is energy-intensive, efficient energy management is important to MLCF. For this we have developed a □eam Energy that is striving to attain maximum energy efficiency with environmental protection at minimal cost including development of alternative sources like efficient usage of □ aste □eat □ecovery □oiler and installation of LE□ lights.

□he Company has an active □ aste □eat □ecovery □lant (□ □□□) at site which converts heat from the □iln into energy□which was previously lost. □ aste heat is the cheapest mode of electricity currently available to the Company. The emissions are significantly reduced and herewith it relieves the atmosphere radically. □he Company has completed its expansion of existing □ aste □eat □ecovery □lant which has increased to a total capacity of □□ M□ □resulting in substantial saving in power cost.

In addition to above□the Company has also initiated wor□ on a new □ aste □eat □ecovery □lant for ongoing addition of new cement Line-4. The planned project is expected to increase capacity further from □□ M□ to □□ M□ . In this regard□the Company has established Letter of Credit for import of equipment and partial deliveries are being reached at plant site. Civil wor□s are in process with satisfactory pace.

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

Tackling Air Emissions:

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

□he sustainability mission requires businesses to adopt cleaner technologies and efficient processes. □t MLCF□ we have our own equipment with the likes of TESTO 350, Mini-Sampler & Air pointer to measure the stac□ of emission on a fortnightly basis. □ther than that□ continuous monitoring of ambient air is also underta□en along with an E□□ approved lab which is functional to assist with the emission monitoring and compliance. □ comprehensive report is submitted on monthly basis.

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

Effluents and waste:

□raditionally plants in cement industry are assumed to be lac□ing the environmental friendliness however□ MLCF's efforts to stay ahead of the curve by installing state of the art equipment to control industry effluents. We aim to keep the environment healthy for both our employees and the community. □herefore□ the company carries out certain efforts to overcome this issue. □he operational activity at plants are regularly monitored for stack emissions and effluents complying with National Environmental Quality □tandards. In addition to this□the company also has state of the art FL□midth □□□ cement manufacturing technology along with world class dust collection electrostatic precipitators and bag filters to help in environment protection. □he Explosive Magazine is also regularly chec□ed for environmental issues. □t reporting date□no potential hazard□threat was found to the environment.

Plantation drive:

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

Improving Biodiversity through Quarry Rehabilitation

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

Water Management:

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

is still used for cooling down clin□er. □he water used in the process coverts into steam that is reused to create electricity by using waste heat recovery plant.

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

□verall□the company tries to use water in a responsible manner and ma□es sure there is no wastage of water at any point of business activity. □he company also celebrates □□he □orld □ater □ay' at the site in the form of a seminar with a purpose to raise awareness of water preservation and its right use.

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

- China Colony Filtration □lant
- Guest □ouse Filtration □lant
- China Colony Mosque

□ater management is not only applied at our plant site, but also at our head office. Installation of sensor taps in replacement to traditional basin taps adds to the list of efforts made by the Company for efficient water management. A traditional basin tap pours 10-□□ liters of water per minute while sensor taps pour no more than 6 liters. The fact that there is a self-closing mechanism on the taps ensures that there is no sink overflow and cuts off the water supply based on sensor proximity□hence saving up water. □his has been a useful investment especially during the C□ □I□ times as it helped avoid cross-contamination through touchless features and minimal contact.

Go Green

□he Company for maintaining a healthy and green environment□ celebrated the □□orld Environment Day" in coordination with District Officer Environment Mianwali along with other community sta□eholders on □une □rd□ □□□□. □he main aim of celebrating □orld Environment □ay was to demonstrate the continual efforts and commitment of the Company's Management for the healthy wor□ing environment and awareness of people through the Environment □al□ and □eminar in pursuance of the community investment and welfare schemes. In pursuance of the green vision and commitment of management of the Company for maintaining healthy and green environment□ □Earth □ay □' was carried out at Maple Leaf Cement Factory Limited Is□anderabad□Mianwali on □□nd □pril□ □□□□. □he main aim of the ceremony was to demonstrate the continual efforts and commitment of the Company's Management for the healthy wor□ing environment for its wor□ers as well as for the people in the neighbourhood of the Company.

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

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

□o structure the process of corporate social responsibility activities□ the Company also ta□es guidance from Corporate □ocial □esponsibility □oluntary Guidelines□□□□□ as issued by □ecurities and Exchange Commission of □a□istan. □he Company has devised a corporate social responsibility policy □eeping in view the areas that need the contribution and that are align with the company's vision.

□he Company has formed a corporate social responsibility committee that plans□ executes and monitors all corporate social responsibility activities with approval of the □oard of □irectors.

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

□ll corporate social responsibility activities performed by the Company are mentioned in corporate social responsibility section of this report.

Following is the compliance status of major areas as described by corporate social responsibility guidelines:

	Guidelines	Assessment	Company Initiatives
□)	□ oes the Company have implemented the C□□ governance□	□es	□he Company has implemented the C□□ governance. □he Company holds the training sessions and C□□ is agreed by the □oard of □irectors.
□)	□ oes the Company have committee to implement C□□ policy□	□es	□he Company has C□□ team to implement C□□ policy. □nd they are responsible for planning□execution and progress.
□)	□ oes the Company have C□□ management system□	□es	□he Company has clear C□□ management system that ta□es care of C□□ progress and shortcomings.
C)	□ oes the Company have clarity of areas of C□□ projects□	□es	□he Company has clear vision regarding areas of C□□ projects that include health□education and clean water.
□)	□ oes the Company have implementation structure□	□es	□he Company has committee for implementation of the C□□ policy. □hey are responsible for the monitoring of C□□ targets.
E)	□ oes the Company allocate resources to C□□ □olicy□	□es	□he Company allocates certain proportion of funds and human resources for the C□□ objectives.
F)	□ oes the Company have presented C□□ disclosure and reporting□	□es	The Company has presented the financial disclosure in financial statements and nature of projects are also disclosed in C□□ section of this report.
G)	□ oes the □oard approve of placing the C□□ report on website of the Company□	□es	□he Company has displayed its C□□ activities on its website.

ISO 14001:2015

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

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

Achievement of ISO 45001:2018

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

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

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

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


Certificate of Approval
Maple Leaf Cement Factory Ltd
ISO 14001:2015


Certificate of Approval
Maple Leaf Cement Factory Ltd
ISO 45001:2018


SGS


SGS
Maple Leaf Cement Factory Limited
ISO 9001:2015
IAF
UKAS


CA PAKISTAN
ICMA Pakistan
Best Corporate Report 2020 Awards
Presented to
Maple Leaf Cement Factory Limited
2nd Position
Sector: Cement
Friday, 27th August, 2021
Karachi


SGS
Maple Leaf Cement Factory Limited
ISO 9001:2015
IAF
UKAS


8th International Conference & Award on
ENVIRONMENT, HEALTH & SAFETY
PRESENTED TO
Maple Leaf Cement Factory Limited
IN THE CATEGORY OF
Waste Prevention Recycling
FOR THEIR REMARKABLE EFFORTS IN
ENVIRONMENT, HEALTH & SAFETY ACTIVITIES IN PAKISTAN


SOUTH ASIAN FEDERATION OF ACCOUNTANTS
(An Apex Body of SAARC)
SAFA
Certificate of Merit
Maple Leaf Cement Limited, Pakistan


NATIONAL FORUM FOR ENVIRONMENT & HEALTH
NFEH
CERTIFICATE OF EXCELLENCE
14TH NFEH'S CORPORATE SOCIAL RESPONSIBILITY AWARDS 2022
Presented to
KOHINOOR MAPLE LEAF GROUP

IT GOVERNANCE POLICY AND CYBERSECURITY

□oard of □irectors of the Company has properly documented and implemented I□ Governance □olicy to ensure an integrated Information □echnology framewor□ for evolving and maintaining existing I□ infrastructure and acquiring new to achieve the Company's strategic focus. □he purpose of this policy is to define the IT governance scope, design procedures and assign roles and responsibilities to ensure its effective implementation and avoid any threats mainly cybersecurity ris□s due to potential breach.

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

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

□he salient objectives of the I□ governance policy are as follows:

- Establishing the guidelines for decision ma□ing pertaining to information technology and encouraging related initiatives.
- □etting information technology goals and formulating the strategy to achieve them.
- Communicating the established companies' priorities relating to information technology.
- □esigning the procedures of resource allocation.

□ne of the most integral parts of I□ governance policy is the security of the I□ structure. □he purpose of IT security is to protect confidential companies' information from all □inds of threats whether intentional or accidental□internal or external. □hreats also include cybersecurity threats.

□he salient features of I□ security policy are as follows:

- □egulatory and legal requirement' compliant procedures e.g.□ record □eeping□ retention and retrieval etc.
- □estricting unauthorized access to ensure integrity of information.
- Integrity of information to be assured by protecting it from unauthorized modification, disclosure or interruption.
- □isaster recovery plan to have in place which is tested occasionally to ensure that the system and services are available within bear minimum time.
- Educating the employees about I□ security policy and cybersecurity threats.
- □eporting all actual or suspected information security breaches to the internal audit for further investigation.
- Ma□ing rules for all employees who have the access and use companies I□ assets and resources.

IT Governance and Cybersecurity Programs:

□oard of □irectors have devised a strategic level policy of I□ Governance and Cybersecurity that is aimed to ensure smooth functioning of the I□ framewor□ and protect I□ structure from all potential threats. □o support this policy□standards procedures have been developed for its implementation□ monitoring and control. □hese standards comprise of rules□guidelines and procedures covering areas such as cybersecurity threats□ bac□up□ endpoints users' control□ data security and password:

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

□he Company has formed a steering committee which is charged with the responsibility of ma□ing teams for the implementation of controls addressing cybersecurity attac□s□mitigations of related ris□s□E□□ disruption and compromise of data or email.

□o cope up with unforeseen incidents□the Company has formulated following controls:

- dentification and assessments of such threats by internal and also external teams□
- □ystems audits on periodical basis. □rocedures to be applied during system audits include penetration testing□ cybersecurity audits for ensuring safety of I□ structure□I□ audits by internal and external experts□vulnerability testing□and
- □dequate information bac□up facilities

Risk Oversight and Cybersecurity:

□oard of directors of the Company has given the tas□ to I□ □teering Committee to assess the ris□ level of cybersecurity and align with management to address this ris□ based.

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

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

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

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

Controls and procedures for early warning system:

Changes are coming very rapidly relating to networks due to evolving threats, growth and application of new changes in the regulatory or legislative framework.

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

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

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

Policies related to independent comprehensive security assessment.

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

The Board considers the findings of third-party assessment, evaluate the suggestions therein and implement them as per the resources and need basis.

Disaster recovery plan and contingency:

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

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

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

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

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

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

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

Transformation of manual processess into modern and digital processess

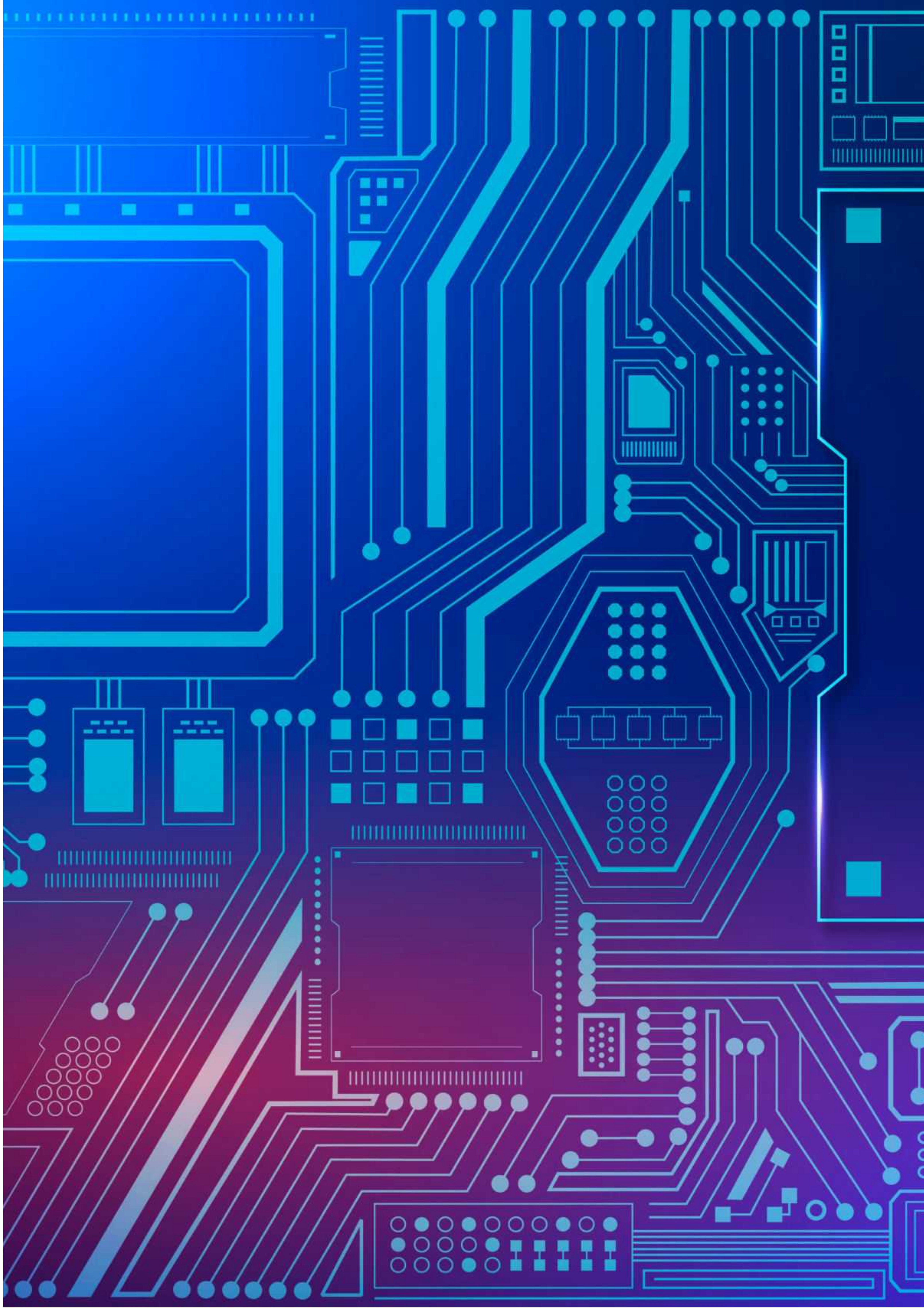
The Company has adapted many modern measures by following Industry 4.0 revolution to transform manual process into modern, digital and smart machines. With every passing day the technology is evolving and new advancements are being brough keeping the changing needs of the users and potential threats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

Efforts to mitigate Cybersecurity Risks:

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

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

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



FORWARD LOOKING STATEMENT

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

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

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

Sources of information used for projections of future revenue:

The company carries market survey through its sale teams to know the market trends and 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.

Financial Projections

The Company expects local dispatches to the market for the next financial year to reach higher levels as reported in 2021-22. We presume current cement prices to rise in the domestic market to pass on the impact of robust increase in coal rates in international market and local inflationary impacts. Whereas, the cement industry is also keenly eyeing developments on CPEC and this opportunity is expected to prove to be of great benefit for the whole nation. The company also aims to improve its market share through its constant vigorous marketing and branding activities to capture, retain and build a wide customer portfolio. Oil and coal prices are expected to go up in the future which will adversely affect profitability. Based on management's best estimates, future consolidated financial forecast of MLCFL and its wholly owned subsidiary MLPL are as follows:

Financial Year	2023 Rs. in Million
Sales – Net	[illegible]
Profit after taxation	3,416
Paid up share capital	[illegible]
EPS (Rupees)	[illegible]

Company Performance against Last Year Projections

A moderate stance was taken for the year under review as the economy had receded to negative growth, PSDP allocations were cut, inflation was an all-time high and industrial growth as well as consumer demand had stunted whereas COVID-19 had recently gripped the entire globe. In comparison, the Pakistan's economy performed better than anticipated hence, actual financial results deviated to a more favorable outcome. As reported last year, recovery in sales retention and demand was imperative, with both factors exceeding expectations, the Company has achieved a new milestone of Rs.48.52 billion Net Sales Revenue, an increase of [illegible] as compared to previous year□as mar□et conditions grew favorable and the cement industry rebounded to brighter prospects leading to sales revenue being higher than last year's projections.

The higher sales margins also impacted financial costs of the company as higher profits led to greater operational cash inflows prompting the company to shed off its reliance on short term borrowings and utilize its internal generations for wor□ing capital requirements. □ ith □tate □an□ of □a□istan's policy rate also increased from □□ to □□.□□□ □the Company's cost of debt also went up.

Status of the projects in progress

□he Company is undergoing a capacity expansion project to increase its grey cement production by 7,000 tpd by constructing a new brownfield plant. □he civil wor□ and plant's erection wor□ is smoothly being completed. □ll the legal formalities were duly complied. □lant is targeted to begin commercial operations in 2nd quarter of financial year 2023.

□nother □ aste □eat □ecovery □lant for this new cement Line-4 is also planned. This project is expected to increase capacity further from □□ M□ to □□ M□ . In this regard□the Company has established Letter of Credit for import of equipment and civil wor□s have commenced at site.

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

Status of the projects previously disclosed

□he expansion of existing □ aste □ eat □ ecovery □lant to □□ M□ is completed during the year.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management and the □oard of □irectors to ma□e estimates and judgments that affect reported amounts of assets□ liabilities□ revenues and expenses and related disclosure of contingencies. □hese estimates are based on historical experience and various other assumptions that management and the □oard believe are reasonable under the circumstances□the results of which form the basis for ma□ing judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. □ctual results may differ from these estimates under different assumptions or conditions.

KEY ESTIMATES AND ASSUMPTIONS

□ey estimates and assumptions concerning the future include:

Impairment of financial assets

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

Estimating useful life of assets

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

Taxation

□ etermining income tax provisions involves judgment on the tax treatment of certain transactions. □ eferred 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 wor□ing life of employees which are extensively detailed in note 12 to the stand alone financial statements.

FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT

□he 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

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

POLICY AND PROCEDURES FOR STAKEHOLDERS' ENGAGEMENT

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

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

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

□□□□□□□ L□□□□	□□□□□□ □F □□□□□□M□□□	F□□□□□□C□
□□□□E□□L□E□□	□nnual general meeting □nnual report□□uarterly reports Investor conference Analyst briefing	□nnually □nnually □quarterly □nnually Continuous
EM□L□□EE□	□rade unions Maple magazine □nnual get together □eam cultural activities	Continuous □uarterly □nnually Monthly
CUSTOMERS	Customer call center Customer events Customer satisfaction survey	Continuous Continuous Continuous
SUPPLIERS	□egular meeting with major suppliers □upplier forums Newspapers advertisement	Continuous □ccasionally □s required
INSTITUTIONAL INVESTOR / LENDERS	Business briefings □eriodic meetings Financial reporting Head office/ site visits	□ccasionally □s required Continuous □s required
COMMUNITY ORGANIZATIONS	Environmental campaign □afety management system	Continuous □s required
ME□I□	Media announcements and briefings Media interviews	□s required □s required
REGULATORS	□ubmission of periodic reports □esponding □enquiring various queries□ information	□eriodic basis □s required
ANALYST	Corporate briefing and analysis Forecasting and financial modelling	□s required □s required
L□C□L □□□IE□	□ponsorship of local events Corporate social projects	□s required □s required
BANKS AND OTHER LENDERS	□reasury operational transactions Financing and borrowing Investments	Continuous □s required □s required

ENTITY'S SIGNIFICANT RELATIONSHIPS

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

POLICY TO SOLICIT AND UNDERSTAND VIEWS OF SHAREHOLDERS

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

INTERACTION WITH MAJOR SHAREHOLDERS

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

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

- Corporate briefing session (Sep - 2021)
- Corporate briefing session (Feb - 2022)
- Corporate briefing session (Mar - 2022)

STEPS TO ENGAGE MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

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

INVESTORS' RELATIONS SECTION ON CORPORATE WEBSITE

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

ISSUES RAISED IN LAST AGM, DECISIONS TAKEN AND THEIR IMPLEMENTATION STATUS

No issue was raised by the valued shareholders in the last Annual General Meeting held on September 28, 2021 at the Registered Office of the Company. However, queries raised were explained to the satisfaction of the Members.

HIGHLIGHTS ABOUT REDRESSAL OF INVESTORS' COMPLAINTS

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

INTEGRATED
REPORTING

BASIS OF PREPARATION AND PRESENTATION

Maple Leaf Cement Factory Limited is engaged in the production and sale of cement. Management of the Company following the spirit of adhering to the best corporate governance practices and 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 annually reviews the IR Framework to continuously improve the quality of information produced, and communicates its operations, brand and financial structure to the stakeholders. Furthermore, the Company is prepared to manage any risk that may affect the long-term sustainability of the business and has progressed ahead in this Report to incorporate all 8 core Content Elements of IR Framework:-

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

Management acknowledges its responsibility of the integrity of this Report and have applied their collective mind and effort in its preparation and presentation. All information is internally reviewed by the command hierarchy, polished and improved at each step to reflect stark realities, remove errors and analytically report on future scenarios and where relevant, all information is presented in a format tied and linked to various capitals, stakeholder relationships and how the organization relates to it. Full efforts have been made to disclose all material information to its stakeholders unless Management is of the view that its disclosure would cause significant competitive harm, however, it stands to note that there is a certain degree of challenge to objectively quantify certain qualitative factors that add value in the wake of disruption caused by the global COVID-19 pandemic.

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

The Report has been prepared in compliance of:-

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

ECONOMIC PERFORMANCE

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

ANALYSIS OF THE FINANCIAL AND NON-FINANCIAL PERFORMANCE

FINANCIAL INDICATORS:

Actual Results:

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

	2022	2021
	(Rs. In Million)	
Net Sales	48,520	35,538
Net Profit	4,553	3,828
Earnings per share (Rupee)	[illegible]	[illegible]

Budgeted Results:

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

	Actual 2022	Budget 2022
	(Rs. In Million)	
Net Sales	48,520	49,073
Net Profit	4,553	4,936
Earnings per share (Rupee)	[illegible]	[illegible]

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

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

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

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

   a. Savings in fuel cost per ton with more efficient yield and more reliance of local coal, pet coke & alternative fuel usage[illegible]

   b. lower power cost including decline in per ton [illegible] power consumption and by adding cheap source of energy.

□. Lowering weighted average cost of capital

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

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

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

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

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

Significant Change in Accounting Policies, judgements, estimates and assumption

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

METHODS AND ASSUMPTIONS USED IN COMPILING INDICATORS

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

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

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

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

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

SHARE PRICE SENSITIVITY ANALYSIS

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

1) INCREASE IN DEMAND:

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

2) INCREASE IN VARIABLE COST:

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

3) INCREASE IN FIXED COST:

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

4) **CHANGE IN GOVERNMENT POLICIES:**

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

Sensitivity Analysis of Change in Market Capitalization

□hare □rice as of □□ □une □□□□	□s.□□.□□
Mar□et Capitalization as of □□.□□.□□□□	□s. □□□□□□□□□□□□□
Change in □hare □rice by	Change in Mar□et Capitalization
□□□□	□s. □□□□□□□□□□□□□
-10%	□s. (□□□□□□□□□□□□□)

R□□□□□

Market capitalization is effected by political stability, economic conditions and Covid-19 pandemic.

SEGMENTAL REVIEW AND ANALYSIS OF BUSINESS PERFORMANCE

□he Company is operating in two principal geographical areas in terms of continents and revenue from continuing operations from external customers based on geographical areas are □sia □□.□□□ and □frica □.□□□ .

- The Standalone financial statements of the Company have been prepared on the basis of single reporting segment.
- □evenue from sale of cement represents □□□□ of gross sales of the Company. □ales during the year 2021-22 comprises 96.2% of grey cement and □.□□ of white cement. □uring the year□grey cement segment has shown significant growth in terms of prices. □he Company operates in two

principal geographical areas, Asia and Africa. The Company's main sole product is cement.

- However, the consolidated financial statements have been prepared based on two strategic divisions, which are reportable segments. These divisions offer different products and services and are managed separately because they require different technology and strategies.

- Cement Manufacturing: The Maple Leaf Cement Factory Limited (the "Holding Company") is operating as a cement manufacturing segment of the Group. The principal activity of the Holding Company is production and sales of cement.

- Power Generation: Maple Leaf Power Limited (the "Subsidiary Company") is operating as an electric power generation segment of the Group. The principal activity of the Subsidiary Company is to develop, operate and maintain electric power generation plant and engage in the business of generation, sale and supply of electricity.

- Moreover, all assets of the Company as at June [illegible] are located in Pakistan.

HOW THE INDICATORS AND PERFORMANCE MEASURES HAVE CHANGED OVER THE PERIOD

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

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

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

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

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

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

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

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

HORIZONTAL ANALYSIS - SIX YEARS

Statement of Financial Position	□□□□ □□□□□□□	□□ □□ □□ □	□□□□ □□□□□□□	□□ □□ □□ □	□□□□ □□□□□□□	□□ □□ □□ □	□□□□ □□□□□□□	□□ □□ □□ □	□□□□ □□□□□□□	□□ □□ □□ □	□□□□ □□□□□□□	□□ □□ □□ □
□□otal equity	□□□□□□□□□	□.□□	□□□□□□□□□	□□.□□	□□□□□□□□□	□.□□	□□□□□□□□□	□.□□	□□□□□□□□□	□□.□□	□□□□□□□□□	□□.□□
Share deposit money					-		-	-	-	-	-	-
□otal surplus on revaluation of fixed assets					-		-	-	-	-	-	-
Total non-current liabilities	25,461,804	47.63	17,247,289	(10.98)	19,375,165	(8.95)	21,278,671	26.18	16,863,465	129.60	7,344,681	29.82
□otal current liabilities	□□□□□□□□□	□□.□□	□□□□□□□□□	(□□.□□)	□□□□□□□□□	□.□□	□□□□□□□□□	□□.□□	□□□□□□□□□	□□.□□	□□□□□□□□	□□.□□
Total equity and liabilities	□□□□□□□□□	□□.□□	□□□□□□□□□	□.□□	□□□□□□□□□	□.□□	□□□□□□□□□	□□.□□	□□□□□□□□□	□□.□□	□□□□□□□□□	□□.□□
Total non-current assets	61,892,221	25.50	49,315,862	(0.18)	49,402,580	(4.54)	51,750,897	12.51	45,996,847	61.93	28,405,142	20.65
□otal current assets	□□□□□□□□□	□□.□□	□□□□□□□□□	□.□□	□□□□□□□□□	□□.□□	□□□□□□□□□	□□.□□	□□□□□□□□□	□□.□□	□□□□□□□□□	□□.□□
Total assets	□□□□□□□□□	□□.□□	□□□□□□□□□	□.□□	□□□□□□□□□	□.□□	□□□□□□□□□	□□.□□	□□□□□□□□□	□□.□□	□□□□□□□□□	□□.□□
Profit or Loss Account												
Sales - net	48,519,622	36.53	35,538,301	22.05	29,117,734	11.97	26,005,944	1.19	25,699,113	7.11	23,992,079	2.39
Cost of sales	(□□□□□□□□□)	□□.□□	(□□□□□□□□□)	(□.□□)	(□□□□□□□□□)	□□.□□	(□□□□□□□□□)	□□.□□	(□□□□□□□□□)	□□.□□	(□□□□□□□□□)	□.□□
Gross profit	12,275,466	65.82	7,402,882	(1,158.74)	(699,213)	(114.22)	4,917,080	(29.98)	7,022,551	(25.94)	9,482,302	(5.39)
□istribution cost	(□□□□□□□□)	□□.□□	(□□□□□□□□)	□□.□□	(□□□□□□□)	(□.□□)	(□□□□□□□)	□□.□□	(□□□□□□□)	(□□.□□)	(□□□□□□□□)	(□.□□)
□dministrative expenses	(□□□□□□□)	□□.□□	(□□□□□□□)	□.□□	(□□□□□□□)	□.□□	(□□□□□□□)	□.□□	(□□□□□□□)	□□.□□	(□□□□□□□)	□□.□□
□ther operating expenses	(□□□□□□□)	□□.□□	(□□□□□□□)	□□□.□□	(□□□□□□)	(□□.□□)	(□□□□□□□)	(□□.□□)	(□□□□□□□)	□.□□	(□□□□□□□)	(□□.□□)
□ther operating income	□□□□□□	(□□.□□)	□□□□□□□□	□□□□.□□	□□□□□□	□□□.□□	□□□□□□	(□□.□□)	□□□□□□	(□□.□□)	□□□□□□□	□□□.□□
Profit from operations	8,924,538	1.61	8,783,531	(484.01)	(2,287,319)	(180.63)	2,836,733	(43.71)	5,039,357	(29.90)	7,188,705	(4.82)
Finance cost	(□□□□□□□□)	□□.□□	(□□□□□□□□)	(□□.□□)	(□□□□□□□□)	□□□.□□	(□□□□□□□□)	□□.□□	(□□□□□□□)	□□□.□□	(□□□□□□□)	(□□.□□)
Profit/(loss) before taxation	7,183,512	(1.46)	7,289,601	(238.35)	(5,269,041)	(416.62)	1,664,176	(62.14)	4,395,236	(36.03)	6,870,356	(3.47)
□axation	(□□□□□□□□)	□□□.□□	(□□□□□□□□)	(□□□.□□)	□□□□□□□	(□□□.□□)	(□□□□□□□)	(□□.□□)	(□□□□□□□)	(□□.□□)	(□□□□□□□□)	(□.□□)
Profit/(loss) after taxation	□□□□□□□□	(□□.□□)	□□□□□□□□	(□□□.□□)	(□□□□□□□□)	(□□□.□□)	□□□□□□□□	(□□.□□)	□□□□□□□□	(□□.□□)	□□□□□□□□	(□.□□)

VERTICAL ANALYSIS -
SIX YEARS

	[illegible]		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]	
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Statement of Financial Position												
Total equity	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total non-current liabilities	25,461,804	30.97	17,247,289	26.04	19,375,165	29.35	21,278,671	32.26	16,863,465	28.71	7,344,681	18.92
Total current liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total equity and liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total non-current assets	61,892,221	75.28	49,315,862	74.45	49,402,580	74.84	51,750,897	78.46	45,996,847	78.32	28,405,142	73.18
Total current assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit or Loss Account												
Sales - net	48,519,622	100.00	35,538,301	100.00	29,117,734	100.00	26,005,944	100.00	25,699,113	100.00	23,992,079	100.00
Cost of sales	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])
Gross profit	12,275,466	25.30	7,402,882	20.83	(699,213)	(2.40)	4,917,080	18.91	7,022,551	27.33	9,482,302	39.52
Distribution cost	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])
Administrative expenses	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])
Other operating expenses	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])
Other operating income	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit from operations	8,924,538	18.39	8,783,531	24.72	(2,287,319)	(7.86)	2,836,733	10.91	5,039,357	19.61	7,188,705	29.96
Finance cost	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])
Profit / (loss) before taxation	7,183,512	14.81	7,289,601	20.51	(5,269,041)	(18.10)	1,664,176	6.40	4,395,236	17.10	6,870,356	28.64
Taxation	([illegible])	([illegible])	([illegible])	([illegible])	[illegible]	[illegible]	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])
Profit / (loss) after taxation	[illegible]	[illegible]	[illegible]	[illegible]	([illegible])	([illegible])	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SUMMARY OF CASH FLOW
STATEMENT - SIX YEARS

	2022	2021	2020	2019	2018	2017
	(Rupees in thousand)					
Cash generated from operations before working capital changes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(Increase) / decrease in current assests						
Stores, spare parts and loose tools	([illegible])	([illegible])	([illegible])	([illegible])	[illegible]	([illegible])
Stock-in-trade	(545,438)	(370,779)	(40,390)	(545,508)	107,729	(428,415)
Trade debts	([illegible])	[illegible]	([illegible])	([illegible])	([illegible])	([illegible])
Loans and advances	([illegible])	([illegible])	[illegible]	[illegible]	([illegible])	([illegible])
Trade and other payables	[illegible]	([illegible])	[illegible]	[illegible]	[illegible]	[illegible]
Other receivables	[illegible]	([illegible])	[illegible]	[illegible]	[illegible]	[illegible]
Retirement benefits adjusted / (paid)	(43,319)	(56,198)	(35,724)	(38,020)	(40,084)	(27,256)
Workers' Profit Participation Fund Paid	(88,151)	-	(71,253)	(93,768)	(175,916)	-
Workers' Welfare Fund paid	(23,185)	(161)	-	-	(135,635)	(112,622)
Taxes paid	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])
Others	([illegible])	([illegible])	([illegible])	([illegible])	[illegible]	([illegible])
Net Cash generated from operating activities	[illegible]	[illegible]	([illegible])	[illegible]	[illegible]	[illegible]
Capital expenditure	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])
Dividend received from fully owned subsidy	-	3,514,000	-	-	-	-
Intangible asset purchased	(6,786)	-	-	(5,219)	-	(29,032)
Proceeds from disposal of property, plant and equipment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Short term investment - net	(75,000)	(44,500)	(50,000)	-	(21,997)	(15,000)
Long term investment			-	-	(350,000)	(4,010,000)
Profit on bank deposits received	22,377	13,692	29,842	18,796	28,970	16,628
Increase [illegible]decrease in long term deposits						
Net Cash used in investing activities	([illegible])	[illegible]	([illegible])	([illegible])	([illegible])	([illegible])
Proceeds from long term loans from banking companies - secured - net	6,898,075	1,142,825	(5,007,260)	3,552,666	10,648,936	2,176,462
Long term loan from subsidiary company	1,000,000	(2,000,000)	2,000,000	1,000,000	-	
Proceeds from issuance of right shares	-	-	5,994,968	-	4,241,830	-
Repayment of redeemable capital - secured		-	-	-	-	-
Repayment of syndicated term finance - secured		-	-	-	-	-
Payment of liabilities against assets subject to finance lease - net		-	-	-	(480,615)	(164,614)
Short term borrowings - net	490,990	(4,121,973)	3,100,037	(1,215,654)	1,038,909	1,467,065
Finance cost paid	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])
Redemption of preference shares		-	-		-	(478)
Dividend paid	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])
Lease rentals paid during the year	(12,425)	-	-	-	-	-
Own share purchased for cancellation	(477,778)	-	-	-	-	-
Net cash generated from/ (used in) financing activities	[illegible]	([illegible])	[illegible]	[illegible]	[illegible]	[illegible]
Net increase/ (decrease) in cash and cash equivalents	([illegible])	[illegible]	[illegible]	([illegible])	([illegible])	([illegible])
Cash and cash equivalents at beginning of the years	[illegible]	[illegible]	([illegible])	([illegible])	[illegible]	[illegible]
Cash and cash equivalents at end of the years	([illegible])	[illegible]	[illegible]	([illegible])	([illegible])	[illegible]

COMMENTS ON
SIX YEARS ANALYSIS

HORIZONTAL ANALYSIS

Statement of Financial Position

The Company's equity significantly increased during the past 5 years mainly due to increase in profit after tax and further issuance of capital. Accumulated profits increased mainly due to increase in cement demand in local mar□ets as a result of Naya Pakistan Housing Scheme, CPEC and other government infrastructure projects. Non-current liabilities increased during the period of F□ □□□□ to F□ □□□□ as the Company entered into a phase of growth and expansion and hence increased its debt leverage to partially finance coal fired power project and production line III of cement. □his trend was discontinued in the previous year□as the Company lowered its debt component by ma□ing early principal repayments. However, during the current year, non-current liabilities increased significantly as compared to FY □□□□ due to ongoing installation of line I□ and □ aste □eat □ecovery □lant and installation of solar power plants which have been capitalized during the current year. □uring the F□ □□□□□the Company successfully reduced its current liabilities by □□□ mainly by reduction of short term borrowings due to better operating cash flows as evident from respective year profits which has increased again during the current year due to growth and expansion mainly relating to line I□ project□□ □□□ and installation of □ more solar power plants.

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

Profit or Loss Account

In the earlier years□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 mar□et. □owever□ in FY 2018 profit margins reduced due to high cost of production caused by an increase in coal rates and power costs. Cost of production also increased in F□ □□□□ mainly due to increase in input prices primarily due to devaluation of □a□ □upee. □his trend of higher input prices also continued in F□ □□□□ and losses were incurred as sales retention declined and cost of sales increased due to increase in coal rates□power costs□devaluation of □a□ rupees coupled with higher financial costs due to commencement of line-III operations in May-2019 which impacted the bottom line negatively.

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

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

VERTICAL ANALYSIS

Statement of Financial Position

□he equity of the Company continues to improve□ its weightage has also increased except from F□ □□□□ to F□ □□□□ where its proportion decreased from □□.□□□ to 46.26% respectively on account of increase in non-current liabilities resulting from drawdown of long term finances for expansion project of cement however, during financial year 2020-2021 equity component has increased from 47.45% to 56.68% by virtue of profits earned by the Company. □owever□ equity component has decreased during the current year from □□.□□□ to □□.□□□ due to increase in non-current liabilities from 26.04% to 30.97% and current liabilities increased from □□.□□□ to □□.□□□ resulting from further financing for line IV project and other expansion related projects as explained in above sections.

Due to nature of industry, a capital-intensive sector, ratio of non-current assets to total assets remained in the range of □□.□□□ to □□.□□□ as evident from last □ years reported figures. On account of investment in expansion project, non-current assets have increased in FY 2018 □ □□ in rupee terms. □he proportion of current asset vs non-current assets significantly decreased during FY 2017 to FY 2018 due to an increase in non-current assets as explained above□ while showing a reversed trend in the F□ □□□□ and F□ □□□□ due to higher wor□ing capital requirements on account of the addition of grey cement Line III, similarly, in the aforementioned period non-current assets share decreased from □□.□□□ to □□.□□□ on account of increase in deprecation due to operations of line-III. During the current financial year, although ratio of current assets to non-current assets decreased due to expansion and better wor□ing capital management□ however□ratio is still on the higher side.

Profit or Loss Account

□he Company's G□□ showcased a declining trend in the F□ □□□□ to F□ □□□□□mainly due to an increase in production costs specially in pac□ing material and power costs coupled with decrease in sales retention of local grey cement. F□ □□□□ was especially hard felt as coal prices, devaluation of Pak Rupee and poor sales prices unfavourable impacted the profitability of the Company.

In F□ □□□□ onwards□the Company's G□□ increased mainly due to increase in local sale prices on account of high demand of cement in local mar□et. □ther operating income increased mainly due to the dividend received from Maple Leaf □ower Limited (wholly owned subsidiary). Finance cost decreased mainly due to low discount rates and reduction in short term borrowings. □verall net profit was 17.55% mainly due to high sale retention and low finance cost as explained.

□uring the current year□G□ □ increased further from □□.□□□ to □□.□□□ of prior year mainly due to increase in local sales prices even there is a dip in local dispatches. □rices were on the higher side due to passing on the impact of high inflationary impact of prices on input costs and Pak Rupee devaluation. NP % decreased during the year from 17.60% to 7.47% mainly due to increased finance cost which in turn is mainly due to revised SBP policy rates from 7% to 13.75% and increased tax charge which is due to the implementation of Super Tax levied first time.

COMMENTS ON CASH FLOW STATEMENTS

Cash generated from operations has been in line with profits earned by the Company in the past years. However, in FY 2020, the Company's operating cash flows were negative mainly due to tough mar□et conditions that resulted in low sale prices. In previous and current year□cash generated from operations showed positive results mainly due to better sale retention on account of favourable mar□et conditions in local mar□et.

□ther than the previous year□where the Company didn't invest in any new project or major investment□the Company's capital expenditure has been consistently high□specially in F□ □□□□ and F□ □□□□□due to investment in the grey cement line III of □□□□□ tpd for capacity enhancement. □uring the current year□due to heavy investments in line I□ (□□□□□ tpd)□□ □□□ and solar power projects, capital expenditure is significantly on the high side. The Company has financed the above mentioned project by obtaining finances from financial institutions and issuing right shares along with its equity contribution. □his has contributed to a consistent trend of increase in cash inflows from financing activities and net outflow in investing activities.

During the previous year, the Company has started new projects i.e. new brownfield cement line I□□enhancement of □ □□□ capacity at existing lines of cement. □hese capital expenditures were managed partially with long term financing and from internally generated cash flows. The current year also witnessed a heavy net outflow from financing activities as the company utilized its cash generation from operations to clear its outstanding loan and short term borrowings.


NET WEIGHT 50 KG.
20 BAGS TO A METRIC TON
MAPLE
LEAF
ORDINARY PORTLAND CEMENT
GRADE 53

ANALYSIS OF FINANCIAL RATIOS FOR SIX YEARS
FROM JUNE 2017 TO JUNE 2022

Ratios Description	2022	2021	2020	2019	2018	2017
Profitability Ratios:						
Gross Profit ratio	25.30%	20.83%	-2.40%	18.91%	27.33%	39.52%
Net Profit to Sales	7.47%	17.60%	-16.63%	5.63%	14.13%	19.91%
EBITDA Margin to Sales	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Operating leverage ratio	0.04	-21.95	-15.10	-36.61	-4.20	(2.02)
Return on Equity	8.94%	16.66%	-15.46%	4.80%	12.14%	20.15%
Return on Capital employed	6.69%	13.35%	-10.42%	3.24%	10.42%	19.26%
Effective Tax Rate	49.52%	14.21%	8.08%	11.95%	17.36%	30.47%
Shareholder's Funds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Return on Shareholder's Funds	8.94%	16.66%	-15.46%	4.80%	12.14%	20.15%
Liquidity Ratios:						
Current ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quick / Acid test ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash to Current Liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash flow from Operations to Sales	0.17	0.18	(0.03)	0.24	0.22	0.23
Cash flow to capital expenditure	0.53	1.99	(1.10)	0.76	0.29	1.93
Cash flow coverage ratio	0.33	0.40	(0.04)	0.28	0.29	0.90
Investment / Market Ratios:						
Earnings per share (EPS)						
Basic	[illegible]	[illegible]	([illegible])	[illegible]	[illegible]	[illegible]
Diluted	[illegible]	[illegible]	([illegible])	[illegible]	[illegible]	[illegible]
Price Earnings ratio	[illegible]	[illegible]	([illegible])	[illegible]	[illegible]	[illegible]
Price to book ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Market value per share						
Closing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
High	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Low	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Break up value per share / Net Assets per share						
With revaluation surplus	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Without revaluation surplus	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
With revaluation surplus including investment in subsidiary*	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash Dividend per Share	-	-	0.27	1.00	3.06	4.50
Dividend Pay out Ratio	-	-	-5.10%	47.00%	48.57%	51.10%
Dividend Yield Ratio	-	-	1.04%	4.19%	6.02%	4.04%
Dividend Cover Ratio	-	-	(16.32)	2.47	2.00	2.01
Capital Structure Ratios:						
Financial leverage ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Weighted average cost of debt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net Borrowing/ EBITDA	2.07	1.31	20.52	4.20	2.57	0.69
Av. Operating Working Capital to Sales Ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Debt to Equity ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Debt to Equity ratio (Market value)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interest Cover ratio	[illegible]	[illegible]	([illegible])	[illegible]	[illegible]	[illegible]
Activity / Turnover Ratios:						
Inventory turnover ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. of Days in Inventory	24.40	25.49	21.51	25.38	24.38	27.34
Debtor turnover ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. of Days in Receivables	14.09	24.23	35.95	26.78	12.88	9.58
Total Assets turnover ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Assets turnover ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Creditor turnover ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. of Days in Creditors	38.04	48.43	43.88	46.90	27.62	18.39
Operating Cycle	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employee Productivity Ratio						
Production per Employee	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Revenue per Employee (Rs. in thousand)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Staff turnover ratio	15.59%	6.30%	5.80%	5.30%	7.00%	8.60%
Non-Financial Ratios						
%age of plant availability	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Customer satisfaction index	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Ratios						
Spares Inventory as % of Assets Cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Maintenance Cost as % of Operating Expenses	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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

COMMENTS ON
RATIO ANALYSIS

Profitability Ratios: The profitability ratios of the Company have shown a triumphant recovery during the current year due to an increase in retention prices and control in production expenses due to a decline in pac□ing material cost and the Company avoiding the bump in the □apda power tariffs by following an ongoing strategy of shifting reliance from national power grid to self-generation. Furthermore, profitability of the Company has also improved due to a decline in finance cost. In addition□the Company has managed to increase its Grey local sales retention□thereby overall increasing net sales. □owever□ due to increased input cots E□I□□□ margins reduced from □□.□□□ to □□.□□□ . □he Cost of □ales show a limited variance□ but overall□input prices remain high.

Liquidity Ratios: From □□□□ onwards decline in the liquidity is witnessed due to Brown field expansion of grey cement line-III. Liquidity indicators stabilized during the comparative period due to no significant capital expenditures having been incurred and management's decision to early service the current portion of long term debts from financial institutions. □uring the year□ liquidity worsened a little due to reduced profitability as compared to prior year and enhanced borrowings on account of expansion and growth.

Investment / Market Ratios: □he increase of the □tate □an□ □olicy rate in the year under review and the curtailed of domestic and international mar□ets as the threat of global corona virus pandemic subsides has revitalized the investors interest and confidence in the stock market. Whereas, the Governments □een focus on the growing construction sector□ favourable mar□et conditions and upta□e in demand have improved the share price of the Company. □he Company's mar□et share price remained in the range of □s.□□.□□ per share to □s. □□.□□ per share□closing at □s. □□.□□ per share in comparison to □s.□□.□□ per share at the close of last year.

Capital Structure Ratios: □he Company is operating at optimal level of debt equity mix. □elying mainly on internal cash generation to maximize shareholders' return. □he results of this strategy are evident from improved trend in Interest cover ratio in the years of □□□□ □ □□□□. □owever□afterwards□the Company increased its debt to cater the financing needs for expansion project of grey cement line-III and line I□. □his increase in ratio results is currently due to Company obtaining more borrowings to finance the line III and Line IV projects and other capital investments and as a result debt to equity ratio has worsened to □□:□□ in comparison of corresponding financial year.

□uring the year□the Government also revised □□□ policy rate from □□ to □□.□□□ which has caused the finance cost of the company to increase as compared to prior year.

Activity / Turnover Ratios: □he operating cycle has overall been on an upward positive trend over the years due to an increase in □ayable days on account of better negotiated credit terms with suppliers of expansion projects and creditors. No. of days of Inventory□ however□ have witnessed a small variation□ but has generally overall improved. □ stable inventory turnover ratio over the past □ years shows the Company's quic□ ability to convert inventory into revenue as a result of the Companies persistent improvements in the supply chain and logistical networ□. □ver the years□debtor turnover ratio declined due to enhancement of distributors and dealers networ□ in the local mar□et for higher mar□et share□however□rapid recovery of outstanding balances from debtors during the year have shown a mar□ed improvement in the operating cycle of the Company for the year.

DUPONT ANALYSIS

Years	Return on Equity (Profit Margin * Total Asset Turnover* □□□ity M□ltiplier)	Profit Margin (Pre-Tax Profit / □ale□)	Total Asset Turnover (Sales / □□□□□ □□et□)	Return on Assets	Equity Multiplier (Avg. Assets / □□□□□□□ity)
	E= C*D	A	B	C= A*B	D
□□□□	□□.□□□	□.□□	□.□□	□.□□□	□.□□
□□□□	□□.□□□	□.□	□.□□	□□.□□□	□.□□
2020	-17.04%	(0.18)	0.44	-7.99%	2.13
□□□□	□.□□□	□.□□	□.□□	□.□□□	□.□□
□□□□	□□.□□□	□.□□	□.□□	□.□□□	□.□□
□□□□	□□.□□□	□.□□	□.□□	□□.□□□	□.□□

Following are the DuPont analysis highlights:

□. □perational results have improved due to better local sale retention, positively affecting profit margins.

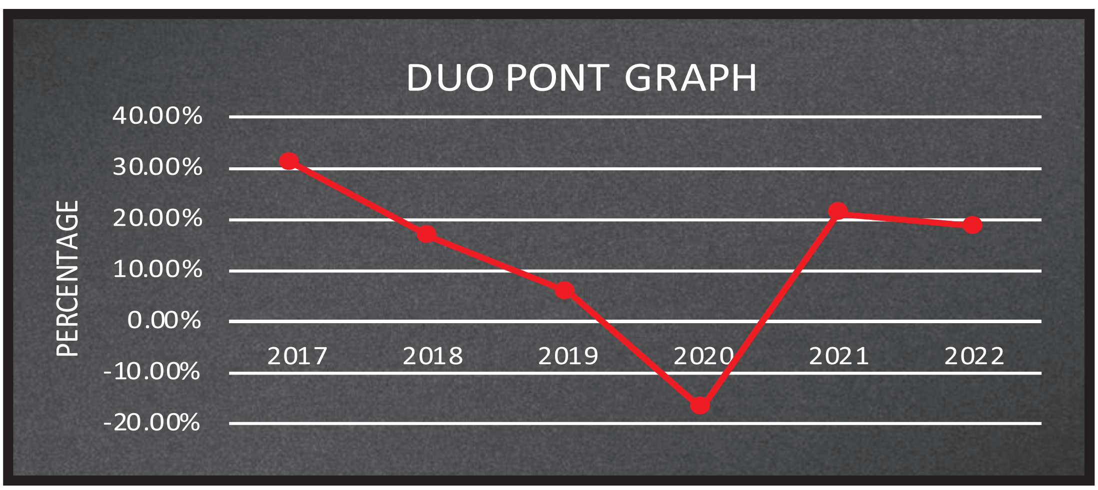
□. □ssets turnover ratio has improved from the previous year□ as net sales s□yroc□eted□ whereas the Company's □otal □sset base materially remained unchanged from the previous year.

□. □ased on the above two factors□the □eturn on □ssets which is dependent on the above two factors□has gone up.

4. Better operations have led to higher profits which have inflated the equity. Thus the equity multiplier decreased as the base figure increases.

Conclusion:

□he □u□ont analysis depicts improvement in profitability and return on assets.



COMPOSITION OF LOCAL VERSUS IMPORTED MATERIAL AND SENSITIVITY ANALYSIS

	2022		2021	
	Rs. '000	%	Rs. '000	%
Local Components:				
□aw materials consumed	[illegible]	[illegible]	[illegible]	[illegible]
□ac□ing materials consumed	[illegible]	[illegible]	[illegible]	[illegible]
Fuel	[illegible]	[illegible]	[illegible]	[illegible]
□tores□spare parts and loose tools consumed	[illegible]	[illegible]	[illegible]	[illegible]
Imported Components:				
Fuel	[illegible]	[illegible]	[illegible]	[illegible]
□tores□spare parts and loose tools consumed	[illegible]	[illegible]	[illegible]	[illegible]
Total	**30,781,157**	**100%**	**22,853,912**	**100%**

Sensitivity analysis

If US$ to Pak Rupee exchange rate fluctuates by 1% , the impact on cost of production

would have been as follow:

	2022 Rs. '000'	2021 Rs. '000'
Increase of □□ in exchange rate	[illegible]	[illegible]
□ecrease of □□ in exchange rate	([illegible])	([illegible])

□he management constantly monitors the international coal prices and exchange rates. □he management ta□es necessary and timely steps to mitigate such impacts.

FREE CASH FLOWS

	2022 Rs. '000'	2021 Rs. '000'
Net cash generated from operating activities	8,334,083	6,551,967
Capital expenditures	([illegible])	([illegible])
FCF - Total	**(7,456,411)**	**3,266,667**

Free cash flow represents the cash a company can generate after required investment to maintain or expand its asset base. It is a measurement of a company's financial performance and health.

ECONOMIC VALUE ADDED

	2022 Rs. '000'	2021 Rs. '000'
NOPAT	6,515,326	4,684,153
Less: □ □CC□Capital Invested	([illegible])	([illegible])
Economic Value Added	**5,092,666**	**3,459,595**

Economic value added (EVA) is a measure of a company's financial performance based on the residual wealth.

KEY OPERATING AND FINANCIAL DATA

FOR SIX YEARS FROM JUNE 2017 TO JUNE 2022

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quantitative Data (M. Tons)						
Cement:						
Production	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sales	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sales (Rs. 000)						
Gross Sales (Local + Export-Discount)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Less:						
Excise Duty	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sales Tax	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commission	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net Sales	48,519,622	35,538,301	29,117,734	26,005,944	25,699,113	23,992,079
Profitability (Rs. 000)						
Gross Profit/(Loss)	12,275,466	7,402,882	(699,213)	4,917,080	7,022,551	9,482,302
Profit/(Loss) Before Tax	[illegible]	[illegible]	([illegible])	[illegible]	[illegible]	[illegible]
Provision for Income Tax	([illegible])	([illegible])	[illegible]	([illegible])	([illegible])	([illegible])
Profit/(Loss) After Tax	3,626,340	6,254,109	(4,843,265)	1,465,299	3,632,201	4,777,081
Financial Position (Rs. 000)						
Tangible Fixed Assets-Net	56,784,840	44,215,539	44,297,941	46,640,664	40,894,010	23,647,663
Other Non-Current Assets	5,107,381	5,100,323	5,104,639	5,110,233	5,102,837	4,757,479
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Current Assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Current Liabilities	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])
Net Working Capital	4,128,598	5,473,968	1,293,416	42,360	777,757	2,647,600
Capital Employed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Less: Non Current Liabilities	(25,461,804)	(17,247,289)	(19,375,165)	(21,278,671)	(16,863,465)	(7,344,681)
Shareholders' Equity	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Represented By:						
Share Capital	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Reserves & Un-appropriated Profit	27,115,586	23,469,104	16,722,039	20,693,099	19,709,589	14,106,812
Surplus on Revaluation of PPE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STATEMENT OF CASH FLOWS
DIRECT METHOD

	2022	2021
	(Rupees in thousand)	
Cash flows from operating activities		
Cash receipts from customers	[illegible]	[illegible]
Cash paid to suppliers and employees	[illegible]	[illegible]
Net cash generated from operations	[illegible]	[illegible]
(Increase) / decrease in long term loans to employees	([illegible])	[illegible]
(Increase) / decrease in long term deposits to suppliers	([illegible])	([illegible])
Increase in long term deposits	-	(450)
Retirement benefits paid	(43,319)	(56,198)
Decrease in payable to Government Authority	([illegible])	([illegible])
Workers' Profit Participation Fund paid	(88,151)	-
Workers' Welfare Fund paid	([illegible])	([illegible])
Taxes paid - net of refund	(586,635)	(736,571)
Net cash generated from operating activities	[illegible]	[illegible]
Cash flows from investing activities		
Capital expenditure	([illegible])	([illegible])
Intangible assets acquired	(6,786)	-
Dividend received from the subsidiary company	-	3,514,000
Proceeds from disposal of property, plant and equipment	[illegible]	[illegible]
Short term investment	([illegible])	([illegible])
Profit on bank deposits received	22,377	13,692
Net cash (used in) / generated from investing activities	([illegible])	[illegible]
Cash flows from financing activities		
Long term loans from financial institutions - secured - net	6,898,075	1,142,825
Proceeds from / (repayments of) long term loan from subsidiary company	[illegible]	([illegible])
Short term borrowings - net	490,990	(4,121,973)
Finance cost paid	([illegible])	([illegible])
Lease rentals paid during the year	(12,425)	-
Own share purchased for cancellation	(477,778)	-
Dividend paid	([illegible])	([illegible])
Net cash generated from / (used in) financing activities	[illegible]	([illegible])
Net (decrease) / increase in cash and cash equivalents	([illegible])	[illegible]
Cash and cash equivalents at beginning of the year	[illegible]	[illegible]
Cash and cash equivalents at end of the year	([illegible])	[illegible]

RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS AND FINAL ACCOUNTS

	Interim Results						Annual Results	
	3 Months Period Ended 30-09-2021		6 Months Period Ended 31-12-2021		9 Months Period Ended 31-03-2022		Year Ended 30-06-2022	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Net Turnover	[illegible]		[illegible]		[illegible]		[illegible]	
Gross Profit	1,928,701	19.49%	5,709,144	25.83%	8,618,350	25.28%	12,275,466	25.30%
Operating Profit	1,160,898	11.73%	4,076,758	18.45%	6,248,435	18.33%	8,924,538	18.39%
Net Profit Before Tax	830,674	8.39%	3,366,484	15.23%	5,043,757	14.79%	7,183,512	14.81%
Net Profit After Tax	562,610	5.69%	2,403,519	10.88%	3,591,792	10.54%	3,626,340	7.47%
Debt Equity Ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]		[illegible]		[illegible]		[illegible]	
Current Ratio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]		[illegible]		[illegible]		[illegible]	

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

3 Months Ended September 30, 2021

Gross Profit (GP) Ratio for the 1st Quarter was [illegible] as compared to annual GP of [illegible] mainly due to the low price and retention of local grey dispatches.

Operating Profit was 11.73% as compared to [illegible] mainly due to low GP in 1st Quarter.
Net Profit Before Tax was 8.39% as compared to annual [illegible] mainly due to less GP and other income in 1st Quarter.

Net Profit After Tax was 5.69% as compared to 7.47%, due to less profit before tax on account of reasons explained above.

Debt Equity Ratio was 26:74 in first quarter as compared to [illegible] in annual, mainly due to slight increase in debt in annual results due to capital nature projects i.e. [illegible] and Line I[illegible]. However, equity increased in annual figures due to higher profits and dividend income.

Current ratio was [illegible] as compared to annual of [illegible] due to an increase in inventory because of higher coal and pet coke rates in the international market and reduction in short term borrowings in annual results.

6 Months Ended December 31, 2021

Gross Profit (GP) Ratio was 25.83% as compared to annual GP of [illegible] however coal rates were also on an increasing trend resulting in better GP[illegible] in [illegible] months as compared to 1st quarter and reducing delta from annual results.

Operating Profit was 18.45% as compared to [illegible] mainly due to low GP in half year results.

Net Profit Before Tax was 15.23% as compared to annual [illegible]. However, it was better than the 1st quarter due to increase in local sale retention and less finance cost.

Net Profit After Tax was 10.88% as compared to 7.47%, due to less profit before tax on account of reasons explained above.

Debt Equity Ratio was 26:74 in 6-month period as compared to [illegible] in annual, mainly due to slight increase in debt in annual results due to capital nature projects i.e. [illegible] and Line I[illegible]. However, equity increased in annual figures due to higher profits and dividend income.

Current ratio was [illegible] as compared to annual of [illegible] due to an increase in inventory because of higher coal and pet coke rates in the international market and reduction in short term borrowings in annual results.

9 Months Ended March 31, 2022

Gross Profit (GP) Ratio was 25.28% as compared to annual GP of [illegible] and was the best performing quarter in the year due to higher demand of cement and an uptick in local sale retention.

Operating Profit was 18.33% as compared to 18.39% in annual, due to dividend income earned from 100% owned subsidiary ML□L received in □rd quarter.

Net Profit Before Tax was 14.79% as compared to annual 14.81%, due to finance cost reduction as reliance on short term borrowing was lowered.

Net Profit After Tax was 10.54% as compared to 7.47% in annual, due to higher coke/pet coke rates in the last quarter.

□ebt Equity □atio was □□:□□ in the □ months' period□same as □□:□□ reported in annual results.

Current ratio was □.□□ as compared to annual of □.□□□due to an increase in short term borrowings in the final quarter.

EXPLANATION OF NEGATIVE CHANGE IN THE PERFORMANCE AGAINST PRIOR YEARS

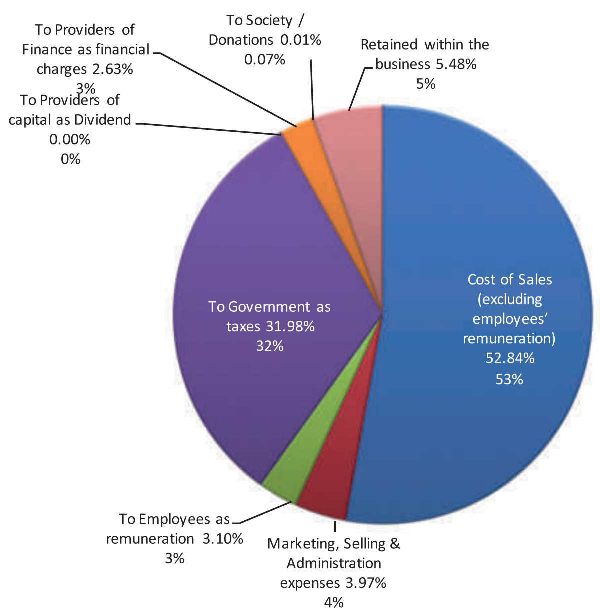
□nn□al □e□□lt□						
	□ear □nded □□□□□□□□□		□ear □nded □□□□□□□□□		□□□ □ariance	
	□□pee□ □□□□	□	□□pee□ □□□□	□	□□pee□ □□□□	□
Net Turnover	48,519,622		35,538,301		12,981,321	
Gross Profit	12,275,466	25.30%	7,402,882	20.83%	4,872,584	37.54%
Operationg Profit	8,924,538	18.39%	8,783,531	24.72%	141,007	1.09%
Net Profit Before Tax	7,183,512	14.81%	7,289,601	20.51%	(106,089)	-0.82%
Net Profit After Tax	3,626,340	7.47%	6,254,109	17.60%	(2,627,769)	-20.24%

- □verall turnover increased by □□.□□ □it includes negative volumetric growth and positive impact of increase in retention prices.
- Gross Profit increased from preceding year due to increase in local grey sales retention and reduction in pac□ing material cost.
- Net profit after tax decreased due to higher other income comparatively due to dividend.

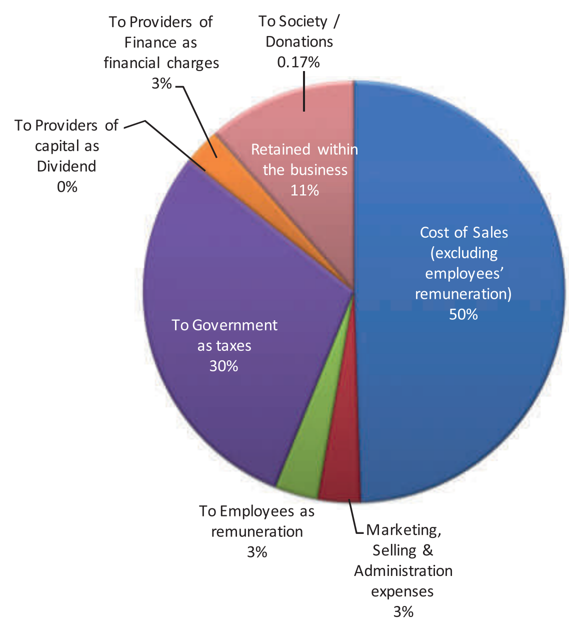
STATEMENT OF VALUE ADDED
AND HOW DISTRIBUTED

	2022		2021	
	Rs. (000)	% age	Rs. (000)	% age
Wealth Generated				
□ales net of commission	[illegible]	[illegible]	[illegible]	[illegible]
□ther □perating Income	[illegible]	[illegible]	[illegible]	[illegible]
	66,181,668	100.00%	54,374,950	100.00%
Distribution of Wealth				
Cost of □ales (excluding employees' remuneration)	[illegible]	[illegible]	[illegible]	[illegible]
Mar□eting□□elling□□dministration Expenses □ other expenses	[illegible]	[illegible]	[illegible]	[illegible]
□o Employees as □emuneration	[illegible]	[illegible]	[illegible]	[illegible]
□o Government as □axes	[illegible]	[illegible]	[illegible]	[illegible]
To Providers of Capital as Dividend	-	0.00%	-	0.00%
□o □roviders of Finance as Financial Charges	[illegible]	[illegible]	[illegible]	[illegible]
□o □ociety □□onations	[illegible]	[illegible]	[illegible]	[illegible]
□etained within the □usiness	[illegible]	[illegible]	[illegible]	[illegible]
	66,181,668	100.00%	54,374,950	100.00%

Wealth Distribution 2022

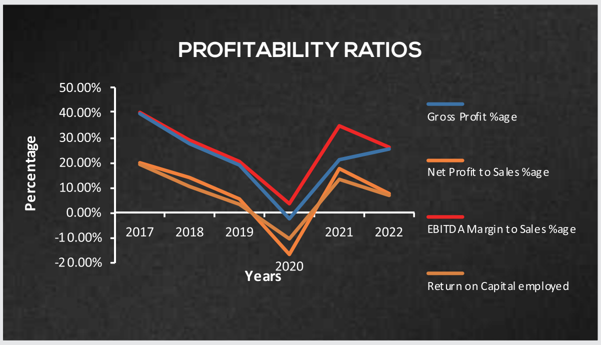


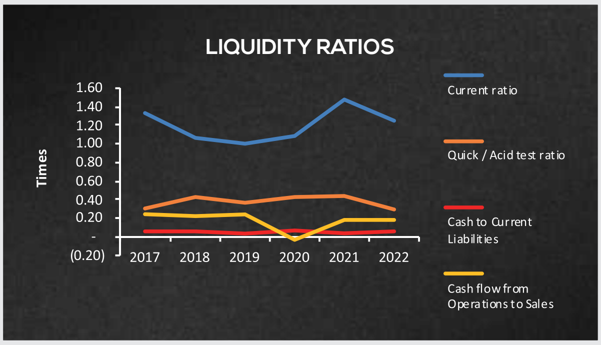
Wealth Distribution 2021

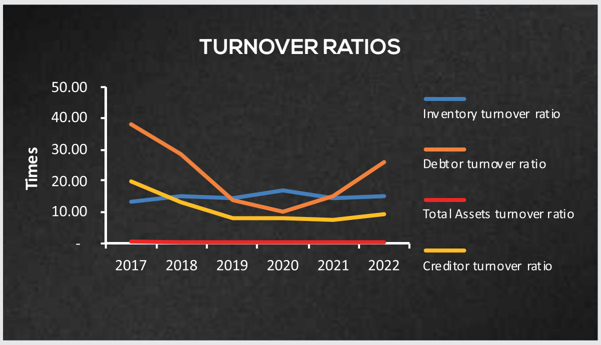


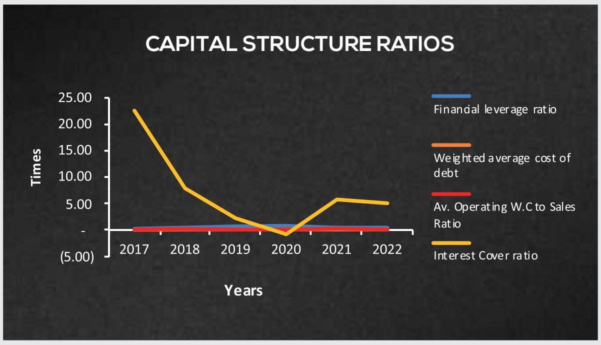
Statement of Charity	2022	2021
	Rs. (000)	Rs. (000)
Gulab Devi Chest Hospital	-	16,215
Maple CSR Initiative as per DC Office requirement	-	4,223
Auditorium at Police Public School	-	1,500
Daudkhel Police Station	-	3,500
Housing Colony Water Turbine	-	2,000
MAYO Hospital (Baby Incubator)	1,319	-
Dialysis center in AGL hospital	1,000	-
□aud □hel water supply project	[illegible]	[illegible]
Beaconhouse National University	1,358	-
Road Safety Campaign DPO Mianwali	-	150
Financial assistance for the deceased worker	600	-
Shafaullah	120	-
Local schools at Daud khel	1,482	-
Miscellaneous donations in the form of cement	-	1,959
Rescue Office 1122	-	58
	6,605	**29,677**

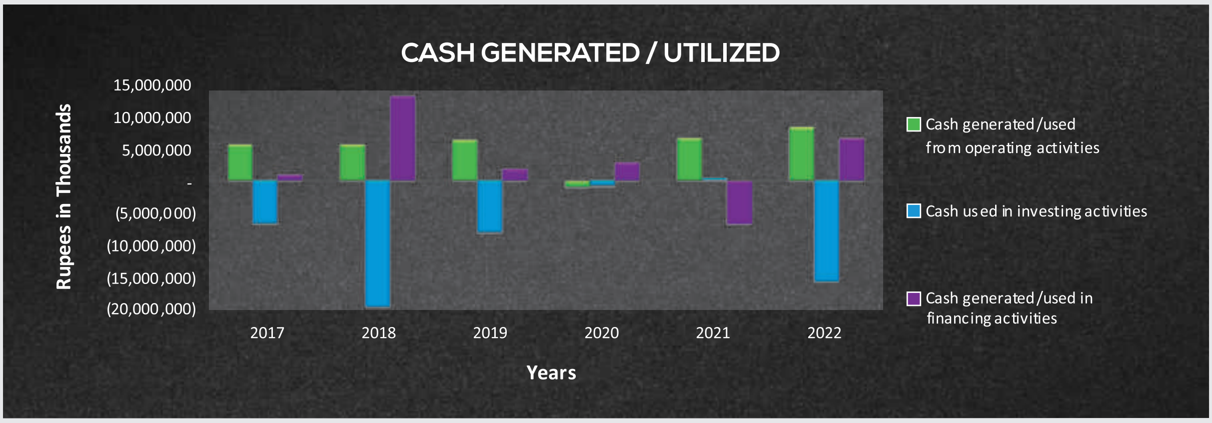
GRAPHICAL PRESENTATION -
STAKEHOLDERS' INFORMATION



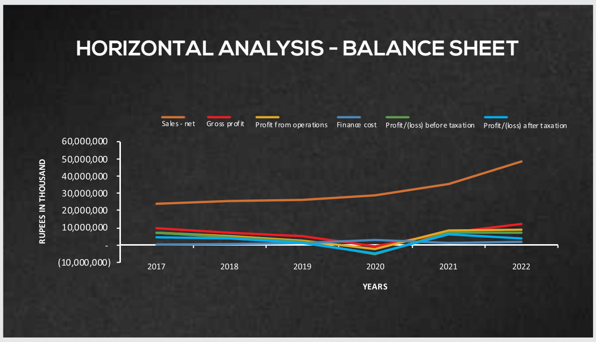


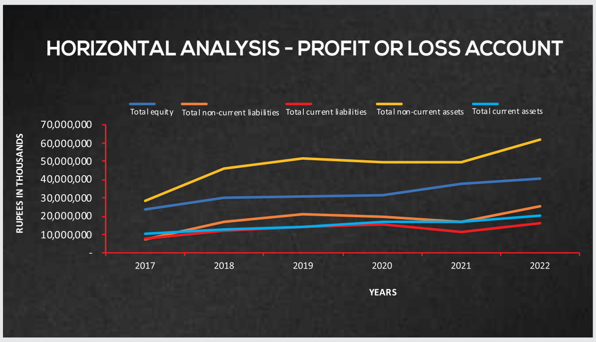


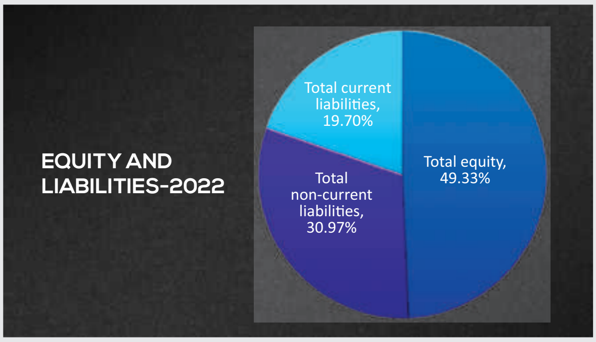


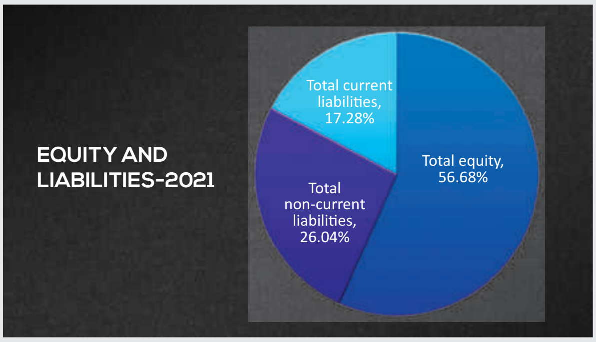


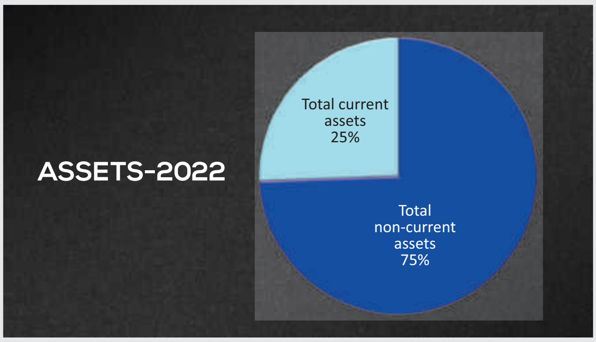
GRAPHICAL PRESENTATION -
STAKEHOLDERS' INFORMATION

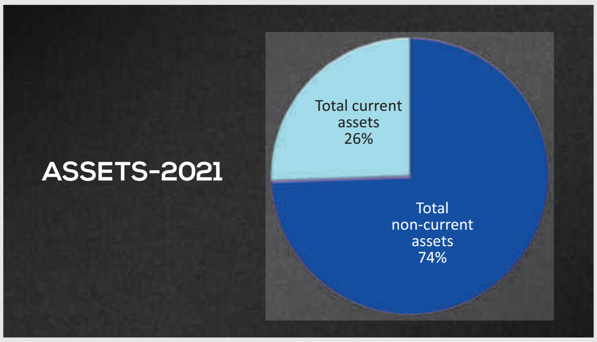


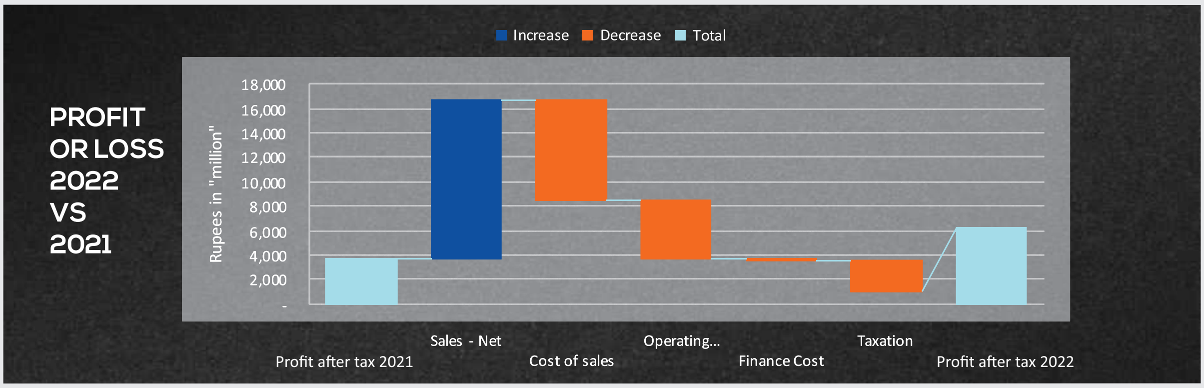












DEFINITIONS AND GLOSSARY OF TERMS

Gross Profit Ratio

The relationship of the gross profit made for a specified period and the sales or turnover achieved during that period.

Net Profit Ratio

Net profit ratio is the ratio of net profit (after taxes) to net sales.

Operating Profit Ratio

The operating profit margin ratio indicates how much profit a company makes after paying for variable costs of production.

Current Asset Ratio

The key indicator of whether you can pay your creditors on time. The relationship between current assets like cash, book debts, stock and work in progress and current liabilities like overdraft, trade and expense creditors and other current debt.

Current Ratio

A company's current assets divided by its current liabilities. This ratio gives you a sense of a company's ability to meet short-term liabilities, and is a measure of financial strength in the short term. A ratio of 1 implies adequate current assets to cover current liabilities: the higher above 1, the better.

Debt-Equity Ratio

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive earnings and steady cash flow. For comparative purposes, debt-equity ratio is most useful for companies within the same industry.

Earnings per Share (EPS)

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

Profit Margin

Determined by dividing net income by net sales during a time period and is expressed as a percentage. Net profit margin is a measure of efficiency and the higher the margin, the better. Trends in margin can be attributed to rising/falling production costs or rising/falling price of the goods sold.

Return on Assets (ROA)

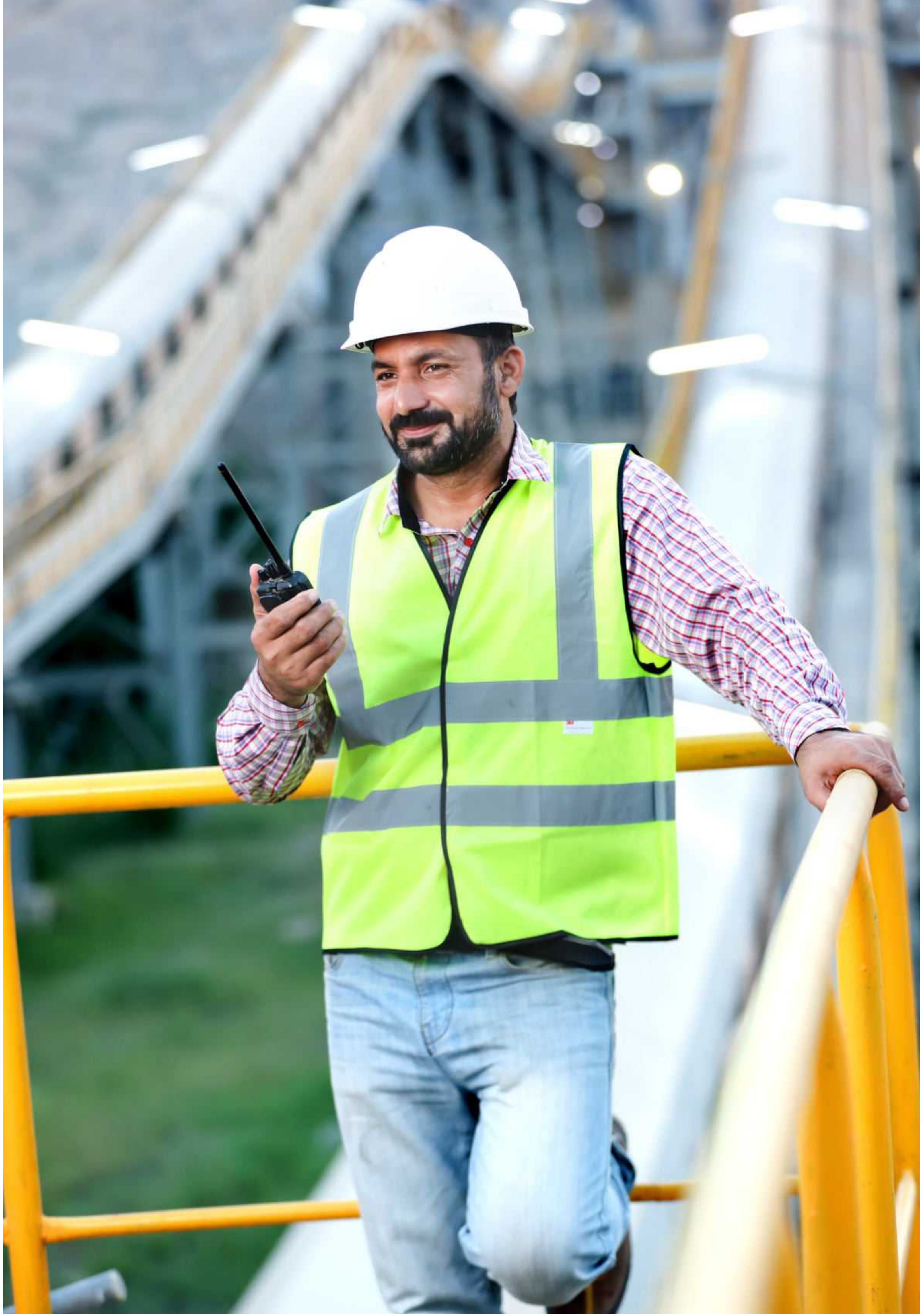
The amount of profits earned (before interest and taxes), expressed as a percentage of total assets. This is a widely followed measure of profitability, thus the higher the number the better. As long as a company's ROA exceeds its interest rate on borrowing, it's said to have positive financial leverage.

Return on Equity (ROE)

A percentage that indicates how well common stockholders' invested money is being used. The percentage is the result of dividing net earnings by common stockholders' equity. The ROE is used for measuring growth and profitability. You can compare a company's ROE to the ROE of its industry to determine how a company is doing compared to its competition.

Return on Investment (ROI)

Also known as return on invested capital (ROIC). ROI is a measure of how well management has used the company's resources. ROI is calculated by dividing earnings by total assets. It is a broader measure than return on equity (ROE) because assets include debt as well as equity. It is useful to compare a company's ROI with others in the same industry.



PATTERN OF
SHAREHOLDING

CUIN (Incorporation Number)	0001107
1.1 Name of the Company	MAPLE LEAF CEMENT FACTORY LIMITED
2.1 Pattern of holding of the shares held by the shareholders as at	30-06-2022

2.2 No. of Shareholders	Shareholdings From	Shareholdings To	Total shares held
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2.2 No. of Shareholders	Shareholdings From	To	Total shares held
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2.2 No. of Shareholders	Shareholdings		Total shares held
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15,382			1,098,346,232

Note.The Slabs not applicable above have not been shown.

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, CEO and their spouses & minor children		
Mr. Tariq Sayeed Saigol - Chairman	32,428	0.0030
Mr. Sayeed Tariq Saigol - Chief Executive	10,729	0.0010
Mr. Taufique Sayeed Saigol	15,934	0.0015
Mr. □aleed □ariq □aigol	[illegible]	[illegible]
Mr. Danial Taufique Saigol	5,202	0.0005
Ms. □ahanara □aigol	[illegible]	[illegible]
Mr. Shafiq Ahmed Khan	15,608	0.0014
Mr. Zulfikar Monnoo	3,000	0.0003
Mrs. Shehla Tariq Saigol - Spouse of Mr. Tariq Sayeed Saigol	179,919	0.0164
	[illegible]	[illegible]
2.3.2 Associated Companies, undertakings and related parties		
□ohinoor □extile Mills Limited	[illegible]	[illegible]
Maple Leaf Capital Limited	[illegible]	[illegible]
	[illegible]	[illegible]
2.3.3 NIT and IDBP		
National Bank of Pakistan, Trustee Deptt.	13,097	0.0012
Industrial □evelopment □an□ of □a□istan (I□□□)	[illegible]	[illegible]
	[illegible]	[illegible]
2.3.4 Banks, Development Financial Institutions, Non-banking Financial Institutions	[illegible]	[illegible]
2.3.5 Insurance Companies	[illegible]	[illegible]
2.3.6 Modarabas and Mutual Funds	[illegible]	[illegible]
2.3.7 Shareholders holding 10%		
Refer to 2.3.2 above	-	-
2.3.8 General Public		
a. Local	[illegible]	[illegible]
b. Foreign	[illegible]	[illegible]

2.3 Categories of Shareholders	Shares Held	Percentage

2.3.9 Others

ARTAL RESTAURANT INT LTD. EMP. P.F	500
TRUSTEE ARTAL RESTAURANTS INTS EMP. P.F	1,000
GADITEK ASSOCIATES EMPLOYEES PROVIDENT FUND TRUST	23,800
PAKISTAN HERALD PUBLICATIONS (PVT) LTD. STAFF PENSION FUND	6,000
WAH NOBEL (PRIVATE) LIMITED MANAGEMENT STAFF PENSION FUND	20,000
TRUSTEE-ANPL MAN STAFF DEFINED CONTRIBUTIO SUPERANNUATION FD	12,000
TRUSTEE-ANPL MANAGEMENT STAFF PENSION FUND	15,500
TRUSTEE-ANPL MANAGEMENT STAFF GRATUITY FUND	15,600
TRUSTEE-ANPL MANAGEMENT STAFF PROVIDENT FUND	16,400
TRUSTEE LEVER BROTHERS EMPLOYEES	5,000
TRUSTEE-AZAN WELFARE TRUST	10,000
HAMID ADAMJEE TRUST	8,000
TRUSTEES OF PHILIP MORRIS (PAKISTAN) LIMITED EMPL G.F TRUST	225,000
TRUSTEES OF PHILIP MORRIS (PAKISTAN) LIMITED E.C.P.F TRUST	200,000
TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	104,062
TRUSTEES S.M.SOHAIL TRUST	36,999
TRUSTEES OF UBL FUND MNGRS LTD AND ASSOCIATED COYS E.G.FUND	8,100
TRUSTEES OF UBL FUND MNGRS LTD AND ASSOCIATED COYS E.P.FUND	1,085
TRUSTEE ABL ASSET MANAGEMENT CO LTD-STAFF PROVIDENT FUND	65,000
TRUSTEES OF THE GENERAL TYRE & RUBBER CO. - LOCAL STAFF P.F.	40,000
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	213,391
TRUSTEES THE GENERAL TYRE&RUBBER CO OF PAKISTAN LTD EMPL G.F	31,000
TRUSTEES OF CRESENT STEEL & ALLIED PRODUCTS LTD-PENSION FUND	27,256
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	7,488
TRUSTEES OF HAMDARD LABORATORIES (WAQF) PAKISTAN.	5,795,000
TRUSTEES D.G.KHAN CEMENT CO.LTD.EMP. P.F	139,568
MANAGING COMMITTEE GHAZALI EDUCATION TRUST	440
TRUSTEES NESTLE PAKISTAN LIMITED EMPLOYEES PENSION FUND	45,000
TRUSTEES NESTLE PAKISTAN LTD EMPLOYEES PROVIDENT FUND	162,362
TRUSTEES NESTLE PAKISTAN LTD EMPLOYEES GRATUITY FUND	30,000
TRUSTEE CHERAT CEMENT CO. LTD EMPLOYEES PROVIDENT FUND	30
TRUSTEE CHERAT CEMENT COMPANY LTD STAFF GRATUITY FUND	4,374
HAMID ADAMJEE TRUST	26,200
TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEES P.FUND	7,200
SSGC LPG (PVT.) LTD.-EMPLOYEES GRATUITY FUND	6,000
TRUSTEE KARACHI PARSI ANJUMAN TRUST FUND	7,399
DADABHOY FOUNDATION	200,000
GHANI GASES EMPLOYEES PROVIDENT FUND	10,000
HABIB EDUCATION TRUST STAFF PROVIDENT FUND	19,077
ALI GOHAR & COMPANY (PRIVATE) LIMITED STAFF PROVIDENT FUND	16,000
□rustees of □arachi □heraton □otel Employees □rovident Fund	[illegible]
GETZ PHARMA (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	64,000
□rustees of □a□istan □uman □evelopment Fund	[illegible]
□a□istan □uman □evelopment Fund	[illegible]
ESSITY PAKISTAN LIMITED EMPLOYEES GRATUITY FUND	2,350
ESSITY PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	4,000
BVA (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	8,200
Chevron □a□istan Lubricants (□vt.) Ltd. E□F	[illegible]
THE CRESCENT TEXTILE MILLS LTD EMPLOYEES PROVIDENT FUND	25

2.3 Categories of Shareholders	Shares Held	Percentage

2.3.9 Others

TRUSTEE PAKISTAN PETROLEUM SENOIR PROVIDENT FUND	209,124	
TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF PENSION FUND	221,000	
TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND	89,600	
TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	100,700	
TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND	560,302	
TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	67,400	
TRUSTEES PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	306,250	
TRUSTEE PAKISTAN PETROLEUM NON EXECUTIVE STAFF GRATUITY FUND	402,500	
TRUSTEE PAKISTAN PETROLEUM NON EXECUTIVE STAFF PENSION FUND	1,084,000	
TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	468,000	
TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND	566,000	
TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND	2,025,000	
PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND (DC SHARIAH)	560,000	
TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL	176,419	
PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND-DC SHARIAH	122,500	
TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL	48,700	
I□C □a□istan (□rivate) Limited Employees □rovident Fund□rust	[illegible]	
NOVARTIS PHARMA PAKISTAN LIMITED SENIOR PROVIDENT FUND	39,000	
THAL LIMITED EMPLOYEES RETIREMENT BENEFIT FUND	6,774	
THAL LIMITED EMPLOYEES PROVIDENT FUND	73,074	
BYCO PETROLEUM PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	51,199	
ENGRO CORPORATION LIMITED PROVIDENT FUND	161,849	
HILAL GROUP EMPLOYEES PROVIDENT FUND	20,000	
WELLCOME PAKISTAN LIMITED PROVIDENT FUND	144,099	
Bristol-Myers Squibb Pak (Pvt) Ltd Emp Prov Fund	11,974	
PAKISTAN TELECOMMUNICATION EMPLOYEES TRUST	363,000	
ENGRO FERTILIZERS LIMITED NON-MPT EMPLOYEES GRATUITY FUND	29,099	
FATIMA FERT LIMITED WORKERS GRATUITY FUND	5,000	
GHANI GLASS LIMITED EMPLOYEES PROVIDENT FUND	20,000	
FATIMA FERT LIMITED MANAGEMENT STAFF PROVIDENT FUND	75,000	
THE CRESCENT TEXTILE MILLS LTD EMPLOYEES PROVIDENT FUND	24,500	
CMPAK LIMITED STAFF PROVIDENT FUND	152,000	
AGRIAUTO INDUSTRIES LIMITED EMPLOYEES PROVIDENT FUND	17,500	
ICI PAKISTAN MANAGEMENT STAF PROVIDENT FUND	34,500	
NETSOL EMPLOYEES PROVIDENT FUND TRUST	200,000	
ABBOTT LABORATORIES (PAKISTAN) LIMITED STAFF PENSION FUND	168,000	
ABBOTT LABORATORIES (PAKISTAN) LIMITED STAFF PROVIDENT FUND	52,500	
TRUSTEE-MILLAT TRACTORS LTD. EMPLOYEES PENSION FUND	52,500	
TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PROVIDENT FUND	31,500	
TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PENSION FUND	97,000	
TRUSTEE- GUL AHMED TEXTILE MILLS LTD. EMP. PROVIDENT FUND	45,000	
CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	130,623	
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	374,399	
CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	1,000,000	
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	1,367,000	
CDC - TRUSTEE AGIPF EQUITY SUB-FUND	41,924	
CDC - TRUSTEE AGPF EQUITY SUB-FUND	22,945	
CDC - TRUSTEE FAYSAL ISLAMIC PENSION FUND-EQUITY SUB FUND	10,500	
	[illegible]	[illegible]
□ rand □otal□□	[illegible]	[illegible]

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, 2022

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road,
Lahore 54000 Pakistan
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 9907

INDEPENDENT AUDITOR'S REPORT

To the members of Maple Leaf Cement Factory Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Maple Leaf Cement Factory Limited** ("the Company"), which comprise the unconsolidated statement of financial position as at 30 June 2022, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1	**Revenue** Refer to notes 3.13 and 35 to the unconsolidated financial statements. The Company recognized revenue of Rs. 48.51 billion from the sale of cement to domestic as well as foreign customers during the year ended 30 June 2022. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the control.	Our audit procedures included the following: • Obtaining an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of key internal controls; • assessing whether the accounting policies for revenue recognition complies with the requirements of accounting and reporting standards as applicable in Pakistan; • comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, outward gate passes and other relevant underlying documents; • comparing, on a sample basis, specific revenue transactions recorded just before and just after the financial year end date to determine whether revenue has been recognized in the appropriate accounting period; • comparing for any manual journal entries relating to revenue recognized during the year which were considered to be material or met other specific risk-based criteria with the underlying documentation; and • assessing the adequacy of presentation and disclosures related to the revenue as required under the accounting and reporting standards as applicable in Pakistan.
2	**Capital Work in Progress** Refer to notes 3.4.1 and 20.2 to the unconsolidated financial statements. The Company has made significant capital expenditure on expansion of manufacturing facilities. We identified additions to capital work in progress as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria.	Our audit procedures to assess the additions in capital work in progress included the following: • Obtaining an understanding of the process relating to recording of transactions as part of capital work in progress and testing the design, implementation and operating effectiveness of key internal controls; • testing, on a 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 and reporting standards; • assessing the adequacy of presentation and disclosures as required under the accounting and reporting standards as applicable in Pakistan; and • assessing whether the accounting policies for recording of transactions as part of capital work in progress complies with the requirements of accounting and reporting standards as applicable in Pakistan.

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 2022 but does not include the unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

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

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) No Zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is M. Rehan Chughtai.

Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 02 September 2022

UDIN: AR2022101838TKbzG2Rd

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	5	15,000,000	15,000,000
Issued, subscribed and paid-up share capital	5	10,983,462	10,983,462
Capital reserves	6	6,092,384	6,588,813
Accumulated profits		21,023,202	16,880,291
Surplus on revaluation of fixed assets - net of tax	7	2,459,967	3,089,975
		40,559,015	37,542,541
NON - CURRENT LIABILITIES			
Long term loans from financial institutions - secured	8	16,747,868	11,636,749
Deferred grant	9	786,758	49,569
Long term loan from subsidiary company	10	2,000,000	1,000,000
Long term liability against right of use asset	11	27,136	-
Deferred taxation	12	5,656,499	3,889,907
Retention money payable	13	-	391,694
Payable to government authority	14	-	42,890
Retirement benefits	15	235,329	228,266
Long term deposits		8,214	8,214
		25,461,804	17,247,289
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institutions - secured	8	2,619,800	1,704,612
- Deferred grant	9	184,576	49,997
- Liability against right of use assets	11	6,837	-
Trade and other payables	16	9,117,414	7,511,637
Unclaimed dividend		27,569	28,134
Mark-up accrued on borrowings	17	665,122	260,953
Short term borrowings	18	3,572,073	1,894,115
		16,193,391	11,449,448
CONTINGENCIES AND COMMITMENTS	19		
		82,214,210	66,239,278

The annexed notes from 1 to 56 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

	Note	2022	2021
		(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	20	56,784,840	44,215,539
Intangible assets	21	10,415	6,017
Long term investment	22	5,020,000	5,020,000
Long term loans to employees - secured	23	19,366	17,004
Long term deposits	24	57,600	57,302
		61,892,221	49,315,862
CURRENT ASSETS			
Stores, spare parts and loose tools	25	12,853,605	9,738,717
Stock-in-trade	26	2,695,621	2,150,183
Trade debts	27	2,066,212	1,679,704
Loans and advances	28	594,906	481,492
Short term investment	29	198,346	149,148
Short term deposits and prepayments	30	542,588	225,040
Accrued profit	31	7,075	6,061
Other receivables	32	52,261	165,835
Advance income tax - net of provision	33	517,799	1,836,907
Cash and bank balances	34	793,576	490,329
		20,321,989	16,923,416
		82,214,210	66,239,278

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
Sales - net	35	48,519,622	35,538,301
Cost of sales	36	(36,244,156)	(28,135,419)
Gross profit		12,275,466	7,402,882
Distribution cost	37	(1,483,876)	(1,013,852)
Administrative expenses	38	(971,453)	(813,489)
Other charges	39	(952,200)	(524,142)
		(3,407,529)	(2,351,483)
Other income	40	56,601	3,732,132
Profit from operations		8,924,538	8,783,531
Finance cost	41	(1,741,026)	(1,493,930)
Profit before taxation		7,183,512	7,289,601
Taxation	42	(3,557,172)	(1,035,492)
Profit after taxation		3,626,340	6,254,109
		---------------Rupees-----------------	
Earnings per share - basic and diluted	43	3.30	5.69

The annexed notes from 1 to 56 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, 2022

	Note	2022	2021
		(Rupees in thousand)	
Profit after taxation		3,626,340	6,254,109
Other comprehensive income			
Items that will not be subsequently reclassified to statement of profit or loss:			
Remeasurement of defined benefit liability	15.2.3	1,726	(27,456)
Related tax		(557)	7,832
		1,169	(19,624)
Total comprehensive income for the year		3,627,509	6,234,485

The annexed notes from 1 to 56 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, 2022

	Note	2022	2021
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		7,183,512	7,289,601
Adjustments for:			
Depreciation	20.1.8	3,231,589	3,284,696
Amortization	21.1	2,388	3,006
Provision for expected credit loss	27.1	50,049	112,703
Bad debts written off	39	159,871	46,355
Advances written off	38	9,209	18,335
Provision for Workers' Profit Participation Fund	39	376,250	202,997
Provision for Workers' Welfare Fund	39	92,486	81,360
Loss on disposal of property, plant and equipment	39	3,043	29,890
FV gain on discounting of payable to government authority	40	-	(31,008)
Loss / (gain) on re-measurement of short term investments at fair value	29	25,802	(29,403)
Notional interest on unwinding of retention money payable	41	27,828	25,625
Notional interest on unwinding of payable to government authority	41	9,871	20,920
Retirement benefits	15.6	57,340	42,056
Profit on bank deposits	40	(23,391)	(17,349)
Dividend income from wholly owned subsidiary	40	-	(3,514,000)
Finance cost	41	1,703,327	1,447,385
Cash generated from operations before working capital changes		12,909,174	9,013,169
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(3,114,888)	(1,343,107)
Stock-in-trade		(545,438)	(370,779)
Trade debts		(596,428)	1,213,368
Loans and advances		(122,623)	(85,357)
Short term deposits and prepayments		(317,548)	(48,939)
Other receivables		113,574	(130,579)
		(4,583,351)	(765,393)
Increase / (decrease) in current liabilities			
Trade and other payables		775,175	(838,875)
		(3,808,176)	(1,604,268)
Net cash generated from operations		9,100,998	7,408,901
(Increase) / decrease in long term loans to employees		(2,362)	2,192
Increase in long term deposits to suppliers		(298)	(882)
Increase in long term deposits		-	(450)
Retirement benefits paid		(43,319)	(56,198)
Decrease in payable to Government Authority		(22,965)	(64,864)
Workers' Profit Participation Fund paid		(88,151)	-
Workers' Welfare Fund paid		(23,185)	(161)
Taxes paid - net of refund		(586,635)	(736,571)
Net cash generated from operating activities		8,334,083	6,551,967
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(15,790,494)	(3,285,300)
Intangible assets acquired		(6,786)	-
Dividend received from the subsidiary company		-	3,514,000
Proceeds from disposal of property, plant and equipment		30,583	53,115
Short term investment	29	(75,000)	(44,500)
Profit on bank deposits received		22,377	13,692
Net cash (used in) / generated from investing activities		(15,819,320)	251,007
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans from financial institutions - secured - net		6,898,075	1,142,825
Proceeds from / (repayments of) long term loan from subsidiary company		1,000,000	(2,000,000)
Short term borrowings - net	18	490,990	(4,121,973)
Finance cost paid		(1,296,781)	(1,733,621)
Lease rentals paid during the year		(12,425)	-
Own shares purchased for cancellation	6	(477,778)	-
Dividend paid		(565)	(19,919)
Net cash generated from / (used in) financing activities	51	6,601,516	(6,732,688)
Net (decrease) / increase in cash and cash equivalents		(883,721)	70,286
Cash and cash equivalents at beginning of the year		279,802	209,516
Cash and cash equivalents at end of the year	44	(603,919)	279,802

The annexed notes from 1 to 56 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, 2022

	Share Capital	Capital Reserves					Revenue Reserves	Total Equity
		Share premium	Capital redemption reserve	Own shares purchased for cancellation	Sub-total	Surplus on revaluation of fixed assets - net of tax	Accumulated profits	
	(Rupees in thousand)							
As at 30 June 2020	10,983,462	6,060,550	528,263	-	6,588,813	3,615,330	10,133,226	31,320,831
Total comprehensive income for the year								
Profit for the year ended 30 June 2021	-	-	-	-	-	-	6,254,109	6,254,109
Other comprehensive income for the year ended 30 June 2021	-	-	-	-	-	-	(19,624)	(19,624)
	-	-	-	-	-	-	6,234,485	6,234,485
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	(512,498)	512,498	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	(82)	82	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	-	(12,775)	-	(12,775)
Balance as at 30 June 2021	10,983,462	6,060,550	528,263	-	6,588,813	3,089,975	16,880,291	37,542,541
Total comprehensive income for the year								
Profit for the year ended 30 June 2022	-	-	-	-	-	-	3,626,340	3,626,340
Other comprehensive income for the year ended 30 June 2022	-	-	-	-	-	-	1,169	1,169
	-	-	-	-	-	-	3,627,509	3,627,509
Own shares purchased during the year for cancellation (note 6.3)	-	-	-	(496,429)	(496,429)	-	-	(496,429)
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	(513,416)	513,416	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	(1,986)	1,986	-
Effect of change in effective tax rate	-	-	-	-	-	(114,606)	-	(114,606)
Balance as at 30 June 2022	10,983,462	6,060,550	528,263	(496,429)	6,092,384	2,459,967	21,023,202	40,559,015

The annexed notes from 1 to 56 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, 2022

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").

The Company is in the process of setting up Grey cement manufacturing Line-IV with production capacity of 7,000 metric tons per day having expected cost of Rs. 20 billion.

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:

	2022	2021
	(Direct holding percentage)	
Subsidiary Company		
Maple Leaf Power Limited	100	100

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 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 Company's registered office is located at 42 - Lawrence Road, Lahore. The principal objective of the 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.

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.

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

2.5 Use of estimates and judgments

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are applied 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 annually by considering expected pattern of economic benefit that the Company expects to derive from the item and the maximum period up to which such benefits are expected to be available. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

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 Expected credit loss (ECL) against trade debts, deposits, loans and other receivables

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment on financial assets other than trade debts has been measured on 12 - months expected loss basis and reflects the short maturities of the exposure.

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.

The Company also operates approved unfunded accumulated compensated absences benefit scheme covering all its full time permanent employees. 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. Accumulated compensated absences 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 and the related actuarial gain/ loss. Calculations are sensitive to changes in the underlying assumptions.

2.5.6 Recoverable amount of assets / cash generating unit and impairment

The management of the Company reviews carrying amounts of its assets 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

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.5.9 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 reporting date.

2.5.10 Revaluation of property, plant and equipment

Revaluation of certain classes 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 current 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 unconsolidated financial statements:

3.1 Employee benefits

Defined contribution plan

The Company operates a defined contributory approved Provident Fund Trust for all its employees. Equal monthly contributions are made both by the Company and employees at the rate of 10% of the basic salary to the Provident Fund Trust. Obligation for contributions to defined contribution plan is expensed as the related service is provided.

Defined benefit plan

The Company operates approved funded gratuity scheme for all its full time permanent workers who have completed the minimum qualifying period of service 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 for valuation. The latest valuation was carried out at 30 June 2022. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in unconsolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in unconsolidated statement of profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Liability for employees' compensated absences - other long term benefits

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provision to cover the obligations is made using the current salary level of employees. The unutilized leaves are accumulated subject to a maximum of 90 days. The unutilized accumulated leaves can be enchased at the time the employee leaves. The Company uses the actuarial valuations carried out using the projected unit credit method for valuation of its accumulated compensating absences. The latest valuation was carried out on 30 June 2022. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to the statement of profit or loss. The amount recognized in the statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the statement of profit or loss immediately in the period when these occur.

3.2 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 other comprehensive income or equity.

3.3 Leases

The Company is the lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At initial recognition, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the unconsolidated statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

3.4 Property, plant and equipment

3.4.1 Tangible assets

Owned

Tangible assets except freehold land, buildings on freehold land, roads, bridges and railway sidings and plant and machinery are stated at cost less accumulated depreciation and impairment in value, if any. Buildings on freehold land, roads, bridges and railway sidings and plant and machinery are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses while freehold land is stated at revalued amount being the fair value at the date of revaluation, less any subsequent impairment losses, if any. Surplus on revaluation is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses, if any.

The surplus on revaluation of fixed assets to the extent of the annual incremental depreciation based on the revalued carrying amount of the asset is transferred annually to retained earnings net of related deferred tax. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of fixed assets account are net of applicable deferred income tax.

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the 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 unconsolidated 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 20.1 on reducing balance method except that straight-line method is used for certain assets of plant and machinery and buildings after deducting residual value. Depreciation on additions to property, plant and equipment is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

Increase in the carrying amounts arising on revaluation of land, building, road bridges and railway sidings and plant and machinery is recognized, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

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

3.4.2 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.

3.5 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.

3.6 Stores, spare parts and loose tools

These are stated at weighted average cost less provision for obsolescence if any. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

3.7 Stock-in-trade

Stocks are valued at the lower of cost and net realizable value. Cost is determined as follows:

Raw material	at weighted average cost
Packing material	at weighted average cost
Work in process	at weighted average manufacturing cost
Finished goods	at weighted average manufacturing cost

Average manufacturing cost in relation to work in process and finished goods consists of direct material, 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.

3.8 Financial instruments

3.8.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

3.8.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, loan to employees, accrued profit, term deposit receipts, trade debts and other receivables.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss account. Short term investment in listed equities is classified as fair value through profit or loss at the reporting date.

Financial assets - Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

Financial liabilities comprise trade and other payables, long term loan from subsidiary, long term loans from financial institutions (including current portion), markup accrued on borrowings, unclaimed dividend, retention money payable, long term deposits and short term borrowings.

3.8.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

3.9 Trade Debts

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

3.10 Impairment

Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

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

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

3.11 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention and ability to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.12 Cash and cash equivalents

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

3.13 Revenue recognition

Revenue from contracts with customers is recognized, when control of goods is transferred to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods excluding sales taxes and trade discounts. Specific revenue and other income recognition policies are as follows:

3.13.1 Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer which on the basis of current agreement with majority of the customers, is when the goods are dispatched to customers and in very few cases when goods are delivered to the customers, in case of local sales. Further in case of export sale, control is transferred when goods are shipped to the customers or received at customer's country port.

3.13.2 Dividends

Dividend income is recognized when the Company's right to receive the dividend is established.

3.13.3 Interest income

Interest income is recognized as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

3.14 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

3.15 Foreign currency translations

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pak Rupees at exchange rates prevailing on the statement of financial position date. All exchange differences are charged to unconsolidated statement of profit or loss.

3.16 Borrowings

All borrowings are recorded at the proceeds received. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to unconsolidated statement of profit or loss in the period in which these are incurred.

3.17 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

3.18 Earnings per share (EPS)

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

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

3.19 Dividend to ordinary shareholders

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

3.20 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost representing the fair value of consideration received less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at original cost less subsequent repayments, while the difference between the original recognized amounts (as reduced by periodic payments) and redemption value is recognized in the unconsolidated statement of profit or loss over the period of borrowings on an effective rate basis. The borrowing cost on qualifying asset is included in the cost of related asset.

3.21 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.22 Contingent liabilities

A contingent liability is disclosed when:

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

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

3.23 Government Grant

The Company follows deferral method of accounting for government grant related to subsidized long term loan. Government grant is initially recognized as deferred grant and measured as the difference between the initial carrying value of the long term loan recorded at market rate (i.e. fair value of the long term loan in this case) and the proceeds of subsidized long term loan received. In subsequent years, the grant is recognized in statement of profit or loss, in line with the recognition of interest expenses the grant is compensating and is presented as a reduction of related interest expense.

3.24 Own shares purchased for cancellation

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as own shares purchased for cancellation and are presented in the statement of changes in equity as a separate reserve.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

4.1 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 January 2022:

_ Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022

_ IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

_ IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

_ IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This amendment enables the fair value measurement of biological assets on a post-tax basis.

_ Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc. are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

_ Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022.

_ Classification of liabilities as current or non-current (Amendments to IAS 1) apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period.

  An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

_ Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  - equiring companies to disclose their material accounting policies rather than their significant accounting policies;

  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

_ Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

_ Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

_ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments, interpretations or improvements are likely to have no impact on the Company's unconsolidated financial statements.

5. SHARE CAPITAL

5.1 Authorised share capital

	Number of shares	2022	2021
		(Rupees in thousand)	
(2021: 1,400,000,000) ordinary shares of Rs. 10 each	1,400,000,000	14,000,000	14,000,000
(2021: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each	100,000,000	1,000,000	1,000,000
	1,500,000,000	15,000,000	15,000,000

5.2 Issued, subscribed and paid-up share capital

Number of shares	Note	Number of shares	2022	2021
			(Rupees in thousand)	
(2021: 860,972,162) ordinary shares of Rs. 10 each fully paid in cash	5.2.1	860,972,162	8,609,721	8,609,721
(2021: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	5.2.2	35,834,100	358,341	358,341
(2021: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		46,069,400	460,694	460,694
(2021: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.2.3	153,846,153	1,538,462	1,538,462
(2021: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	5.2.4	1,624,417	16,244	16,244
		1,098,346,232	10,983,462	10,983,462

5.2.1 During the financial year ended 30 June 2020, the Company issued 504,645,556 ordinary shares at the rate of Rs. 12 per share (including share premium of Rs.2 per share). The same was approved by Board of Directors ("the Board") and shareholders in their meeting held on 19 September 2019 and 26 October 2019 respectively.

5.2.2 During the financial year 1992, pursuant to merger of White Cement Industries Limited and Pak Cement Capital Limited with and into the Company, the Company issued 3,503,000 ordinary shares at the rate of Rs. 10 each to the shareholders of White Cement Industries Limited and 6,487,100 ordinary shares at the rate of Rs. 10 each to the shareholders of Pak Cement Company Limited respectively. Further, during financial year 2001, pursuant to merger of Maple Leaf Electric Company Limited with and into the Company, the Company issued 25,844,000 ordinary shares at the rate of Rs. 10 each to the shareholders of Maple Leaf Electric Company Limited. The shares were issued in accordance with the schemes of merger approved by the share holders of the Company.

5.2.3 During the financial year ended 30 June 2011, the Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.

5.2.4 During the financial years ended 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 606,497,944 (2021: 606,497,944) ordinary shares, which represents 55.22% (2021: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Company.

5.4 Directors of the Company hold 98,730 (2021: 96,706) ordinary shares of Rs. 10 each of the Company.

6. CAPITAL RESERVES

	Note	2022	2021
		(Rupees in thousand)	
Capital redemption reserve	6.1	528,263	528,263
Share premium reserve	6.2	6,060,550	6,060,550
Own shares purchased for cancellation	6.3	(496,429)	-
		6,092,384	6,588,813

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

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

6.3 This represents 18.545 million ordinary shares purchased by the Company during the year, for the purpose of cancellation, from 26 May 2022 to 30 June 2022 at market price prevailing at the date of purchase. The purchase was made pursuant to the approvals of Board of Directors and the Shareholders of the Company in their meeting held on 19 April 2022 and 17 May 2022 respectively, where the Company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 25 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from 26 May 2022 to 15 August 2022. Subsequent to the year end, the Company has purchased remaining 6.454 million issued ordinary shares and cancelled the entire 25 million issued ordinary shares.

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

	2022	2021
	(Rupees in thousand)	
At beginning of the year	4,175,634	4,892,797
Surplus on disposal of fixed assets during the year - net of deferred tax	(1,986)	(82)
Related deferred tax liability	(786)	(33)
Transfer to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(513,416)	(512,498)
Related deferred tax liability	(203,298)	(204,550)
At end of the year	3,456,148	4,175,634

	2022	2021
	(Rupees in thousand)	
Deferred tax liability on revaluation surplus		
At beginning of the year	1,085,659	1,277,467
Transferred to unappropriated profit in respect of disposal of fixed assets during the year	(786)	(33)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(203,298)	(204,550)
Effect of change in effective tax rate	114,606	12,775
At end of the year	996,181	1,085,659
	2,459,967	3,089,975

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 30 June 2020. The basis of revaluation for items of these fixed assets were as follows:

Freehold land

Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well.

Buildings on freehold land, roads, bridges and railway sidings

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery

Suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance.

8. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Sanctioned Limit	2022	2021	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		--------- Rupees in '000'	---------				
1	Askari Bank Limited - Term Finance	707,130	636,416	707,130	18 equal quarterly installments starting from 28 September 2022.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, from 1st drawdown to be set on last business day before first draw down and then on immediately preceding day of each quarter.	1st Joint Pari Passu charge of Rs. 1,333.33 million over fixed assets of the Company inclusive of 25% margin as below: - Hypothecation charge over all present and future plant and machinery of the Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.
□	Bank of Punjab - Demand Finance	1,253,119	1,190,463	1,253,119	19 equal quarterly installments starting from 27 August 2022.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	Ist Joint Pari Passu charge of Rs. 7,903 million over all present and future fixed assets of the Company with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
3	MCB Bank Limited - Demand Finance	1,451,920	889,149	1,367,920	13 equal quarterly installments starting from 22 March 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each quarter.	Ist Joint Pari Passu charge of Rs. 38,051 million (MCB Share Rs. 4,500 million) over all present and future fixed assets of the Company.
4	National Bank of Pakistan - Demand Finance	5,500,000	2,565,714	2,994,285	18 equal quarterly installments starting from 01 July 2022.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last business day before first draw down and then on immediately preceding day of each calendar quarter.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
5	Samba Bank Limited - Term Finance	450,000	412,500	450,000	11 equal quarterly installments starting from 01 July 2022.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each calendar quarter.	Joint Pari Passu charge of Rs. 600 million on all present and future fixed assets of the Company including land.
6	MCB Bank Limited (EX NIB) - Term Finance	1,488,379	962,878	1,488,379	First installment of Rs. 41.5 million is due on 04 Feb 2024 and afterwards payable in 13 equal quarterly installments starting from 4 May 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on the first working day of every calendar quarter.	Ist Joint Pari Passu charge of Rs. 38,051 million (MCB Share Rs. 4,500 million) over all present and future fixed assets of the Company.
7	MCB Islamic Bank Limited - Diminishing Musharakah	1,500,000	1,045,285	1,104,167	Repayment will made in following tranches. Tranche 1 16 equal quarterly installments starting from 23 August 2022. Tranche 2 16 equal quarterly installments starting from 28 August 2022. Tranche 3 16 equal quarterly installments starting from 27 September 2022. Tranche 4 16 equal quarterly installments starting from 13 December 2022. Tranche 5 17 equal quarterly installments starting from 16 September 2022. Tranche 6 18 equal quarterly installments starting from 27 September 2022.	3-Month KIBOR + 70 bps p.a, payable quarterly in arrears, to be set on the date of first day of disbursement and to be reset on 1st working day of each calendar quarter.	1st Joint Pari Passu charge of Rs. 2,000 million over all present and future fixed assets of the Company including land and building and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

	Lender	Sanctioned Limit	2022	2021	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in ‘000’ --------					
8	Habib Bank Limited - Term Finance	1,000,000	-	714,286	This loan has been fully repaid during the year.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	No security as the loan has been fully repaid during the year.
□	Askari Bank Limited - Term Finance	125,000	75,000	125,000	3 equal quarterly installments starting from 04 September 2022.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	1st Joint Pari Passu charge of Rs. 667 million over fixed assets of the Company inclusive of 25% margin as below: - Hypothecation charge over all present and future plant and machinery of the Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it. - Personal Guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
10	The Bank of Punjab - Demand Finance	374,339	299,471	374,339	4 equal quarterly installments starting from 06 July 2022.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 7,903 million, with 25% margin, over all present and future fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
11	MCB Bank Limited - Demand Finance	185,145	-	37,029	This loan has been fully repaid during the year.	3-Month KIBOR + 115 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each calendar quarter.	No security as the loan has been fully repaid during the year.
12	National Bank of Pakistan - Demand Finance	1,000,000	200,000	250,000	4 equal quarterly installments starting from 06 July 2022.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on the date of first disbursement and to be reset on the first working day of each calendar quarter.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
13	MCB Islamic Bank - Diminishing Musharakah	500,000	166,667	166,667	8 equal quarterly installments starting from 13 December 2022.	3-Month KIBOR + 70 bps p.a, payable quarterly in arrears, to be set on the date of first disbursement and subsequently at the beginning of each quarter.	1st Joint Pari Passu charge of Rs. 666.67 million over all present and future fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
14	Allied Bank Limited- SBP refinance for Wages and Salaries	933,000	213,315	639,945	2 equal quarterly installments starting from 31 July 2022.	SBP rate + 50 bps to 100 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge over all fixed assets of the Company with 25% margin.
15	Pair Investment Company Limited - Term Finance	300,000	75,000	150,000	4 equal quarterly installments starting from 28 September 2022.	3 months KIBOR + 100 bps p.a, payable quarterly, with the first payment falling due at the end of the 3rd month from the first disbursement date and subsequently every three months thereafter.	1st Joint Pari Passu charge over present and future fixed assets of the company with 25% margin.
16	Askari Bank Limited - Term Finance	900,000	-	97,964	This loan is converted into TERF during the period as mentioned in serial number 17 below.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on the last working day of preceding calendar quarter.	As mentioned in serial number 17 below.

	Lender	Sanctioned Limit	2022	2021	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in '000'	--------				
17	Askari Bank Limited - TERF	756,000	586,433	591,957	17 equal quarterly installments starting from 17 August 2022.	SBP Rate + 200 bps p.a, payable quarterly in arrears.	Ranking hypothecation charge of Rs. 310 million with 25% margin, over all present and future fixed assets (excluding land and building) of the Company (to be upgraded to 1st Joint Pari Passu charge). 'Cushion available against existing registered 1st Joint Pari Passu charge of Rs. 2,000 million, to the extent of Rs. 890.493 million, over fixed assets of the Company with 25% margin over fixed assets of the Company as below: - Hypothecation charge over all present and future plant and machinery of the Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.
18	Bank of Punjab - Demand Finance	600,000	297,192	161,102	22 equal quarterly installments starting from 14 September 2022.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on last working day of preceding calendar quarter.	Ist Joint Pari Passu charge of Rs. 7,903 million over all present and future fixed assets of the Company with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
19	National Bank of Pakistan - Demand Finance	1,220,497	360,751	198,302	32 equal quarterly installments starting from 18 September 2023.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
20	National Bank of Pakistan - TERF	1,779,503	1,779,503	-	32 equal quarterly installments starting from 18 September 2023.	SBP rate + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
21	Bank of Punjab - Demand Finance	2,500,000	1,965,331	182,555	32 equal quarterly installments starting from 19 September 2023.	3-Month KIBOR + 90 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	Cushion available against existing registered 1st Joint Pari Passu charge of Rs. 7,903 million, over fixed assets of the Company inclusive of 25% margin and initial ranking charge of Rs. 3,236.1 million with 25% margin, over all present and future fixed assets of the Company (upgraded to First Joint Pari Passu charge).
□□	Bank of Punjab - TERF	500,000	500,000	-	32 equal quarterly installments starting from 19 September 2023.	SBP Rate + 150 bps p.a payable quarterly in arrears.	1st Joint Pari Passu Charge of Rs. 7,903 million over all present and future fixed assets of the Company, with 25% margin.
23	MCB Bank Limited - LTFF	805,806	805,806	-	32 equal quarterly installments starting from 18 September 2023.	SBP LTFF Rate + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of Rs. 38,051 million (MCB Share Rs. 4,500 million) over all present and future fixed assets of the Company.

	Lender	Sanctioned Limit	2022	2021	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in ‘000’	--------				
24	MCB Bank Limited - Demand Finance	1,194,194	439,276	136,930	32 equal quarterly installments starting from 18 September 2023.	3-Month KIBOR + 75 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 38,051 million (MCB Share Rs. 4,500 million) over all present and future fixed assets of the Company.
25	Habib Bank Limited. - LTFF	560,703	560,705	249,851	20 equal quarterly installments starting from 25 September 2023.	SBP + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of Rs. 4,000 million over all present and future fixed assets of the Company including land i.e. 2097 Kanals and 9 Marlas, building, plant and machinery.
26	Habib Bank Limited - Term Finance	2,439,295	1,437,412	-	20 equal quarterly installments starting from 25 September 2023.	3-Month KIBOR + 150 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 4,000 million over all present and future fixed assets of the Company including land i.e. 2097 Kanals and 9 Marlas, building, plant and machinery.
27	Allied Bank Limited -Term Finance	518,575	118,969	-	24 equal quarterly installments starting from 23 November 2022.	3-Month KIBOR + 100 bps p.a, payable quarterly in arrears, markup to be reset on last working day of preceding calendar quarter.	Joint Pari Passu charge of Rs. 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Company.
28	Allied Bank Limited - LTFF	121,425	121,425	-	24 equal quarterly installments starting from 23 November 2022.	SBP + 100 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge of Rs. 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Company.
□□	Faysal Bank Limited - Diminishing Musharakah	2,000,000	986,594	-	24 equal quarterly installments starting from 30 November 2022.	3-Month KIBOR + 150 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge over all present & future fixed assets of the Company with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
30	MCB Islamic Bank Limited - Diminishing Musharakah	350,000	350,000	-	Repayment will made in following tranches. Tranche 1 12 equal quarterly installments starting from 01 January 2023. Tranche 2 11 equal quarterly installments starting from 31 March 2023. Tranche 3 12 equal quarterly installments starting from 26 July 2023.	SBP Rate + 150 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge over fixed assets of Company including land, building and plant and machinery with 25% margin.

	Lender	Sanctioned Limit	2022	2021	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in '000' --------					
31	MCB Bank Limited - Demand Finance	500,000	480,816	-	24 equal quarterly installments starting from 28 May 2023.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	Ranking charge of Rs. 667 million over present and future fixed assets of the Company, inclusive of 25% margin.
32	Askari Bank Limited - Term Finance	1,000,000	816,931	-	32 equal quarterly installments starting from 09 June 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	1st Joint Pari Passu charge of Rs. 1,333.33 million over fixed assets of the Company inclusive of 25% margin as below (same charged in serial no 9) : - Hypothecation charge over all present and future plant and machinery of the Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.
	Total	34,514,030	20,339,002	13,440,927			
	Accrued mark up on long term loans		490,860	211,307			
	Amortized Cost of long term loans		20,829,862	13,652,234			
	Less: **Impact of deferred government grant**		(971,334)	(99,566)			
	Current portion of long term loans from financial institutions - secured (principal portion)		(2,619,800)	(1,704,612)			
	Current portion of long term loans from financial institutions - secured (accrued mark up portion)		(490,860)	(211,307)			
	Long term portion of loans from financial institutions		16,747,868	11,636,749			

	Note	2022	2021
		(Rupees in thousand)	
9. DEFERRED GRANT			
Balance as at 01 July	9.1	99,566	-
Recognized during the year	9.2	950,467	142,092
Amortization during the year		(78,699)	(42,526)
Balance as at 30 June	8	971,334	99,566
Current portion of deferred grant		(184,576)	(49,997)
Non - current portion		786,758	49,569

9.1 This represents deferred grant related to loans obtained, during last year, under "SBP refinance scheme for payment of wages and salaries" and "SBP Temporary Economic Refinance Facility Scheme" for setting of waste heat recovery plant. These facilities carry mark-up at the rate specified by State Bank of Pakistan plus spread of 0.5% to 2% per annum. The loans were initially measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds was recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance), circular number 11 of 2020 issued by the Institute of Chartered Accountant of Pakistan and selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

9.2 The Company has obtained loans amounting to Rs. 2,727 million under "SBP Temporary Economic Refinance Facility" and "SBP Financing Scheme for Renewable energy" for setting up of Waste Heat Recovery Plant, for import and installation of new cement production line (Line - IV) and for setting of Solar Energy Project. These facilities carry markup at the rate specified by State Bank of Pakistan plus spread of 1.50% to 2% per annum. The loan has been initially measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

	Note	2022	2021
		(Rupees in thousand)	
10. LONG TERM LOAN FROM SUBSIDIARY COMPANY			
Long term loan - unsecured	10.1	2,000,000	1,000,000

10.1 This represents conversion of balance payable to Maple Leaf Power Limited, the Subsidiary Company, in lieu of electricity purchased during the current and prior years to long term loan. On 30 June 2022, addendum to agreement dated 01 June 2019 for conversion of outstanding balance into long term loan was signed between the Company and the Subsidiary Company. As per the addendum, Rs. 1,000 million which was payable from 01 September 2022 has been rescheduled and current payable balance of due to Subsidiary Company, amounting to Rs. 1,000 million has been converted into a long-term loan. The total loan of Rs. 2,000 million is now payable in eight equal quarterly installments starting from 01 April 2024 including grace period of twenty-one months. This loan carries mark-up at 3 month KIBOR plus 1% per annum, payable quarterly in arears. The effective rate during the year ranges from 8.45% to 12.95% per annum (2021: 8.25% to 8.59%).

	Note	2022	2021
		(Rupees in thousand)	

11. LIABILITY AGAINST RIGHT OF USE ASSET

	Note	2022	2021
Liability against right of use asset		33,973	-
Current portion of liability against right of use asset		(6,837)	-
		27,136	-
Maturity analysis of liability against right of use asset is as follows:			
Less than one year		9,138	-
One to five years		19,715	-
More than five years		31,924	-
Total undiscounted liability against right of use asset as at 30 June 2022		60,777	-
Impact of discounting on liability against right of use asset		(26,804)	-
		33,973	-

12. DEFERRED TAXATION

	Note	2022	2021
Deferred tax liability on taxable temporary differences arising in respect of:			
- accelerated tax depreciation on fixed assets		6,147,342	5,222,119
- surplus on revaluation of fixed assets		996,181	1,085,659
		7,143,523	6,307,778
Deferred tax asset on deductible temporary differences arising in respect of:			
- provision against expected credit loss		(16,155)	(85,084)
- unused tax losses	12.2	(974,863)	(1,991,241)
- alternative corporate tax		(458,028)	(276,429)
- employees' retirement benefits		(37,978)	(65,117)
		(1,487,024)	(2,417,871)
		5,656,499	3,889,907

12.1 Movement in deferred tax balances is as follows:

	2022	2021
At beginning of the year	3,889,907	3,379,440
Recognized in unconsolidated statement of profit or loss:		
Recognized in statement of profit or loss:		
- accelerated tax depreciation on fixed assets	925,223	106,127
- surplus on revaluation of fixed assets	(204,084)	(204,583)
- provision for expected credit loss	68,929	(32,684)
- unused tax losses	1,016,378	789,796
- tax credit under section 65B of ITO 2001	-	119,870
- alternative corporate tax	(181,599)	(276,429)
- employees' retirement benefits	26,582	3,427
	1,651,429	505,524
Recognized in surplus on revaluation of fixed assets		
Effect of change in effective tax rate	114,606	12,775
Recognized in other comprehensive income:		
- employees' retirement benefits	557	(7,832)
	5,656,499	3,889,907

12.2 This represents deferred tax asset on unused tax losses amounting to Rs. 3,362 million (2021: Rs. 6,866.35 million) recognized on the basis of future expected taxable profits. As at 30 June 2022, unused tax losses represent unabsorbed depreciation which is available for adjustment for indefinite period in accordance with the provisions of Income Tax Ordinance, 2001.

13. RETENTION MONEY PAYABLE

This represented retention money payable to M/s FLSmidth amounting to Euro 3.796 million (equivalent to Rs. 421.841 million at the exchange rate prevailing on the date of signing of contract, i.e. 16 January 2017) on meeting the agreed performance guarantee. The amount is payable after the expiry of two years period following the fulfillment of performance guarantee and therefore accounted for at present value using discount rate of 7% per annum. Unwinding of liability during the year amounting to Rs. 27.82 million (2021: Rs. 25.62 million) has been charged to profit and loss account. The balance at the year end has been classified to current liabilities.

14. PAYABLE TO GOVERNMENT AUTHORITY

	2022	2021
	(Rupees in thousand)	
Payable to government authority	311,276	324,370
Less: Current maturity of payable to government authority	(311,276)	(281,480)
	-	42,890

This represented non-current portion of Gas Infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL). During previous years, the Company, along with various other companies had challenged the legality and validity of levy and demand of GIDC in Honorable Lahore High Court. However, during the last year Supreme Court of Pakistan vide judgement dated 13 August 2020, while dismissing appeals filed by various industrial and commercial entities with respect to the legality and validity of levy and demand of GIDC, decided the case in favor of SNGPL. Consequently the Company was required to pay the balance amount of GIDC in 24 equal monthly installments. This liability was initially recognized at fair value using discount rate of 8.31% per annum and the difference between the fair value and the total amount of liability is recognized in statement of profit or loss as other income. Subsequent to initial recognition, the effect of unwinding of liability is being recognized in profit or loss account as finance cost.

15. RETIREMENT BENEFITS

	Note	2022	2021
		(Rupees in thousand)	
Accumulated compensated absences	15.1	165,416	137,775
Gratuity	15.2	69,913	90,491
		235,329	228,266

15.1 Accumulated compensated absences

The actuarial valuation of the Company's accumulated compensated absences was conducted on 30 June 2022 using projected unit credit method. Detail of obligation for accumulated compensated absences is as follows:

	2022	2021
	(Rupees in thousand)	

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

	2022	2021
Present value of defined benefit obligations at beginning of the year	137,775	126,963
Current service cost for the year	11,110	10,053
Interest cost for the year	12,990	9,957
Actuarial losses on present value of defined benefit obligations	19,283	10,450
Benefits paid during the year	(15,742)	(19,648)
Present value of defined benefit obligation at end of the year	165,416	137,775

15.1.2 Charge for the year

In statement of profit or loss

	2022	2021
Current service cost for the year	11,110	10,053
Interest cost for the year	12,990	9,957
Actuarial losses on present value of defined benefit obligations	19,283	10,450
	43,383	30,460

15.1.3 Sensitivity analysis

If the significant actuarial assumptions used to estimate the liability of compensated absences 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 2022 would have been as follows:

	Compensated absences Present value of defined benefit obligation	
	Increase in assumption	Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	149,765	183,824
Future salary increase + 100 bps	183,530	149,771

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the unconsolidated statement of financial position.

15.1.4 At 30 June 2022, the average duration of the defined benefit obligation was 10 years.

15.1.5 Actuarial assumptions

The following are the principal actuarial assumptions as at 30 June 2022:

	2022	2021
	(Percentage)	
Discount rate used for interest cost	10.00%	8.50%
Discount rate used for year end obligations	13.25%	10.00%
Expected rate of growth per annum in future salaries	12.25%	9.00%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	60 Years

15.2 Gratuity

The latest actuarial valuation of the Company's defined benefit plan, was conducted on 30 June 2022 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

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

	Note	2022	2021
		(Rupees in thousand)	
Present value of defined benefit obligation	15.2.1	153,729	168,575
Less: Fair value of plan assets	15.2.2	(83,816)	(78,084)
Net liability at end of the year		69,913	90,491
Net liability at beginning of the year		90,491	87,989
Charge to profit and loss account for the year	15.2.3	13,957	11,596
Charge to other comprehensive income for the year	15.2.3	(1,726)	27,456
Contribution made during the year		(27,577)	(36,550)
Gratuity due but not paid		(5,232)	-
Net liability at end of the year		69,913	90,491

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

	2022	2021
Present value of defined benefit obligations at beginning of the year	168,575	156,025
Current service cost for the year	6,547	5,852
Interest cost for the year	15,218	11,708
Benefits due but not paid	(5,232)	-
Adjustment	-	2,126
Actuarial (gain) / losses on present value of defined benefit obligations	(3,802)	29,414
Benefits paid during the year	(27,577)	(36,550)
Present value of defined benefit obligation at end of the year	153,729	168,575

	2022	2021
	(Rupees in thousand)	
15.2.2 Movement in the fair value of plan assets is as follows:		
Fair value of plan assets at beginning of the year	78,084	70,163
Contributions made during the year	27,577	36,550
Expected return on plan assets for the year	7,808	5,964
Actuarial (loss) / gain	(2,076)	1,958
Benefits paid during the year	(27,577)	(36,551)
Fair value of plan assets at end of the year	83,816	78,084
Fair value of plan assets are as follows:		
NAFA Government Securities Liquid Fund	23,743	23,424
Special saving certificates	58,560	53,280
Cash at bank	1,513	1,380
	83,816	78,084

	2022	2021
	(Percentage)	
Plan assets comprise of:		
Equity	28.32%	30.00%
Special saving certificates	69.87%	68.23%
Cash at bank	1.81%	1.77%
	100.00%	100.00%

	2022	2021
	(Rupees in thousand)	
15.2.3 Charge for the year		
In unconsolidated statement of profit or loss		
Current service cost for the year	6,547	5,852
Interest cost for the year	15,218	11,708
Expected return on plan assets for the year	(7,808)	(5,964)
	13,957	11,596
In unconsolidated other comprehensive income		
Actuarial (gain) / loss on retirement benefits - net	(1,726)	27,456
	12,231	39,052

Actuarial assumptions

The following are the principal actuarial assumptions at 30 June 2022:

	2022	2021
	(Percentage)	
Discount rate used for year end obligations	13.25%	10.00%
Discount rate used for interest cost in profit or loss	10.00%	8.50%
Expected rate of growth per annum in future salaries	12.25%	9.00%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	60 Years

15.3 The Company expects to charge Rs. 13.464 million to unconsolidated statement of profit or loss on account of defined benefit plan in the year ending 30 June 2023.

15.4 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at 30 June 2022 would have been as follows:

	Gratuity	
	Present value of defined benefit obligation	
	Increase in assumption	Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	147,451	160,564
Future salary increase + 100 bps	160,564	147,343

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 unconsolidated financial position.

15.5 At 30 June 2022, the average duration of the defined benefit obligation was 4 years.

15.6 Compensated absence and gratuity charge to statement of profit or loss for the year has been allocated as follows:

	Note	2022	2021
		(Rupees in thousand)	
Cost of sales	36.2	34,380	32,693
Administrative expenses	38.1	13,731	6,466
Distribution expenses	37.1	9,229	2,897
		57,340	42,056

16. TRADE AND OTHER PAYABLES

	Note	2022	2021
		(Rupees in thousand)	
Trade creditors		3,651,546	2,764,595
Due to related party	16.1	132,595	61,224
Bills payable - secured		324,166	750,813
Accrued liabilities	16.2	1,341,074	975,645
Contract liabilities	16.3	345,495	250,491
Payable to Workers' Profit Participation Fund	16.4	1,613,792	1,325,693
Payable to Workers' Welfare Fund	16.5	155,344	86,043
Payable to Provident Fund Trust	16.8	17,786	15,830
		7,581,798	6,230,334
Payable to Government on account of:			
Federal Excise Duty payable		511,547	789,851
Sales Tax payable - net		17,378	96,826
Royalty and Excise Duty payable		80,435	90,252
Other taxes payable		260,602	158,922
		869,962	1,135,851
Contractors' retention money	16.6	554,577	41,709
Security deposits repayable on demand	16.7	75,214	64,243
Payable against redemption of preference shares		1,010	1,016
Other payables		34,853	38,484
		665,654	145,452
		9,117,414	7,511,637

16.1 Due to related party- unsecured

	2022	2021
Due to Subsidiary company	132,595	61,224

16.2 This includes current portion of GIDC payable as at 30 June 2022, amounting to Rs. 311.28 million, as explained in note 14 to these unconsolidated financial statements.

16.3 This represents advance received from customers for future sale of goods. During the year, the Company has recognized revenue amounting to Rs. 175.28 million, out of the contract liability as at 01 July 2022.

16.4 Payable to Workers' Profit Participation Fund

	Note	2022	2021
		(Rupees in thousand)	
At beginning of the year		1,325,693	1,122,696
Allocation for the year	39	376,250	202,997
Less: Paid during the year		(88,151)	-
At end of the year		1,613,792	1,325,693

16.4.1 The WPPF liability includes leftover amount of Rs. 1,613.7 million payable to Workers Welfare Fund, in terms of the Companies Profits Worker's Participation Act, 1968 followed by The Punjab Workers Welfare Fund Act, 2019 and The Companies Profits (Workers Participation) (Amendment) Act, 2021, pertaining to the financial year ended 30 June 2012 to 30 June 2022. The payment of residual amount was earlier held up in view of legal infirmities, which has further widened in view of the Company's status as a "trans-provincial" establishment on account of Industrial Relation Act 2012, whereby it is amenable to the jurisdiction of Federal Government and the enforceability of Provincial Laws stands excluded. This has given rise to conflict between the Federation and the Provinces. The Company's reference to the Punjab Government whereby number of legal propositions have been agitated with a request for necessary decision in accordance with Law, which is still awaited. In the absence of the decision and the way forward the Company is handicapped for the payment of residual amount either to the Provincial Government or the Federal Government. The Company is under no obligation for payment of mark-up as the payment is not held up at its own volition but as a compulsion on account of the said dispute between the two Governments.

16.5 Workers' Welfare Fund

	Note	2022	2021
		(Rupees in thousand)	
At the beginning of the year		86,043	4,844
Charge for the year		150,500	81,199
Prior year (reversal) / charge		(58,014)	161
	39	92,486	81,360
Paid during the year		(23,185)	(161)
At end of the year		155,344	86,043

16.6 This represents retention money withheld from contractors and are repayable after satisfactory completion of contracts.

16.7 This represents security deposits received from distributors and contractors of the Company. This includes security deposits amounting to Rs. 33.76 million which have not been kept in a separate bank account and Rs. 41.46 million utilized for the purpose of the business in accordance with requirements of written agreement with distributors and contractors.

16.8 This also includes some employees on which provident fund deduction is 15% of basic salary (2021: 15%).

17. MARK-UP ACCRUED ON BORROWINGS

	Note	2022	2021
		(Rupees in thousand)	
Accrued mark-up on:			
- Long term loans	17.1	490,860	211,307
- Long term loan from Subsidiary Company	10	32,286	21,416
- Short term borrowings	17.2	141,976	28,230
		665,122	260,953

17.1 Accrued mark-up on long term loans includes Rs. 60.547 million (2021: Rs. 5.112 million) related to an arrangement permissible under Shariah. Remaining mark up pertains to the loans from conventional banks.

17.2 Accrued mark-up on short term loans includes Rs. 62.331 million (2021: Nil) related to an arrangement permissible under Shariah. Remaining mark up pertains to the loans from conventional banks.

18. SHORT TERM BORROWINGS

	Note	2022	2021
		(Rupees in thousand)	
Banking and financial institutions:			
- Cash finance and others	18.1	808,521	1,683,588
- Running finance	18.2	1,396,990	207,310
- Islamic mode of financing	18.3	1,366,057	-
Temporary bank overdrafts - unsecured	18.4	505	3,217
		3,572,073	1,894,115

18.1 These facilities have been obtained from various banking companies for meeting working capital requirements of the Company and are secured by charge over current and future assets of the Company; lien marked over import documents and title of ownership of goods imported under letters of credit.

The cash finance and other facilities carry mark-up at the rates ranging from 3.00% to 21.00% (2021: 3.00% to 14.81%) per annum payable quarterly in arrears.

The Company has unavailed cash finance and other funded facilities aggregating to Rs. 1,938 million (2021: Rs. 1,175 million) at the year end and unavailed facilities for opening letters of credit / guarantee aggregating to Rs. 7,935 million (2021: Rs. 8,685 million) at the year end.

18.2 The Company has unavailed running finance funded facilities aggregating to Rs. 448 million (2021: Rs. 499 million) at the year end. These are secured against same securities as mentioned in note 18.1 above.

The running finance carries mark-up at the rates ranging from 7.92% to 15.18% (2021: 7.75% to 8.95%) per annum, payable quarterly in arrears.

18.3 These Islamic financing facilities have been obtained from Faysal Bank Limited for working capital requirements and are secured by First Joint Pari Passu charge on all present and future current assets of the Company amounting to Rs. 1,334 million. The Company has unavailed Islamic financing facilities aggregating to Rs. 601 million (2021: Nil) at the year end.

The Islamic financing facilities carry profit expense at the rates ranging from 8.05% to 11.26% (2021: Nil) per annum payable in arrears.

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

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 The Company 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 out of which Rs. 3 million had already been paid during previous years. During the last year Lahore High Court remanded the case back to Appellate Tribunal for Decision afresh. However, hearing of the appeals by the Appellate Tribunal is yet to be fixed. No further provision has been made in these unconsolidated financial statements in respect of the matter as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

19.1.2 The Company has filed an appeal before the Customs, Central Excise and Sales Tax Appellate Tribunal, Karachi against the order of the Deputy Collector Customs whereby the refund claim of the Company amounting to Rs. 12.35 million was rejected and the Company was held liable to pay an amount of Rs. 37.05 million by way of 10% customs duty allegedly leviable in terms of SRO 584(I)/95 and 585(I)/95 dated 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. The management and the legal advisor of the Company are confident that the ultimate outcome of this case will be in favor of the Company. However, no receivable of Rs. 12.35 million was booked by the management in previous years and no further provision has been booked by the management in these unconsolidated financial statements.

19.1.3 The Show Cause Notice was issued to the Company on 04 December 1999 and demand was raised by the CBR for payment of duties and taxes on the plant and machinery imported by the Company (pursuant to the exemption granted in terms of SRO 484(I)/92 allegedly on the ground that the plant could be locally manufactured and was therefore not exempt). A total demand of Rs.1,386.72 million was raised by the CBR out of which an amount of Rs. 449.328 Million was deposited by the Company (initially the Company deposited Rs. 269.328 million and subsequently deposited further amount of Rs. 180.00 million). Initially, the matter was decided in favor of the Company as per the judgment of the Lahore High Court in W.P. No. 6794/2000. Against the aforesaid judgment of Lahore High Court, the customs department had filed appeal before the Supreme Court of Pakistan which was decided by the Hon'ble Supreme Court vide judgment dated 21.12.2011 with the direction to file reply to the Show Cause Notice before the Collector of Customs, Faisalabad.

The Company has filed its reply before the Collector of Customs, Faisalabad who decided the same against the Company through an Order-in-Original No. 6/2014 dated 09 July 2014. The said Order-in-Original was challenged by the Company by way of filing of Appeal No. 172/ LB/2014 before the Customs Appellate Tribunal, Lahore who vide Judgment dated 21 August 2019 has granted partial relief to the Company with direction to the Customs Department to recalculate the customs duty in accordance with the list communicated by EDB vide letter dated 21 June 2006.

However, the Collector of Customs instead of making fresh calculations through a Demand Notice bearing C. No. CA-1946/2000(Pt-I)/8169 dated 23 October 2019 restored the original demand raised by the earlier Order-in-Original No. 06/2014 and directed the Company to pay the amount of Rs. 933.810 million within a period of seven days. The said demand of tax was challenged by the Company before the Honorable Lahore High Court, wherein stay against recovery was granted to it by the Honorable Lahore High Court vide order dated 04 November 2019. This matter is still pending before the Honorable Lahore High Court, Lahore and next date of hearing is yet to be fixed by the office of the High Court. No provision has been made in these unconsolidated financial statements in respect of the above stated amount as the management and the legal advisor of the Company are confident that the ultimate outcome of this case will be in favor of the Company.

19.1.4 The Competition Commission of Pakistan, vide order dated 27 August 2009, imposed penalty on twenty cement factories of Pakistan at the rate of 7.5% of the turnover value. In doing so, the Commission imposed penalty amounting to Rs. 586.19 million on the Company. The Commission 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 (LHC). During the last year, Honorable LHC vide its order dated 26 October 2020 decided the writ petition challenging the vires of the law against the Company and the appeal impugning the levy of penalty vide order dated 28 August 2009 was referred to the Competition Appellate Tribunal. The Company has challenged decision of LHC before the Honorable Supreme Court of Pakistan where the case was last fixed for hearing on 23 February 2022 and leave to appeal was granted by Supreme Court of Pakistan. No provision has been made in these unconsolidated financial statements as the management and the legal advisor of the Company are confident that the ultimate outcome of this case will be in favor of the Company.

19.1.5 The Additional Collector, Karachi 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 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 legal advisor of the Company are confident that the ultimate outcome of this case will be in favor of the Company.

19.1.6 The customs department 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. During the year Honorable Lahore High Court vide order dated 08 March 2022 remanded back the case to Customs Appellate Tribunal, Lahore. However, the appeal is pending adjudication No provision has been made in these unconsolidated financial statements as the management and the legal advisor of the Company are confident that the ultimate outcome of this case will be in favor of the Company.

19.1.7 During the last year, FBR through computerized balloting selected the Company's case for audit of its sales tax affairs for the tax period from July, 2017 to June 2018. Subsequently, the Deputy Commissioner Inland Revenue, Audit - 2, Zone I, Large Taxpayers Unit, Lahore ('DCIR') issued audit report and show cause notice dated March 8, 2021 and March 17, 2021 respectively. The proceedings were finalized through order dated 31 March 2021 through which an aggregate sales tax demand of Rs. 1,399,890,879 was created against the Company. The Company, being aggrieved, has preferred an appeal against the above referred order which was disposed of by the CIR vide appellate order dated July 15, 2021. Through such order, majority of the issues which were pressed in appeal were settled in favor of the Company. Regarding the issues decided against the Company, the Company is in process of preferring an appeal before the ATIR. However, management and tax advisor of the Company are hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these unconsolidated financial statements.

19.1.8 During the year 2018, the Learned Additional Commissioner, Officer, Enforcement-III, Punjab Inland Revenue Authority, Lahore (the "Learned Addl. CIR") vide order in order-in-original No. ENF-III.50.2017 dated 22 March 2018 raised demand of Rs. 256 million against the Company, related to tax period from July 2015 to March, 2017, on alleged non-deduction of withholding tax on services received by the Company. Being aggrieved, the Company filed an appeal before the Commissioner (Appeals), Punjab Revenue Authority. The Company also challenged the vires of Rule 6 of Punjab Sales Tax on Services (Withholding) Rules, 2002 before Honorable Lahore High Court (LHC) through constitutional petition No. 203460/2018. The Hon'ble Court was pleased to issue notice to the department and suspended proceedings before the first appellate authority vide order dated 23 May 2018. The writ petition is pending adjudication. The Company and the tax/legal advisor of the Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these unconsolidated financial statements.

19.1.9 During last year, the Company was selected for audit under section 42B of Sales tax for tax period July 2017 through June 2018 which was intimated to the Company by intimation letter dated December 8, 2020. During the year, the DCIR - Audit finalized the audit and created a demand of Rs. 690,519,908, along with default surcharge and penalty, vide order no. 02 dated October 20, 2021. Being aggrieved, the Company preferred an appeal before CIR(A). The appeal was disposed off by CIR(A) vide appellate order no. 12 dated February 10, 2022 and entire amount of Federal Excise Duty along with penalty and default surcharge was annulled and the matter was remanded back to the taxation officer. Being aggrieved, the Company has preferred an appeal before the ATIR which is pending adjudication at the year end. However, the management and the tax advisor of the Company are hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these unconsolidated financial statements.

19.1.10 During the year, the Company received show cause notice, dated 17 April 2022, as per which it was alleged that the Company's claim of input sales tax, amounting to Rs. 85.98 million, for the tax periods January 2017 through August 2019, was illegal. The Company responded to the notice vide letter dated 25 April 2022. The proceedings were concluded by the DCIR and demand of Rs. 85.98 million along with default surcharge and penalty has been raised by DCIR vide assessment order dated 31 May 2022, passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Company has preferred an appeal before the CIR(A), which is pending adjudication. The management of the Company is hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these unconsolidated financial statements.

19.1.11 During the year, the Company received show cause notice, dated 7 April 2022, as per which it was alleged that the Company's claim of input sales tax, amounting to Rs. 620.98 million, for the tax periods July 2019 through November 2021 was illegal. The Company responded to the notice vide letter dated 25 March 2022. The proceedings were concluded by the DCIR and demand of Rs. 580.06 million along with default surcharge and penalty has been raised by DCIR vide assessment order dated 31 May 2022, passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Company has preferred an appeal before the CIR(A), which is pending adjudication. The management of the Company is hopeful of favorable outcome of the case. Therefore, no provision has been recorded in these unconsolidated financial statements.

19.1.12 During last year, the Company received show cause notice, dated April 26, 2021, in which it was confronted that the Company has disposed of its fixed assets during the tax periods July 2015 through June 2017 without charging sales tax, aggregating to Rs. 42.75 million. The Company responded to the notice vide letter dated May 7, 2021. The proceedings were concluded and the DCIR vide assessment, dated 23 August 2021, passed under section 11 of the Sales Tax Act 1990, raised sales tax demand amounting to Rs. 42,758,060 along with default surcharge and penalty. Being aggrieved, the Company preferred an appeal before the CIR(A), which was disposed of by the CIR(A) vide appellate order dated 10 February 2022. Through such appellate order, entire sales tax demand along with penalty and default surcharge has been annulled by the CIR(A). It has been held that the disposal of land, buildings and vehicles did not warrant the imposition of sales tax and accordingly, the demand on account of these disposals has been deleted whereas sales tax demand on account of disposal of remaining fixed assets, amounting to Rs. 23 million, has been remanded back to the taxation officer to decide the matter after examination of underlying record. No further correspondence received from tax department in this regard. The management is expecting favorable outcome of the case. Therefore, no provision has been booked in these unconsolidated financial statements.

19.1.13 Contingencies relating to income tax matters are disclosed in note 33 to these unconsolidated financial statements.

	2022	2021
	(Rupees in thousand)	
19.2 Commitments		
19.2.1 In respect of:		
- capital expenditure	5,623,145	11,257,597
- irrevocable letters of credit for spare parts	397,877	50,626
- coal	1,972,000	-
	7,993,022	11,308,223

19.2.2 Guarantees given by banks on behalf of the Company are Rs. 1,037.04 million (2021: Rs. 683.06 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

19.2.3 Corporate guarantee given by the Company to the financial institutions related to credit facilities amounting to Rs. 1,500 million (2021: Rs. 1,500 million) available to the Subsidiary Company.

20. PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
		(Rupees in thousand)	
Operating fixed assets	20.1	41,151,385	41,253,304
Capital work in progress - at cost	20.2	15,352,800	2,854,293
Major spare parts and stand-by equipments	20.3	280,655	107,942
		56,784,840	44,215,539

20.1 Operating fixed assets

	Cost / Revalued amount					Depreciation				
	At 01 July 2021	Additions	Disposals	At 30 June 2022	Rate	At 01 July 2021	For the year	Disposals	At 30 June 2022	Net book value at 30 June 2022
	------------ Rupees in thousand ------------				Percentage	------------ Rupees in thousand ------------				
Owned										
Freehold land										
- cost	822,154	-	-	822,154	-	-	-	-	-	822,154
- surplus on revaluation	369,883	-	-	369,883	-	-	-	-	-	369,883
	1,192,037	-	-	1,192,037		-	-	-	-	1,192,037
Buildings on freehold land										
- cost	13,474,727	618,970	(36,528)	14,057,169	5 - 10	3,834,667	611,441	(33,381)	4,412,727	9,644,442
- surplus on revaluation	343,968	-	(244)	343,724	5 - 10	175,298	30,217	(155)	205,360	138,364
	13,818,695	618,970	(36,772)	14,400,893		4,009,965	641,658	(33,536)	4,618,087	9,782,806
Roads, bridges and railway sidings										
- cost	455,040	2,117	-	457,157	5 - 10	133,126	33,537	-	166,664	290,493
- surplus on revaluation	4,429	-	-	4,429	5 - 10	4,312	9	-	4,321	108
	459,469	2,117	-	461,586		137,438	33,546	-	170,985	290,601
Plant and machinery										
- cost	46,612,762	2,375,603	(63,182)	48,925,183	5 - 20	20,595,076	1,800,156	(45,794)	22,349,438	26,575,745
- surplus on revaluation	7,485,566	-	(6,237)	7,479,329	5 - 20	3,848,588	686,489	(3,554)	4,531,524	2,947,806
	54,098,328	2,375,603	(69,419)	56,404,512		24,443,664	2,486,645	(49,348)	26,880,962	29,523,551
Furniture, fixtures and equipment	499,440	29,394	(3,870)	524,964	10 - 30	399,180	22,587	(3,419)	418,348	106,616
Quarry equipment	183,104	-	-	183,104	20	170,138	2,597	-	172,735	10,369
Vehicles	346,292	93,190	(25,887)	413,595	20	183,678	36,630	(16,020)	204,288	209,307
Share of joint assets (20.1.2)	6,000	-	-	6,000	10	5,998	2	-	6,000	-
	1,034,836	122,584	(29,757)	1,127,663		758,994	61,816	(19,439)	801,371	326,292
Right of use asset										
- leasehold land	-	29,001	-	29,001	5.88 - 50	-	1,113	-	1,113	27,888
- leasehold building	-	15,020	-	15,020	33	-	6,810	-	6,810	8,210
	-	44,021	-	44,021		-	7,923	-	7,923	36,098
	70,603,365	3,163,295	(135,948)	73,630,712		29,350,061	3,231,589	(102,323)	32,479,328	41,151,385

Operating fixed assets

	Cost / Revalued amount					Depreciation				
	At 01 July 2020	Additions	Disposals	At 30 June 2021	Rate	At 01 July 2020	For the year	Disposals	At 30 June 2021	Net book value at 30 June 2021
	Rupees in thousand				Percentage	Rupees in thousand				
Owned										
Freehold land										
- cost	822,154	-	-	822,154	-	-	-	-	-	822,154
- surplus on revaluation	369,883	-	-	369,883	-	-	-	-	-	369,883
	1,192,037	-	-	1,192,037		-	-	-	-	1,192,037
Buildings on freehold land										
- cost	13,185,620	289,107	-	13,474,727	5 - 10	3,249,861	584,806	-	3,834,667	9,640,060
- surplus on revaluation	343,968	-	-	343,968	5 - 10	144,668	30,630	-	175,298	168,670
	13,529,588	289,107	-	13,818,695		3,394,529	615,436	-	4,009,965	9,808,730
Roads, bridges and railway sidings										
- cost	140,401	314,639	-	455,040	5 - 10	91,986	41,140	-	133,126	321,914
- surplus on revaluation	4,429	-	-	4,429	5 - 10	3,105	1,207	-	4,312	117
	144,830	314,639	-	459,469		95,091	42,347	-	137,438	322,031
Plant and machinery										
- cost	46,179,523	600,875	(167,636)	46,612,762	5 - 20	18,813,088	1,878,850	(96,862)	20,595,076	26,017,686
- surplus on revaluation	7,486,436	-	(870)	7,485,566	5 - 20	3,164,132	685,211	(755)	3,848,588	3,636,978
	53,665,959	600,875	(168,506)	54,098,328		21,977,220	2,564,061	(97,617)	24,443,664	29,654,664
Furniture, fixtures and equipment	491,427	8,013	-	499,440	10 - 30	373,824	25,356	-	399,180	100,260
Quarry equipment	183,104	-	-	183,104	20	166,898	3,240	-	170,138	12,966
Vehicles	334,205	35,863	(23,776)	346,292	20	161,082	34,256	(11,660)	183,678	162,614
Share of joint assets (20.1.2)	6,000	-	-	6,000	10	5,998	-	-	5,998	2
	1,014,736	43,876	(23,776)	1,034,836		707,802	62,852	(11,660)	758,994	275,842
	69,547,150	1,248,497	(192,282)	70,603,365		26,174,642	3,284,696	(109,277)	29,350,061	41,253,304

20.1.1 Additions in operating fixed assets include transfers from capital work-in-progress amounting to Rs. 2,833.5 million (2021: Rs. 993.67 million).

20.1.2 Ownership of the housing colony's assets included in the operating fixed assets is shared by the Company jointly with Agritech Limited in ratio of 101:245 since the time when both the companies were managed by Pakistan Industrial Development Corporation. These assets are in possession of the housing colony establishment for mutual benefits.

20.1.3 Buildings, roads, bridges and railway sidings, plant and machinery are located at freehold land measuring 10,145 kanals located at Iskandrabad District Mianwali.

20.1.4 The Company has leased land measuring 127 kanals located at Iskandrabad District Mianwali to Maple Leaf Power Limited, a wholly owned subsidiary of the Company. The lease is classified as operating lease in these unconsolidated financial statements.

20.1.5 Had the certain classes of operating fixed assets not been revalued the net book value would have been as follows:

	2022	2021
	(Rupees in thousand)	
Freehold land	822,154	822,154
Buildings on freehold land	9,644,442	9,640,060
Roads, bridges and railway sidings	290,494	321,914
Plant and machinery	26,575,745	26,017,686
	37,332,835	36,801,814

20.1.6 The latest valuation of Company's assets was carried as at 30 June 2020 and the forced sale value as at that date is given below:

	(Rupees in thousand)
Freehold land	953,630
Buildings on freehold land	8,099,496
Roads, bridges and railway sidings	39,842
Plant and machinery	25,342,737
	34,435,705

20.1.7 All assets of the Company as at 30 June 2022 are located in Pakistan and are in the name of the Company.

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

	Note	2022	2021
		(Rupees in thousand)	
Cost of sales	36	3,163,345	3,215,917
Administrative expenses	38	50,347	61,669
Distribution expenses	37	17,897	7,110
		3,231,589	3,284,696

20.1.9 Disposal of property, plant and equipment

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss)	Mode of disposal	Particulars of purchaser
	(----------------- Rupees in thousand				-----------------)		
Buildings							
Slurry Silos	10,033	9,030	1,003	1,550	547	Auction	M/s Techsawy Trading
Cement Storage	8,998	8,099	900	1,390	490	Auction	M/s Techsawy Trading
Raw Mill/Cement Mill	8,245	7,420	824	830	6	Auction	M/s Techsawy Trading
Pack House/Loading Platform	5,085	4,577	509	786	277	Auction	M/s Techsawy Trading
Others (having book value below Rs. 500,000)	4,410	4,410	-	444	444		
	36,771	33,536	3,236	5,000	1,764		
Plant and machinery							
Gear Box	6,626	927	5,699	2,126	(3,573)	Auction	M/s Muhammad Hayat
Tyre With Shell Drg.No. 6222-0401	5,019	890	4,129	669	(3,460)	Auction	M/s Muhammad Hayat
Gear Boxes	24,010	21,609	2,401	392	(2,009)	Auction	M/s Muhammad Hayat
Grinding Vessel	3,817	1,602	2,215	711	(1,504)	Auction	M/s Muhammad Hayat
Automatic Manual Motor	1,400	478	923	150	(773)	Auction	M/s Muhammad Hayat
Gear Box	2,838	2,040	797	125	(672)	Auction	M/s Muhammad Hayat
Butterfly Valve	695	89	605	650	45	Auction	M/s Karam Dad Khan
Hydrolic Cylinder	679	87	591	635	44	Auction	M/s Karam Dad Khan
Others (having book value below Rs. 500,000)	24,336	21,626	2,711	1,141	(1,570)		
	69,420	49,348	20,071	6,599	(13,472)		
Vehicles							
Suzuki Cultus	2,017	120	1,897	1,890	(7)	Buy Back Policy	Mr. Tariq Ahmed Mir
Suzuki Cultus	1,603	725	878	1,200	322	Buy Back Policy	Ms. Hafsa Mehmood
Suzuki Cultus	1,603	752	851	1,050	199	Buy Back Policy	Ms. Amna Nauman
Suzuki Cultus	1,419	793	627	1,100	473	Buy Back Policy	Mr. Sajid Alam
Suzuki Cultus	1,426	866	560	950	390	Buy Back Policy	Mr. Muhammad Haroon Saleem
Others (having book value below Rs. 500,000)	17,819	12,764	5,055	11,494	6,439		
	25,887	16,020	9,868	17,684	7,816		
IT Equipment	3,870	3,419	451	1,300	849		
2022	135,948	102,323	33,626	30,583	(3,043)		
2021	192,282	109,277	83,005	53,115	(29,890)		

	Note	2022	2021
		(Rupees in thousand)	
20.2 Movement in capital work-in-progress - at cost			
At beginning of the year		2,854,293	871,386
Additions during the year		15,332,007	2,997,765
Less: Transfers during the year	20.1.1	(2,833,500)	(993,697)
Less: Charged off during the year		-	(21,161)
At end of the year		15,352,800	2,854,293
20.2.1 Capital work-in-progress - at cost			
Civil works		3,347,313	887,521
Plant and machinery		10,691,775	565,992
Advances to suppliers against:			
- civil works		449,900	464,353
- plant and machinery		861,860	932,331
- vehicles		1,952	4,096
	20.2.2	15,352,800	2,854,293

20.2.2 This includes borrowing cost amounting to Rs. 361.25 million (2021: Rs. 22.72 million) capitalized during the year at effective rate ranging from 2.50% to 16.27% per annum.

20.2.3 The Company is in process of setting up Line-IV of grey cement having production capacity of 7,000 metric tons per day with expected cost of Rs. 20 billion.

20.3 This represents stores held for capital expenditure related to Company's expansion project.

21. INTANGIBLE ASSETS

	Note	2022	2021
		(Rupees in thousand)	
At beginning of the year		83,885	83,885
Additions during the year		6,786	-
At end of the year		90,671	83,885
Accumulated Amortization			
At beginning of the year		77,868	74,862
Amortization for the year		2,388	3,006
At end of the year		80,256	77,868
Net book value		10,415	6,017
Amortization rate - % per annum		33%	33%

21.1 Amortization charge for the year has been allocated as follows:

	Note	2022	2021
Cost of sales	36	740	1,110
Administrative expenses	38	1,648	1,896
		2,388	3,006

22. LONG TERM INVESTMENT	Note	2022	2021
		(Rupees in thousand)	
Investment in Maple Leaf Power Limited - Unquoted	22.1	5,020,000	5,020,000

22.1 The Company holds 100% (2021: 100%) shares in the Maple Leaf Power Limited, a wholly owned subsidiary of the Company.

23. LONG TERM LOANS TO EMPLOYEES - SECURED	Note	2022	2021
		(Rupees in thousand)	
House building		4,677	7,101
Vehicles		1,395	2,021
Others		24,162	18,874
	23.1& 23.2	30,234	27,996
Less: Current portion presented under current assets	28	(10,868)	(10,992)
		19,366	17,004

23.1 These loans are secured against employees' retirement benefits and carry interest at the rate of 6% per annum (2021: 6% per annum). These loans are recoverable in 30 to 60 monthly installments.

23.2 This includes loans to executives amounting to Rs. 4.24 million (2021: Rs. 6.08 million) which includes loan to key management personnel amounting to Nil (2021: Rs. 2.2 million). The maximum aggregate amount outstanding from key management personnel at any time during the year calculated with reference to month end balance is Rs. 2.2 million (2021: Rs. 5.2 million). Further, no amount is due from Directors and Chief Executive at the year end (2021: Nil).

24. LONG TERM DEPOSITS

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

25. STORES, SPARE PARTS AND LOOSE TOOLS	Note	2022	2021
		(Rupees in thousand)	
Stores		8,912,932	5,533,328
Spare parts		3,910,227	4,021,031
Loose tools		30,446	184,358
	25.1	12,853,605	9,738,717

25.1 This include items in transit amounting to Rs. 95.82 million (2021: Rs. 1,240 million).

26. STOCK-IN-TRADE	2022	2021
	(Rupees in thousand)	
Raw material	108,905	109,758
Packing material	258,414	231,303
Work-in-process	1,814,046	1,421,319
Finished goods	514,256	387,803
	2,695,621	2,150,183

27. TRADE DEBTS

	Note	2022	2021
		(Rupees in thousand)	
Export debtors		26,995	7,669
Local debtors			
Considered good - unsecured		2,039,217	1,672,035
Considered doubtful - unsecured	27.1	50,049	293,392
		2,116,261	1,973,096
Less: Provision for expected credit loss		(50,049)	(293,392)
		2,066,212	1,679,704

27.1 The movement in provision for impairment of receivables is as follows:

	Note	2022	2021
		(Rupees in thousand)	
At beginning of the year		293,392	180,689
Provision for expected credit loss charge for the year	39	50,049	112,703
Debtors written off against provision		(293,392)	-
At end of the year		50,049	293,392

27.2 Trade debts are non-interest bearing and ageing analysis of trade debts is as follows:

	2022	2021
	(Rupees in thousand)	
Not past due	1,342,565	708,821
Past due:		
1-90 days	568,615	669,896
91-180 days	83,753	215,727
181-270 days	72,081	62,964
271-365 days	16,419	46,914
366-above	32,828	268,774
	2,116,261	1,973,096
Less: Provision for expected credit loss	(50,049)	(293,392)
	2,066,212	1,679,704

28. LOANS AND ADVANCES

	Note	2022	2021
		(Rupees in thousand)	
Advances - unsecured, considered good			
- Employees	28.1	28,740	10,795
- Suppliers	28.2	367,167	236,790
- Government authorities	28.3	180,543	206,118
Current portion of long term loans to employees	23	10,868	10,992
Refunds due from government	28.4	7,588	16,797
		594,906	481,492

28.1 This includes loans to executives amounting to Rs. 4 million (2021: Rs. 3.81 million) which includes loan to key management personnel (Amir Feroze and Zeeshan Malik Bhutta) amounting to Rs. 3.25 million (2021: Rs. 3.05 million).

The maximum aggregate amount outstanding from key management personnel (Amir Feroze and Zeeshan Malik Bhutta) at any time during the year calculated with reference to month end balance is Rs. 3.25 million (2021: Rs. 3.05 million). Further, no amount is due from other directors and chief executive officer at the year end (2021: Rs. Nil)

28.2 This includes an amount of Rs. 121.58 million (2021: Rs. 103.59 million) advanced to Ministry of Railways for transportation of coal and cement.

28.3 This includes Rs. 180 million paid under protest as disclosed in note 19.1.3 to these unconsolidated financial statements.

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

28.5 There has been no loans and advances to any foreign company at the year end (2021: Nil).

29. SHORT TERM INVESTMENT

	Note	2022	2021
		(Rupees in thousand)	
Investment at fair value through statement of profit or loss - listed securities			
Next Capital Limited:			
1,500,000 (2021: 1,500,000) ordinary shares of Rs. 10 each			
1,875,000 (2021: 1,875,000) right shares of Rs. 8 each			
337,500 (2021: 337,500) bonus shares			
Market value Rs. 7.77 per share (2021: Rs. 14.72 per share)			
Cost			
At beginning and end of the year		30,000	30,000
Unrealized fair value gain / (loss)			
At beginning of the year		24,648	(4,755)
Fair value (loss) / gain for the year		(25,802)	29,403
At end of the year		(1,154)	24,648
Fair value at 30 June		28,846	54,648
Investment at amortized cost - debt instrument			
Term deposit receipts	29.1	169,500	94,500
		198,346	149,148

29.1 This represents term deposits having maturity of one year starting from 5 April 2023 till 15 April 2023 carries mark-up at the rate ranging from 8.5% to 10.5% per annum.

29.2 There has been no investment in any foreign company during the year (2021: Nil).

30. SHORT TERM DEPOSITS AND PREPAYMENTS

	2022	2021
	(Rupees in thousand)	
Margin against:		
- letters of credit	69,316	5,942
- bank guarantees	421,955	216,035
	491,271	221,977
Prepayments	17,211	3,063
Short term deposits	34,106	-
	542,588	225,040

31. ACCRUED PROFIT

This represents profit accrued on deposits and saving accounts and term deposit receipts at the rates ranging from 8.50% to 12.25% (2021: 4.16% to 7.20%).

32. OTHER RECEIVABLES

	Note	2022	2021
		(Rupees in thousand)	
Due from related party - unsecured	32.1	38,402	96,779
Others	32.2	13,859	69,056
		52,261	165,835

32.1 This represents balance receivable from Kohinoor Textile Mills Limited (The “Holding Company”). The maximum aggregate amount outstanding from the Holding Company at any time during the year calculated with reference to month end balance is Rs. 154.90 million (2021: Rs. 96.78 million).

32.2 This includes Rs. 11.018 million (2021: Rs. 13.861 million) receivable against export rebate.

33. ADVANCE INCOME TAX - NET OF PROVISION

	2022	2021
	(Rupees in thousand)	
At beginning of the year	1,836,907	1,630,304
Tax deducted / deposited at source	561,635	736,732
Advance income tax paid	365,366	366,170
Tax refunds received	(340,366)	(366,170)
	2,423,542	2,367,036
(Provision) / reversal during the year:		
- current	(1,905,743)	(527,683)
- prior	-	(2,285)
- WWF paid	-	(161)
	(1,905,743)	(530,129)
	517,799	1,836,907

33.1 The Additional Commissioner Inland Revenue, Audit, Range, Zone - 1, Large Taxpayers Unit, Lahore (ACIR) initiated proceedings related to the tax year 2017, vide order dated 13 March 2019, against the Company under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001 (the "Ordinance"). The notice was duly responded by tax advisor of the Company. Proceedings were concluded and ACIR raised an additional tax demand of Rs. 303.360 million through amendment order, dated 27 January 2020, passed under section 122(5A) of the Ordinance. The Company preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) - CIR(A). The CIR(A), through his order dated 6 May 2020, decided all the matters in favor of the Company except for issues relating to claim of depreciation and initial allowance, without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset and apportionment of advertisement and sales promotion expenses. The Company, as well as the tax authorities, have preferred an appeal before the Appellant Tribunal Inland Revenue (ATIR), which is pending adjudication at the year end.

However, being prudent the Company has recorded the provision of Rs. 46.88 million during previous years in these unconsolidated financial statements. Management of the Company is confident of favorable outcome of the case. Therefore, no further provision has been incorporated in these unconsolidated financial statements.

33.2 The Deputy Commissioner Inland Revenue, Audit - 2, Zone I, Large Taxpayers Unit, Lahore ('DCIR') passed an appeal effect order dated 31 July 2017, related to tax year 2015, under section 124/129 of the Ordinance, giving effect to an earlier order passed by CIR(A). While passing the order, the DCIR made certain errors which were assailed before CIR(A) in second round of appeal. During the year 2020, CIR(A), through order dated 17 April 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible deductions, aggregating to Rs. 180 million, against the Company. Being aggrieved, the Company has preferred an appeal before the ATIR, which is pending adjudication. However, management and tax advisor of the Company are hopeful of favorable outcome of the case. Accordingly no provision has been incorporated in these unconsolidated financial statements.

33.3 The Additional Commissioner Inland Revenue, Audit, Range, Zone - 1, Large Taxpayers Unit, Lahore (ACIR), via notice dated May 21, 2020, initiated proceedings against the Company, related to tax year 2018, under Section 122 (9) read with section 122 (5A) of the Income Tax Ordinance 2001 (Ordinance). The above proceedings were concluded by the ACIR through amendment order dated 02 September 2020, passed under section 122(5A) of Ordinance through, which income tax demand of Rs. 376.182 million was created against the Company. The Company, being aggrieved, preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) ['CIR(A)']. During the year, the CIR (A) through appellate order dated December 30, 2020, decided majority of the issues in favor of the Company. The Company, as well as the tax authorities, have preferred an appeal before the Appellant Tribunal Inland Revenue ['ATIR'] which is pending adjudication. However, management and tax advisor of the Company is hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these unconsolidated financial statements.

33.4 During previous year, the Additional Commissioner of Inland Revenue (the ACIR), vide order dated 3 May 2017, raised income tax demand amounting to Rs. 1,001.38 million related to the tax year 2016 primarily on account of inadmissibility of tax credit under section 113(2)(c) of the Income Tax Ordinance 2001. Being aggrieved, the Company filled a writ petition in the Honorable Lahore High Court (LHC) in May 2017 which is pending adjudication at the year end. The Company and the tax/legal advisor of the Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these unconsolidated financial statements.

33.5 During previous years, the income tax department filed various appeals in Honorable Lahore High Court / Supreme Court of Pakistan against decisions of different appellate forum in favor of the Company, which are pending adjudication at the year end. The Company and the tax/legal advisor of the Company are expecting favorable outcome of the cases. Therefore, no provision has been booked in these unconsolidated financial statements.

33.6 During the year, with respect to the tax year 2021, the Company received the notice dated 20 January 2022 where the Additional Commissioner Inland Revenue Audit-I, Range-I, Large Taxpayers Office, Lahore [ADCIR] initiated proceedings against the Company under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001.

The Company responded to the notice vide letter dated 23 June 2022, through which Company's stance was adequately explained. Subsequent to the year end, the ADCIR has concluded the proceedings vide amendment order dated 05 August 2022, through which the income tax refund has been curtailed to Rs. 862,510,581. Being aggrieved, the Company is in the process of filing an appeal against the subject amendment order before the 'CIR(A)'. The Company and the tax advisor of the Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these unconsolidated financial statements.

33.7 With respect to the tax year 2012, the Company received the notice, dated 7 March 2014, from tax department for furnishing books of accounts / details / documents for audit under section 177 of the Income Tax Ordinance 2001. In response the Company filed reply / explanation which the Officer Inland Revenue (OIR) found unsatisfactory to the extent of some points which were confronted through notice, dated 23 April 2019, under section 122(4)/122(5)/122(9) of the Income Tax Ordinance 2001. Subsequently, during the year 2014, the OIR amended the assessment under section 122(4) /122(5) of the Income Tax Ordinance 2001, in the light of record available with him, vide order dated 30 April 2019 and reduced the losses by making additions of Rs. 256 million. Being aggrieved, the Company filed an appeal before CIR (A) dated 07 August 2019.

The case was heard before CIR (A) dated 14 December 2012 in which the CIR (A) upheld the additions of Rs. 116 million, remand back total additions of Rs. 113 million and delete total additions of Rs. 27 million vide order dated 31 December 2021. Being aggrieved with the treatment of CIR(A) the Company filed an appeal before ATIR dated 15 March 2022 which is pending for adjudication at the year end. The Company and the tax advisor of the Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these unconsolidated financial statements.

34. CASH AND BANK BALANCES

	Note	2022	2021
		(Rupees in thousand)	
- Cash in hand in local currency		2,179	1,977
- Cash in hand in foreign currency		1,791	1,426
		3,970	3,403
Cash at bank			
Current accounts:			
- foreign currency		15,597	11,986
- local currency	34.1	464,976	314,423
		480,573	326,409
Deposit accounts	34.2	309,033	160,517
		789,606	486,926
		793,576	490,329

34.1 These include balances of aggregate amount of Rs. 16.59 million (2021: Rs. 4.559 million) placed under an arrangement permissible under Shariah.

34.2 These carry return ranging between 6.00% to 12.50% (2021: 3.65% to 5.50%) per annum. These include deposits amounting to Rs. 12.39 million (2021: Rs. 14.695 million) placed under an arrangement permissible under Shariah. Remaining balances represent deposits with conventional banks.

These includes balance amounting to Rs. 11.062 million on which lien is marked by the BankIslami Pakistan Limited against bank guarantee issued to Excise and Taxation Department on behalf of the Company.

35. SALES - NET

	2022	2021
	(Rupees in thousand)	
Gross local sales	66,251,395	49,622,979
Less:		
Federal Excise Duty	(6,973,716)	(7,043,999)
Sales Tax	(10,631,729)	(8,060,518)
Discount and others	(726,418)	(642,449)
Commission	(275,582)	(233,060)
	(18,607,445)	(15,980,026)
Net local sales	47,643,950	33,642,953
Export sales	875,672	1,895,348
	48,519,622	35,538,301

35.1 Disaggregation of Revenue (Gross sales)

Type of Customers

	2022	2021
Government Customers	14,683	904
Non-Government Customers	67,112,384	51,517,423
	67,127,067	51,518,327

Primary Geographical Markets

	2022	2021
Pakistan	66,251,395	49,622,979
Afghanistan	787,476	1,771,351
Madagascar	-	735
Mozambique	1,540	2,660
Nigeria	1,358	-
Ethiopia	1,658	-
Oman	25,356	30,537
Qatar	5,075	6,485
Seychelles	-	52,626
Sri Lanka	32,685	8,994
Tanzania	20,524	21,960
	67,127,067	51,518,327

	Note	2022	2021
		(Rupees in thousand)	

36. COST OF SALES

	Note	2022	2021
Raw materials consumed	36.1	2,413,914	2,283,399
Packing materials consumed		3,065,308	2,824,094
Fuel and power		23,986,931	16,673,302
Stores, spare parts and loose tools consumed		1,315,004	1,073,117
Salaries, wages and other benefits	36.2	1,274,160	1,163,144
Rent, rates and taxes		1,673	2,576
Insurance		83,713	77,563
Repair and maintenance		407,350	348,147
Depreciation	20.1.8	3,163,345	3,215,917
Amortization	21.1	740	1,110
Vehicles running and maintenance		212,461	155,106
Freight and forwarding		699,664	543,688
Other expenses	36.3	139,073	104,362
		36,763,336	28,465,525
Work in process:			
At beginning of the year		1,421,319	903,522
At end of the year		(1,814,046)	(1,421,319)
		(392,727)	(517,797)
Cost of goods manufactured		36,370,609	27,947,728
Finished goods:			
At beginning of the year		387,803	575,494
At end of the year		(514,256)	(387,803)
		(126,453)	187,691
Cost of sales		36,244,156	28,135,419

36.1 Raw materials consumed

	2022	2021
At beginning of the year	109,758	90,975
Add: Purchases made during the year	2,413,061	2,302,182
	2,522,819	2,393,157
Less: At end of the year	(108,905)	(109,758)
	2,413,914	2,283,399

36.2 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 57.72 million (2021: Rs. 56.21 million) and gratuity and compensated absence as mentioned in note 15.6 to these unconsolidated financial statements.

36.3 Other expenses include housing colony expenses aggregating to Rs. 77.72 million (2021: Rs. 64.33 million).

37. DISTRIBUTION COST

	Note	2022	2021
		(Rupees in thousand)	
Salaries, wages and other benefits	37.1	288,873	241,825
Travelling and conveyance		209,953	123,155
Vehicle running and maintenance		52,990	36,083
Postage, telephone and fax		7,831	5,834
Printing, stationery and office supplies		5,060	9,169
Entertainment		14,300	26,563
Repair and maintenance		10,565	13,904
Depreciation	20.1.8	17,897	7,110
Rent, rates and taxes		-	6,077
Legal and professional charges		1,949	6,267
Advertisement and sale promotions		812,020	487,484
Fee and subscription		48,438	38,150
Other expenses		14,000	12,231
		1,483,876	1,013,852

37.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 13.52 million (2021: Rs. 11.17 million) and gratuity and compensated absence as mentioned in note 15.6 to these unconsolidated financial statements.

38. ADMINISTRATIVE EXPENSES

	Note	2022	2021
		(Rupees in thousand)	
Salaries, wages and other benefits	38.1	485,524	414,804
Travelling		74,235	66,728
Vehicle running and maintenance		54,594	36,431
Postage, telephone and fax		15,835	15,386
Printing, stationery and office supplies		37,350	24,889
Entertainment		32,499	23,591
Repair and maintenance		46,049	21,941
Legal and professional charges	38.2	38,794	32,301
Consultancy fee and subscription		55,049	43,969
Depreciation	20.1.8	50,347	61,669
Amortization	21.1	1,648	1,896
Advances / Receivable written off		9,209	18,335
Rent, rates and taxes		12,711	7,863
Other expenses		57,609	43,686
		971,453	813,489

38.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 20.67 million (2021: Rs. 18.13 million) and gratuity and compensated absence as mentioned in note 15.6 to these unconsolidated financial statements.

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

	2022	2021
	(Rupees in thousand)	
Annual statutory audit	1,850	1,610
Interim review	650	540
Other certifications	1,440	315
Taxation	-	1,418
Out of pocket expenses	620	600
	4,560	4,483

38.3 The Company has shared expenses aggregating Rs. 21.57 million (2021: Rs. 22.15 million) on account of combined offices with the Holding Company. These expenses have been recorded in respective account.

	Note	2022	2021
		(Rupees in thousand)	
39. OTHER CHARGES			
Donation	39.1	6,605	29,676
Workers' Profit Participation Fund (WPPF)	16.4	376,250	202,997
Workers' Welfare Fund (WWF)	16.5	92,486	81,360
Un-realized fair value loss on short term investment	29	25,802	-
Exchange loss- net		238,094	-
Provision for expected credit loss	27.1	50,049	112,703
Debtors written off	39.2	159,871	46,355
Loss on disposal of property, plant and equipment		3,043	29,890
Others		-	21,161
		952,200	524,142

39.1 Donations for the year have been given to:

	Note	2022	2021
Gulab Devi Chest Hospital		-	16,215
Maple CSR Initiative as per DC Office requirement		-	4,223
Daud Khel Police Station		-	3,500
Housing Colony Water Turbine		-	2,000
Auditorium at Police Public School		-	1,500
MAYO Hospital (Baby Incubator)		1,319	-
Dialysis center in AGL hospital		1,000	-
Daud Khel Water Supply Project		726	72
Beaconhouse National University (Scholarship)		1,358	-
Road Safety Campaign DPO Mianwali		-	150
Financial assistance for the deceased worker		600	-
Shafaullah		120	-
Local schools at Daud Khel		1,482	-
Miscellaneous donations in the form of cement		-	1,959
Rescue Office 1122		-	57
	39.1.1	6,605	29,677

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

39.2 This includes balance written off amounting to Rs. 1.3 million pertaining to export customer Haji Mohammad Nader Dawlat Zai Limited.

40. OTHER INCOME

	Note	2022	2021
		(Rupees in thousand)	
Income from financial assets			
Profit on bank deposits	40.1	23,391	17,349
Interest on loans to employees		319	398
Dividend income		-	3,514,000
Un-realized fair value gain on investments		-	29,403
		23,710	3,561,150
Income from non-financial assets			
Sale of scrap		634	5,061
Exchange gain - net	40.2	-	95,981
FV gain on discounting of payable to government authority		-	31,008
Rental income		1,584	26,122
Miscellaneous		30,673	12,810
		32,891	170,982
		56,601	3,732,132

40.1 This includes profit earned on deposits under an arrangements which are permissible under Shariah amounting to Rs. 0.64 million (2021: Rs. 2.764 million). The remaining profit relates to interest / markup based arrangement from conventional banks.

40.2 This represents exchange gain - net of loss incurred on actual currency conversion.

41. FINANCE COST

	Note	2022	2021
		(Rupees in thousand)	
Profit / interest / mark up on:			
- Long term loans and finances		1,114,050	937,274
- Long term loans from Subsidiary Company	10	104,170	197,878
- Short term borrowings	18	431,729	265,581
		1,649,949	1,400,733
Notional interest on unwinding of retention money payable		27,828	25,625
Notional interest on unwinding of payable to government authority		9,871	20,920
Interest on lease liabilities		2,377	-
Bank and other charges		51,001	46,652
		1,741,026	1,493,930

42. TAXATION

	Note	2022	2021
		(Rupees in thousand)	
Income Tax			
- current		1,905,743	527,683
- prior		-	2,285
		1,905,743	529,968
Deferred	12.1	1,651,429	505,524
		3,557,172	1,035,492

42.1 Tax charge reconciliation

42.1.1 Numerical reconciliation between tax expense and accounting profit:

	2022	2021
	(Rupees in thousand)	
Profit before taxation		
Profit before taxation	7,183,512	7,289,601
Applicable tax rate as per Income Tax Ordinance, 2001	29%	29%
Tax on accounting profit	2,083,218	2,113,984
Impact of super tax under section 4E	702,332	-
Effect of final tax regime	(24,169)	(56,999)
Change in tax rate and proportion of local and export sales	860,054	50,556
Effect of taxation on dividend income	-	(1,003,760)
Effect of ACT / minimum tax / unused tax losses	-	(80,987)
Effect of prior year adjustment	-	2,285
Other	(64,263)	10,413
	3,557,172	1,035,492

42.2 As per management's assessment, the provision for tax made in the unconsolidated financial statements is sufficient. A comparison of last three years' of income tax provision with tax assessment is presented below:

	Tax provision as per financial statements	Tax as per return
	(Rupees in thousand)	
2019	-	-
2020	-	2,285
2021	527,683	-

42.2.1 Income tax liability for the tax year 2019 and tax year 2020 was adjusted against tax credit under section 65(B) of Income Tax Ordinance 2001, accordingly, no provision for the said tax year was required to be recorded in these unconsolidated financial statements.

The Company has challenged the amendments made in Finance Act, 2020 that reduced the tax credit under section 65 (B) from 10% to 5% of the eligible addition in fixed assets. However, provision is calculated for financial statements as per the enacted law on a prudent basis.

43. EARNINGS PER SHARE - BASIC AND DILUTED

43.1 Basic earnings per share

	Unit	2022	2021
Profit after taxation	Rupees in '000	3,626,340	6,254,109
Weighted average number of ordinary shares	No. of shares in '000	1,097,524	1,098,346
	Rupees	3.30	5.69

43.2 Weighted average number of ordinary shares

	2022	2021
	(Number of shares in '000')	
Outstanding number of shares before own shares purchased	1,098,346	1,098,346
Add: Impact of own shares purchased during the year	(822)	-
	1,097,524	1,098,346

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

44. CASH AND CASH EQUIVALENTS

	Note	2022	2021
		(Rupees in thousand)	
Short term running finance	18.2	(1,396,990)	(207,310)
Temporary bank overdrafts - unsecured	18.4	(505)	(3,217)
Cash and bank balances	34	793,576	490,329
		(603,919)	279,802

45. RELATED PARTY TRANSACTIONS AND BALANCES

The Company is a subsidiary of Kohinoor Textile Mills Limited (the "Holding Company"), accordingly all the subsidiaries and associated companies of the Holding Company are related party of the Company. In addition Company's related parties comprise of the Subsidiary Company, directors of the Company key management personnel and post employment retirement plan. Amount due from and due to related parties are shown under respective notes. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:

Name of parties	Relationship	Transactions	Note	2022 (Rupees in thousand)	2021 (Rupees in thousand)
a) **Kohinoor Textile Mills Limited**	Holding Company (55.22% equity held)	Sale of goods to related party		101,341	144,968
		Purchase of fixed assets		-	3,533
		Expenses paid by related party on behalf of the Company		21,666	14,050
		Expenses paid by the Company on behalf of related party		1,948	5,265
b) **Maple Leaf Power Limited**	Subsidiary Company	Coal provided to Subsidiary Company		3,819,160	2,159,321
		Coal received from Subsidiary Company		572,642	-
		Long term loan from subsidiary	10	1,000,000	-
		Long term loan repaid to subsidiary		-	2,000,000
		Rent charged to subsidiary company		435	360
		Purchase of goods and services (inclusive of taxes)		6,174,121	5,043,812
		Payments made by related party on behalf of the Company		109,211	-
		Markup paid during the year to related party		93,301	237,579
		Dividend received from related party		-	3,514,000
		Expenses paid on the behalf of related party		134,307	224,544
c) **Mr. Tariq Ahmed Mir**	Key management personnel	Sale proceed from sale of vehicle		1,890	-
d) **Key management personnel**	Key management personnel	Remuneration and other benefits		255,683	196,694
e) **Employee benefits**					
Gratuity	Post employment benefit plan	Contribution		27,577	36,550
Provident Fund Trust	Employees benefit fund	Contribution		211,461	175,197

45.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel and these are disclosed below.

Name	Relationship	% of shareholding in the Company
Mr. Tariq Sayeed Saigol	Director / Key management personnel	0.0030%
Mr. Sayeed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Taufique Sayeed Saigol	Director / Key management personnel	0.0015%
Mr. Waleed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Danial Taufique Saigol	Director / Key management personnel	0.0005%
Ms. Jahanara Saigol	Director / Key management personnel	0.0002%
Mr. Shafiq Ahmed Khan	Director / Key management personnel	0.0014%
Mr. Zulfikar Monnoo	Director / Key management personnel	0.0003%
Mr. Syed Mohsin Raza Naqvi	Director / Key management personnel	N/A
Mr. Sohail Sadiq	Key management personnel	N/A
Mr. Yahya Hamid	Key management personnel	N/A
Mr. Amir Feroze	Key management personnel	N/A
Mr. Zeeshan Malik Bhutta	Key management personnel	N/A
Mr. Nasir Iqbal	Key management personnel	N/A
Mr. Tariq Ahmed Mir	Key management personnel	N/A
Mr. Amer Bilal	Key management personnel	N/A
Mr. Muhammad Basharat	Key management personnel	N/A

46. REMUNERATION OF CHAIRMAN, CHIEF EXECUTIVE, DIRECTORS, NON-EXECUTIVE DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the unconsolidated financial statements for the year for remuneration, including all benefits to the Chairman, Chief Executive, Directors and Executives of the Company are as follows:

	2022				
			Directors		
	Chairman	Chief Executive	Executive	Non-Executives	Executives
	(------------------------------- Rupees in thousand			--------------------------------)	
Short term benefits					
Managerial remuneration	39,347	36,199	24,947	-	300,821
House rent	4,819	4,433	-	-	60,644
Medical	2,963	2,726	1,676	-	23,854
Conveyance	-	1,632	1,188	-	34,664
Utilities	5,372	4,942	2,361	-	49,084
	52,501	49,932	30,172	-	469,067
Post employment benefits					
Contribution to Provident Fund Trust	2,963	2,726	1,676	-	23,854
	55,464	52,658	31,848	-	492,921
Numbers	1	1	1	5	101

	2021				
			Directors		
	Chairman	Chief Executive	Executive	Non-Executives	Executives
	(---------------------------- Rupees in thousand			----------------------------)	
Short term benefits					
Managerial remuneration	32,625	30,015	17,534	-	253,807
House rent	4,950	6,831	1,310	-	71,933
Medical	2,475	-	142	-	4,978
Conveyance	-	1,627	914	-	23,697
Utilities	-	-	655	-	19,282
	40,050	38,473	20,555	-	373,697
Post employment benefits					
Contribution to Provident Fund Trust	2,475	2,277	1,310	-	20,020
	42,525	40,750	21,865	-	393,717
Numbers	1	1	1	5	92

46.1 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.

46.2 Aggregate amount charged in these unconsolidated financial statements in respect of meeting fee paid to Directors is Rs. 0.34 million (2021: Rs. 0.34 million).

47. CAPACITY AND PRODUCTION

	Capacity		Actual Production	
	2022	2021	2022	2021
	---------------------------- Metric tons ----------------------------			
Clinker	5,700,000	5,585,342	4,528,651	4,881,669

The capacity as disclosed in these unconsolidated financial statements is worked out based on 300 working days. Increase in capacity during the year as compared to last year was due to additional capacity available from line III from April 2021. During the last year, the Company increased the clinker / cement production capacity of line III from 7,300 tons per day to 7,800 tons per day due to debottlenecking and balancing, modernization and replacement program. The Company had aggregate clinker / cement production capacity of 18,500 tons per day until April 2021 and 19,000 tons per day after April 2021. Further, actual production is based on actual demand of cement during the year.

48. 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 in terms of continents and revenue from continuing operations from external customers based on geographical areas is as follows:

	2022	2021
	(Percentage)	
Geographical area		
Asia	99.96%	99.85%
Africa	0.04%	0.15%
	100.00%	100.00%

All assets of the Company as at 30 June 2022 are located in Pakistan.

49. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees upon the policies for managing each of these risks.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

49.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

49.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2022	2021
	(Rupees in thousand)	
Financial assets at amortised cost		
Long term deposits	57,600	57,302
Trade debts	2,066,212	1,679,704
Long term loans to employees	30,234	27,996
Short term loan / advance to employees	28,740	10,795
Short term investment	169,500	94,500
Margin and short term deposits	525,377	221,977
Accrued profit	7,075	6,061
Other receivables	52,261	165,835
Cash at bank	789,606	486,926
	3,726,605	2,751,096

49.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2022	2021
	(Rupees in thousand)	
Customers	2,066,212	1,679,704
Banking companies and financial institutions	1,457,452	809,464
Others	202,941	261,928
	3,726,605	2,751,096

49.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical default rates and present ages.

49.1.3.1 Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, term deposits margin against bank guarantees, marging against letter of credit and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating			2022	2021
	Short term	Long term	Agency	(Rupees in thousand)	
Cash at Bank					
Allied Bank Limited	A1+	AAA	PACRA	5,256	4,195
Askari Bank Limited	A1+	AA+	PACRA	15,709	10,458
Bank Al-Habib Limited	A1+	AAA+	PACRA	145,032	134,635
Bank Alfalah Limited	A1+	AA+	PACRA - VIS	6,928	1,378
BankIslami Pakistan Limited	A1	A+	PACRA	13,492	13,325
The Bank of Punjab	A1+	AA+	PACRA	12,591	14,561
AlBaraka Bank Limited	A1	A+	PACRA	9	9
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	2,580	2,580
Faysal Bank Limited	A1+	AA	PACRA - VIS	4,687	1,266
Finca Microfinance Bank Limited	A1	A	PACRA - VIS	5,082	1,871
Habib Bank Limited	A1+	AAA	PACRA	195,064	56,586
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	31,780	28,937
Meezan Bank Limited	A1+	AAA	JCR-VIS	-	658
MCB Bank Limited	A1+	AAA	PACRA	304,198	143,326
National Bank of Pakistan	A1+	AAA	PACRA - VIS	4,708	34,680
Samba Bank Limited	A1	AA	JCR-VIS	1,485	1,259
Silk Bank Limited	A-2	A-	JCR-VIS	13	12
Soneri Bank Limited	A1+	AA-	PACRA	102	102
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,820	3,423
Summit Bank Limited	A3	BBB-	JCR-VIS	25	25
United Bank Limited	A1+	AAA	JCR-VIS	38,045	32,743
U Micro finance Bank Limited	A1	A	JCR-VIS	-	897
				789,606	486,926

	Rating Short term	Long term	Agency	2022 (Rupees in thousand)	2021
Short term investment - Term deposit receipts					
The Bank of Punjab	A1+	AA+	PACRA	169,500	94,500
Accrued profit					
The Bank of Punjab	A1+	AA+	PACRA	7,075	6,061
Margin against bank guarantees					
Allied Bank Limited	A1+	AAA	PACRA	1,700	1,700
Askari Bank Limited	A1+	AA+	PACRA	260,000	60,000
United Bank Limited	A1+	AAA	JCR-VIS	31,214	31,214
Summit Bank Limited	A3	BBB-	JCR-VIS	32,135	26,216
Soneri Bank Limited	A1+	AA-	PACRA	5,000	5,000
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	1,964	1,964
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	39,942	39,941
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	50,000	50,000
				421,955	216,035
Margin against letters of credit					
Allied Bank Limited	A1+	AAA	PACRA	-	241
Faysal Bank Limited	A1+	AA	PACRA - VIS	5,120	-
Habib Bank Limited	A1+	AAA	PACRA	62,734	-
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,462	5,701
				69,316	5,942
Total				1,457,452	809,464

49.1.3.2 Counterparties without external credit ratings

These mainly include customers which are counter parties to local and foreign trade debts against sale of cement. As explained in note 3.10, the Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. The management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a ‘role rate’ method based on the probability of receivable progressing through successive stages of delinquency to write-off. The Company has used three years quarterly data in the calculation of historical loss rates along with the matching quarterly ageing brackets for the computation of roll rates. These rates are multiplied by scalar factors to reflect the effect of forward looking macro economic factors.

The analysis of ages of trade debts and loss allowance using the aforementioned approach as at 30 June 2022 was determined as follows:

	2022		2021	
	Gross carrying amount	Loss Allowance	Gross carrying amount	Loss Allowance
	---------------------- (Rupees in thousand) ----------------------			
The ageing of trade debts at the reporting date is:				
Not past due	1,342,565	4,687	708,821	1,825
Past due:				
1- 90 days	568,615	1,985	669,896	9,108
91 - 180 days	83,753	3,616	215,727	15,952
181 - 270 days	72,081	7,156	62,964	16,357
271 - 365 days	16,419	2,816	46,914	12,202
366 - above days	32,828	29,789	268,774	237,948
	2,116,261	50,049	1,973,096	293,392

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and shipments to the export customers are generally covered by letters of credit or other form of credit insurance.

49.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner 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 and 18 to these unconsolidated financial statements is a listing of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

49.2.1 Exposure to liquidity risk

Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	2022				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	(Rupees in thousand)				
Financial liabilities at amortised cost					
Long term loans from financial institutions - secured	20,339,002	29,694,914	5,279,292	19,257,595	5,158,027
Long term loan from Subsidiary Company	2,000,000	2,849,839	323,200	2,526,639	-
Long term deposits	8,214	8,214	-	8,214	-
Trade and other payables	6,115,035	6,115,035	6,115,035	-	-
Unclaimed dividend	27,569	27,569	27,569	-	-
Mark-up accrued on borrowings	665,122	665,122	665,122	-	-
Short term borrowings	3,572,073	3,572,073	3,572,073	-	-
	32,727,015	42,932,766	15,982,291	21,792,448	5,158,027

	2021				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	(Rupees in thousand)				
Financial liabilities at amortised cost					
Long term loans from financial institutions - secured	13,440,927	16,665,786	2,747,709	12,256,541	1,661,536
Long term loan from Subsidiary Company	1,000,000	1,131,207	84,500	1,046,707	-
Long term deposits	8,214	8,214	-	8,214	-
Retention money payable	391,694	421,841	-	421,841	-
Trade and other payables	4,697,729	4,697,729	4,697,729	-	-
Unclaimed dividend	28,134	28,134	28,134	-	-
Mark-up accrued on borrowings	260,953	260,953	260,953	-	-
Short term borrowings	1,894,115	1,894,115	1,894,115	-	-
	21,721,766	25,107,979	9,713,140	13,733,303	1,661,536

49.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

49.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros and US dollars.

49.3.1.1 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 unconsolidated statement of financial position date.

	2022					
	Equivalent to Rupees	GBP	AED	RMB	EURO	USD
	(Amount in thousand)					
Assets						
- Trade debts	26,995	-	-	-	-	129
- Cash and bank balances	17,388	2	-	-	-	82
	44,383	2	-	-	-	211
Liabilities						
- Trade and other payables	(69,371)	-	(22)	(471)	(47)	(210)
	(69,371)	-	(22)	(471)	(47)	(210)
Net Statement of financial position exposure	(24,988)	2	(22)	(471)	(47)	1
Off statement of financial position items						
- Outstanding letters of credit	(3,922,077)	-	-	(109,402)	(864)	(1,708)
Net exposure	(3,947,065)	2	(22)	(109,873)	(911)	(1,707)

	2021					
	Equivalent to Rupees	GBP	AED	RMB	EURO	USD
	(Amount in thousand)					
Assets						
- Trade debts	7,669	-	-	-	-	49
- Cash and bank balances	13,412	2	-	-	-	82
	21,081	2	-	-	-	131
Liabilities						
- Trade creditors and bills payable	(662,841)	-	-	(17)	(33)	(4,145)
	(662,841)	-	-	(17)	(33)	(4,145)
Net statement of financial position exposure	(641,760)	2	-	(17)	(33)	(4,014)
Off statement of financial position items						
- Outstanding letters of credit	(8,825,137)	-	-	(340,033)	(1,988)	(194)
Net exposure	(9,466,897)	2	-	(340,050)	(2,021)	(4,208)

49.3.1.2 Exchange rates applied during the year

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

	Average rate for the year		Reporting date spot rate			
			2022		2021	
	2022	2021	Buying	Selling	Buying	Selling
GBP	236.36	217.00	249.31	249.92	218.58	219.28
CHF	190.84	176.52	215.43	215.96	171.32	171.86
EURO	200.16	191.91	215.23	215.75	188.12	188.71
USD	178.01	160.31	205.50	206.00	157.8	158.3
YEN	1.52	1.51	1.50	1.51	1.43	1.43
AED	48.46	43.65	56.35	56.48	43.27	43.40
RMB	27.57	24.41	30.85	30.93	24.69	24.76
SGD	130.87	119.29	147.69	148.05	117.37	117.74

49.3.1.3 Sensitivity analysis

A reasonably possible 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 before tax	
	2022	2021
	(Rupees in thousand)	
USD	(35,164)	(66,402)
EURO	(19,655)	(38,138)
RMB	(339,837)	(841,964)
GBP	50	44
AED	(124)	-
	(394,730)	(946,460)

49.3.1.4 Currency risk management

Since the amount exposed to currency risk is very insignificant as compared to total assets or total liabilities of the Company therefore any adverse / favorable movement in functional currency with respect to US dollar , GBP and Euro will not have any material impact on the Company's operational results.

49.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

49.3.2.1 Fixed rate financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2022		2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	(Rupees in thousand)			
Non-derivative financial instruments				
Short term investment - term deposit receipt	169,500	-	94,500	-

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to these unconsolidated financial statements.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit and loss account.

49.3.2.2 Variable rate financial instruments

		2022		2021	
		Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Note	(Rupees in thousand)			
Non-derivative financial instruments					
Long term loans from banking companies-secured	8	-	20,339,002	-	13,440,927
Long term loan from Subsidiary Company	10	-	2,000,000	-	1,000,000
Short term borrowings	18	-	3,571,568	-	1,890,898
Bank balances at deposit accounts	34	309,033	-	160,517	-
		309,033	25,910,570	160,517	16,331,825

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the unconsolidated financial statements.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. This analysis is performed on the same basis for the year 2022.

	Profit before tax	
	2022	2021
	(Rupees in thousand)	
Increase of 100 basis points		
Variable rate instruments	(256,015)	(161,713)
Decrease of 100 basis points		
Variable rate instruments	256,015	161,713

49.3.2.3 Interest rate risk management

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

49.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market.

49.3.3.1 Investments exposed to price risk

At the balance sheet date, the Company's investment in quoted equity securities and investments in money market mutual funds is as follows:

	2022	2021
	(Rupees in thousand)	
Investment in equity securities	28,846	54,648

49.3.3.2 Sensitivity analysis

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

	Equity	
	2022	2021
	(Rupees in thousand)	
Short term investment at fair value through statement of profit or loss		
Effect of increase	2,885	5,465
Effect of decrease	(2,885)	(5,465)

49.3.3.3 Price risk management

The Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies. The carrying value of investments subject to equity price risk are based on quoted market prices as at reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

50. FAIR VALUES

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

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

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

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

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

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

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

- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy:

	Note	Carrying Amount				Fair Value		
		Fair Value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
		(Rupees in thousand)						
30 June 2022								
Financial assets at fair value								
Short term investments		28,846	-	-	28,846	28,846	-	-
Financial assets at amortised cost								
Cash and bank balances		-	793,576	-	793,576	-	-	-
Long term loans to employees		-	30,234	-	30,234	-	-	-
Short term investment - term deposit receipt		-	169,500	-	169,500	-	-	-
Short term loan / advance to employees		-	28,740	-	28,740	-	-	-
Margin and short term deposits		-	525,377	-	525,377	-	-	-
Other receivables		-	52,261	-	52,261	-	-	-
Accrued profit		-	7,075	-	7,075	-	-	-
Long term deposits		-	57,600	-	57,600	-	-	-
Trade debts		-	2,066,212	-	2,066,212	-	-	-
	50.1	28,846	3,730,575	-	3,759,421	28,846	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from financial institutions - secured		-	-	20,339,002	20,339,002	-	-	-
Long term loan from Subsidiary Company		-	-	2,000,000	2,000,000	-	-	-
Long term deposits		-	-	8,214	8,214	-	-	-
Trade and other payables		-	-	6,115,035	6,115,035	-	-	-
Unclaimed dividend		-	-	27,569	27,569	-	-	-
Mark-up accrued on borrowings		-	-	665,122	665,122	-	-	-
Short term borrowings		-	-	3,572,073	3,572,073	-	-	-
	50.1	-	-	32,727,015	32,727,015	-	-	-

	Note	Carrying Amount				Fair Value		
		Fair Value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
		(Rupees in thousand)						
30 June 2021								
Financial assets measured at fair value								
Short term investments		54,648	-	-	54,648	54,648	-	-
Financial assets at amortised cost								
Cash and bank balances		-	490,329	-	490,329	-	-	-
Long term loans to employees		-	27,996	-	27,996	-	-	-
Short term investment - term deposit receipt		-	94,500	-	94,500	-	-	-
Short term loan / advance to employees		-	10,795	-	10,795	-	-	-
Margin and short term deposits		-	221,977	-	221,977	-	-	-
Other receivables		-	165,835	-	165,835	-	-	-
Accrued profit		-	6,061	-	6,061	-	-	-
Long term deposits		-	57,302	-	57,302	-	-	-
Trade debts		-	1,679,704	-	1,679,704	-	-	-
	50.1	54,648	2,754,499	-	2,809,147	54,648	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from financial institution - secured		-	-	13,440,927	13,440,927	-	-	-
Long term loan from Subsidiary Company		-	-	1,000,000	1,000,000	-	-	-
Long term deposits		-	-	8,214	8,214	-	-	-
Retention money payable		-	-	391,694	391,694	-	-	-
Trade and other payables		-	-	4,697,729	4,697,729	-	-	-
Unclaimed dividend		-	-	28,134	28,134	-	-	-
Mark-up accrued on borrowings		-	-	260,953	260,953	-	-	-
Short term borrowings		-	-	1,894,115	1,894,115	-	-	-
	50.1	-	-	21,721,766	21,721,766	-	-	-

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

50.2 Freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 7.1. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. For revaluation of freehold land fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. In case of buildings on freehold land, roads, bridges and railway sidings, construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value. For revaluation of plant and machinery, suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

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

	2022							
	Own shares purchased for cancellation	Unclaimed dividend	Liabilities against right of use assets	Long term financing from financial institutions	Long term loan from Subsidiary Company	Short term borrowings	Accrued markup	Total
	(Rupees in thousand)							
As at 01 July 2021	-	28,134	-	13,341,361	1,000,000	1,894,115	260,953	16,524,563
Changes from financing cash flows								
Dividend paid	-	(565)	-	-	-	-	-	(565)
Long term loan received from subsidiary company	-	-	-	-	1,000,000	-	-	1,000,000
Short term borrowings - net	-	-	-	-	-	490,990	-	490,990
Financial charges paid	-	-	-	-	-	-	(1,296,781)	(1,296,781)
Lease rentals paid during the year	-	-	(12,425)	-	-	-	-	(12,425)
Own share purchased for cancellation	(477,778)	-	-	-	-	-	-	(477,778)
Long term loans from financial institutions - secured - net	-	-	-	6,898,075	-	-	-	6,898,075
Total changes from financing cash flows	(477,778)	(565)	(12,425)	6,898,075	1,000,000	490,990	(1,296,781)	6,601,516
Other changes								
Deferred grant	-	-	-	(871,768)	-	-	-	(871,768)
Change in running finances and over draft balances	-	-	-	-	-	1,186,968	-	1,186,968
Payable against purchase of shares	(18,651)	-	-	-	-	-	-	(18,651)
Recognized during the year	-	-	44,021	-	-	-	-	44,021
Finance cost	-	-	2,377	-	-	-	1,700,950	1,703,327
Total liability related other changes	(18,651)	-	46,398	(871,768)	-	1,186,969	1,700,950	2,043,897
As at 30 June 2022	(496,429)	27,569	33,973	19,367,668	2,000,000	3,572,073	665,122	25,169,976

	2021							
	Own Shares purchase for cancellation	Unclaimed Dividend	Liabilities against right of used assets	Long term financing from financial institutions	Long term loan from Subsidiary Company	Short term borrowing	Accrued markup	Total
	(Rupees in thousand)							
As at 01 July 2020	-	48,053	-	12,298,102	3,000,000	6,642,312	547,189	22,535,656
Changes from financing cash flows								
Dividend paid	-	(19,919)	-	-	-	-	-	(19,919)
Long term loan repaid to subsidiary company	-	-	-	-	(2,000,000)	-	-	(2,000,000)
Short term borrowings - net	-	-	-	-	-	(4,121,973)	-	(4,121,973)
Financial charges paid	-	-	-	-	-	-	(1,733,621)	(1,733,621)
Long term loans from financial institutions - secured - net	-	-	-	1,142,825	-	-	-	1,142,825
Total changes from financing cash flows	-	(19,919)	-	1,142,825	(2,000,000)	(4,121,973)	(1,733,621)	(6,732,688)
Other changes								
Deferred grant	-	-	-	(99,566)	-	-	-	(99,566)
Change in running finances and over draft balances	-	-	-	-	-	(626,224)	-	(626,224)
Finance cost	-	-	-	-	-	-	1,447,385	1,447,385
Total liability related other changes	-	-	-	(99,566)	-	(626,224)	1,447,385	721,595
As at 30 June 2021	-	28,134	-	13,341,361	1,000,000	1,894,115	260,953	16,524,563

52. CAPITAL MANAGEMENT

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

The Company's objectives when managing capital are:

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

ii. to provide an adequate return to shareholders.

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

	Unit	2022	2021
Total debt	Rupees in '000	26,576,197	16,595,995
Less: Cash and bank balances	Rupees in '000	(793,576)	(490,329)
Net debt	Rupees in '000	25,782,621	16,105,666
Total Equity	Rupees in '000	40,559,015	37,542,541
Total capital employed	Rupees in '000	66,341,636	53,648,207
Gearing	Percentage	38.86%	30.02%

Total debt comprises of long term loans from banking companies, long term loan from Subsidiary Company, accrued markup on borrowings and short term borrowings.

Total equity includes issued, subscribed and paid-up share capital, capital reserves, accumulated profits and surplus on revaluation of fixed assets.

There were no changes in the Company's approach to capital management during the year.

53. PROVIDENT FUND TRUST

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

	Un-audited 2022	Audited 2021
	(Rupees in thousand)	
Size of the fund - total assets	1,114,648	1,049,204
Cost of investments made	1,009,704	967,440
Percentage of investments made	97.13%	97.80%
Fair value of investments	1,082,669	1,026,086

The break-up of fair value of investments is:

	2022 (Un-audited)		2021 (Audited)	
	Rs. in '000	Percentage	Rs. in '000	Percentage
Shares in quoted securities	3,734	0.34%	4,620	0.45%
Term deposit receipts	648,057	59.86%	615,792	60.01%
Government securities	322,274	29.77%	316,995	30.89%
Mutual funds	108,604	10.03%	88,679	8.65%
	1,082,669	100.00%	1,026,086	100.00%

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.

54. IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. During the previous years, the Government of Pakistan, from time to time announced a temporary smart lock downs as a measure to reduce the spread of the COVID–19, however, no lock down was announced during the year. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of the employees, the Company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Management is actively monitoring the impact of the pandemic on its financial condition, liquidity, operations, supply chain and workforce, which at this point is not considered significant. The Company, during the last year, obtained term loan / SBP COVID-19 relief facility, under "SBP refinance scheme for payment of wages and salaries" introduced by Government of Pakistan, of Rs. 853.26 million, for paying salaries for the months from April 2020 to September 2020. Balance amount of the loan is appearing in note 8 to these unconsolidated financial statements. Management believes that the Company has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future when they become due. From the very outset of Covid-19, the management has adopted various policies and practices to minimize adverse impact of Covid-19 on the business and is continuously monitoring the situation in order to proactively address any challenges which may arise from Covid-19.

55. NUMBER OF EMPLOYEES

The total and average number of employees of the Company during the year and as at 30 June 2022 and 2021 respectively are as follows:

	2022	2021
Total number of employees as on June 30		
- Head office	352	341
- Factory	1,179	1,087
	1,531	1,428
Average number of employees during the year		
- Head office	347	328
- Factory	1,154	1,102
	1,501	1,430

56. 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 01 September 2022.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended June 30, 2022

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 a group) for the year ended 30 June 2022.

GROUP RESULTS

The Group has earned a gross profit of Rupees 13,239 million as compared to Rupees 8,499 million in the corresponding year. The Group made an after-tax profit of Rupees 4,553 million during this year as compared to a profit of Rupees 3,828 million during the corresponding year.

The overall group financial results are as follows:

	30 June 2022	30 June 2021
	(Rupees in million)	
Sales	48,520	35,538
Gross Profit	13,239	8,499
Profit from operations	9,798	6,297
Financial charges	(1,658)	(1,327)
Profit after tax	4,553	3,828
	------------- (Rupees) -------------	
Earnings per share – basic and diluted	4.15	3.49

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 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.

In compliance with the Companies Act, 2017, all relevant matters of Section 227 have been placed in our Standalone Directors' Report to the Shareholders.

ACKNOWLEDGEMENT

The Directors are grateful to the group's members, financial institutions, customers and employees for their cooperation and support. They also appreciate the hard work and dedication of the employees working in different roles.

For and on behalf of the Board

Lahore: 01 September 2022

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
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 9907

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 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022 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 matters:

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1	**Revenue** Refer to notes 3.12 and 33 to the consolidated financial statements. The Group recognized revenue of Rs. 48.52 billion from the sale of cement to domestic as well as foreign customers during the year ended 30 June 2022. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and gives rise to a risk that revenue is recognized without transferring the control.	Our audit procedures included the following: • Obtaining an understanding of the process relating to recording of revenue and testing the design, implementation and operating effectiveness of key internal controls; • assessing whether the accounting policies for revenue recognition complies with the requirements of accounting and reporting standards as applicable in Pakistan; • comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, outward gate passes and other relevant underlying documents; • comparing, on a sample basis, specific revenue transactions recorded just before and just after the financial year end date to determine whether revenue has been recognized in the appropriate accounting period; • comparing for any manual journal entries relating to revenue recognized during the year which were considered to be material or met other specific risk-based criteria with the underlying documentation; and • assessing the adequacy of presentation and disclosures related to the revenue as required under the accounting and reporting standards as applicable in Pakistan.
2	**Capital Work in Progress** Refer to notes 3.4.1 and 19.2 to the consolidated financial statements. The Group has made significant capital expenditure on expansion of manufacturing facilities. We identified additions to capital work in progress as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria.	Our audit procedures to assess the additions in capital work in progress included the following: • Obtaining an understanding of the process relating to recording of transactions as part of capital work in progress and testing the design, implementation and operating effectiveness of key internal controls; • testing, on a 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 and reporting standards; • assessing the adequacy of presentation and disclosures as required under the accounting and reporting standards as applicable in Pakistan; and • assessing whether the accounting policies for recording of transactions as part of capital work in progress complies with the requirements of accounting and reporting standards as applicable in Pakistan.

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 2022 but does not include the consolidated 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 M. Rehan Chughtai.

Lahore

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 02 September 2022

UDIN: AR202210183RCc3qLPSG

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	5	15,000,000	15,000,000
Issued, subscribed and paid-up share capital	5	10,983,462	10,983,462
Capital reserves	6	6,092,384	6,588,813
Accumulated profits		22,707,119	17,634,595
Surplus on revaluation of fixed assets - net of tax	7	2,503,583	3,135,460
		42,286,548	38,342,330
NON - CURRENT LIABILITIES			
Long term loans from financial institutions - secured	8	16,747,868	11,636,749
Deferred grant	9	786,758	49,569
Long term liability against right of use asset	10	27,136	-
Deferred taxation	11	5,687,743	3,931,540
Retention money payable	12	-	391,694
Payable to government authority	13	-	42,890
Retirement benefits	14	235,329	228,266
Long term deposits		8,214	8,214
		23,493,048	16,288,922
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institutions - secured	8	2,619,800	1,704,612
- Deferred grant	9	184,576	49,997
- Liability against right of use assets	10	6,837	-
Trade and other payables	15	9,643,549	7,991,126
Unclaimed dividend		27,569	28,134
Mark-up accrued on borrowings	16	632,836	240,161
Short term borrowings	17	3,572,073	1,924,115
		16,687,240	11,938,145
CONTINGENCIES AND COMMITMENTS	18		
		82,466,836	66,569,397

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

CHIEF EXECUTIVE OFFICER | **CHIEF FINANCIAL OFFICER** | **DIRECTOR**

	Note	2022	2021
		(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	19	61,480,197	49,150,229
Intangible assets	20	10,415	6,017
Long term loans to employees - secured	21	19,366	17,004
Long term deposits	22	57,600	57,302
		61,567,578	49,230,552
CURRENT ASSETS			
Stores, spare parts and loose tools	23	13,325,326	10,047,727
Stock-in-trade	24	2,642,065	2,085,863
Trade debts	25	2,066,212	1,679,704
Loans and advances	26	605,988	492,141
Short term investment	27	198,346	149,148
Short term deposits and prepayments	28	557,615	240,061
Accrued profit	29	7,206	6,136
Other receivables	30	52,261	165,835
Advance income tax - net of provision	31	626,995	1,970,899
Cash and bank balances	32	817,244	501,331
		20,899,258	17,338,845
		82,466,836	66,569,397

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
Sales - net	33	48,519,622	35,538,301
Cost of sales	34	(35,280,283)	(27,039,661)
Gross profit		13,239,339	8,498,640
Distribution cost	35	(1,483,876)	(1,013,851)
Administrative expenses	36	(977,472)	(820,165)
Other charges	37	(1,040,516)	(590,393)
		(3,501,864)	(2,424,409)
Other income	38	60,209	223,015
Profit from operations		9,797,684	6,297,246
Finance cost	39	(1,658,272)	(1,327,203)
Profit before taxation		8,139,412	4,970,043
Taxation	40	(3,586,287)	(1,141,549)
Profit after taxation		4,553,125	3,828,494
		----------------Rupees----------------	
Earnings per share - basic and diluted	41	4.15	3.49

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, 2022

	Note	2022	2021
		(Rupees in thousand)	
Profit after taxation		4,553,125	3,828,494
Other comprehensive income			
Items that will not be subsequently reclassified to statement of profit or loss:			
Remeasurement of defined benefit liability	14.2.3	1,726	(27,456)
Related tax		(557)	7,832
		1,169	(19,624)
Surplus on revaluation of fixed assets		-	-
Related tax		-	(3,339)
		-	(3,339)
Total comprehensive income for the year		4,554,294	3,805,531

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, 2022

	Note	2022	2021
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		8,139,412	4,970,043
Adjustments for:			
Depreciation	19.1.7	3,555,760	3,591,901
Amortization	20.1	2,388	3,006
Provision for expected credit loss	25.1	50,049	112,703
Bad debts written off	37	159,871	46,355
Advances written off	36	9,209	18,335
Provision for Workers' Profit Participation Fund	37	427,064	269,247
Provision for Workers' Welfare Fund	37	112,811	81,360
Loss on disposal of property, plant and equipment	37	3,043	29,890
FV gain on discounting of payable to government authority	38	-	(31,008)
Loss / (gain) on re-measurement of short term investments at fair value	29	25,802	(29,403)
Notional interest on unwinding of retention money payable	39	27,828	25,625
Notional interest on unwinding of payable to government authority	39	9,871	20,920
Retirement benefits	14.6	57,340	42,056
Profit on bank deposits	38	(24,598)	(18,720)
Finance cost	39	1,620,573	1,280,658
Cash generated from operations before working capital changes		14,176,423	10,412,968
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(3,277,599)	(1,184,494)
Stock-in-trade		(556,202)	(306,459)
Trade debts		(596,428)	1,213,368
Loans and advances		(123,056)	(17,853)
Short term deposits and prepayments		(317,554)	(48,103)
Other receivables		113,574	(130,163)
		(4,757,265)	(473,704)
Increase / (decrease) in current liabilities			
Trade and other payables		753,762	(649,947)
		(4,003,503)	(1,123,651)
Net cash generated from operations		10,172,920	9,289,317
(Increase) / decrease in long term loans to employees		(2,362)	2,192
Increase in long term deposits to suppliers		(298)	(882)
Increase in long term deposits		-	(450)
Retirement benefits paid		(43,319)	(56,198)
Decrease in payable to government authority		(22,965)	(64,864)
Workers' Profit Participation Fund paid		(91,231)	-
Workers' Welfare Fund paid		(23,185)	(161)
Taxes paid - net of refund		(600,384)	(747,392)
Net cash generated from operating activities		9,389,176	8,421,562
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(15,875,332)	(3,285,299)
Intangible assets acquired		(6,786)	-
Proceeds from disposal of property, plant and equipment		30,583	53,115
Short term investment	29	(75,000)	(44,500)
Profit on bank deposits received		23,528	15,752
Net cash used in investing activities		(15,903,007)	(3,260,932)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term loans from financial institutions - secured - net		6,898,075	1,109,869
Short term borrowings - net	18	490,990	(4,453,486)
Finance cost paid		(1,225,521)	(1,550,431)
Lease rentals paid during the year		(12,425)	-
Own shares purchased for cancellation	6	(477,778)	-
Dividend paid		(565)	(19,919)
Net cash generated from / (used in) financing activities	49	5,672,776	(4,913,967)
Net (decrease) / increase in cash and cash equivalents		(841,055)	246,663
Cash and cash equivalents at beginning of the year		260,804	14,141
Cash and cash equivalents at end of the year	42	(580,251)	260,804

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, 2022

	Share Capital	Capital Reserves: Share premium	Capital Reserves: Capital redemption reserve	Capital Reserves: Own shares purchased for cancellation	Capital Reserves: Sub-total	Capital Reserves: Surplus on revaluation of fixed assets - net of tax	Revenue Reserves: Accumulated profits	Total Equity
	(Rupees in thousand)							
As at 30 June 2020	10,983,462	6,060,550	528,263	-	6,588,813	3,667,156	13,310,143	34,549,574
Total comprehensive income for the year								
Profit for the year ended 30 June 2021	-	-	-	-	-	-	3,828,494	3,828,494
Other comprehensive income for the year ended 30 June 2021	-	-	-	-	-	(3,339)	(19,624)	(22,963)
	-	-	-	-	-	(3,339)	3,808,870	3,805,531
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	(515,500)	515,500	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	(82)	82	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	-	(12,775)	-	(12,775)
Balance as at 30 June 2021	10,983,462	6,060,550	528,263	-	6,588,813	3,135,460	17,634,595	38,342,330
Total comprehensive income for the year								
Profit for the year ended 30 June 2022	-	-	-	-	-	-	4,553,125	4,553,125
Other comprehensive income for the year ended 30 June 2022	-	-	-	-	-	-	1,169	1,169
	-	-	-	-	-	-	4,554,294	4,554,294
Own shares purchased during the year for cancellation (note 6.3)	-	-	-	(496,429)	(496,429)	-	-	(496,429)
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	(516,244)	516,244	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	(1,986)	1,986	-
Effect of change in effective tax rate	-	-	-	-	-	(113,647)	-	(113,647)
Balance as at 30 June 2022	10,983,462	6,060,550	528,263	(496,429)	6,092,384	2,503,583	22,707,119	42,286,548

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

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

1. REPORTING ENTITY

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").

The Holding Company is in the process of setting up Grey cement manufacturing Line-IV with production capacity of 7,000 metric tons per day having expected cost of Rs. 20 billion.

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 located at Iskanderabad, District Mianwali, Punjab, Pakistan for generation of electricity. The Subsidiary Company's registered office is located at 42 - Lawrence Road, Lahore. The principal objective of the Subsidiary Company is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity.

The Subsidiary Company was granted electricity generation license from National Electric and Power Regulatory Authority (NEPRA) on 20 December 2016. The Subsidiary Company entered into a Power Purchase Agreement ("PPA") and Steam Purchase Agreement with the Holding Company on 04 July 2017 and 31 October 2019, respectively, which are valid for 20 years.

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

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These consolidated 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 Consolidation

2.2.1 Subsidiary Company

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Holding Company obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the Subsidiary Company has been consolidated on a line-by-line basis and the carrying values of the investment held by the Holding Company has been eliminated against the shareholders' equity in the Subsidiary Company. The financial statement of the Subsidiary Company are prepared for the same reporting year as of the Holding Company, using consistent accounting policies.

Non-controlling interest is that part of net results of operations and of net assets of the subsidiaries which are not owned by the Holding Company either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statements. Since the Subsidiary Company is 100% owned by the Holding Company, no non-controlling interests is accounted for in these consolidated financial statements.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in consolidated statement of profit or loss. In addition, any amount previously recognized in other comprehensive income in respect of that subsidiary are reclassified to the consolidated statement profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee, joint venture or as a financial asset under IFRS-9 depending on the level of influence retained.

Intra-group balances and transactions and any unrealized income and expenses arising from intra-group transactions are eliminated.

2.3 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.

2.4 Functional and presentation currency

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

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

2.5 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 applied to the Group's consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

2.5.1 Property, plant and equipment

The Group reviews the useful lives and residual values of property, plant and equipment annually by considering expected pattern of economic benefit that the Group expects to derive from the item and the maximum period up to which such benefits are expected to be available. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

2.5.2 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.

2.5.3 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.

2.5.4 Expected credit loss (ECL) against trade debts, deposits, loans and other receivables

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets original effective interest rate.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment on financial assets other than trade debts has been measured on 12 - months expected loss basis and reflects the short maturities of the exposure.

2.5.5 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.

The Group also operates approved unfunded accumulated compensated absences benefit scheme covering all its full time permanent employees. 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. Accumulated compensated absences 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 and the related actuarial gain/ loss. Calculations are sensitive to changes in the underlying assumptions.

2.5.6 Recoverable amount of assets / cash generating unit and impairment

The management of the Group reviews carrying amounts of its assets 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 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.

2.5.8 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Group would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.5.9 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 reporting date.

2.5.10 Revaluation of property, plant and equipment

Revaluation of certain classes 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 current 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 consolidated financial statements:

3.1 Employee benefits

Defined contribution benefit 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 for valuation. The latest valuation was carried out at 30 June 2022. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in consolidated statement of profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Liability for employees' compensated absences - other long term benefits

The Group accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provision to cover the obligations is made using the current salary level of employees. The unutilized leaves are accumulated subject to a maximum of 90 days. The unutilized accumulated leaves can be enchased at the time the employee leaves. The Group uses the actuarial valuations carried out using the projected unit credit method for valuation of its accumulated compensating absences. The latest valuation was carried out on 30 June 2022. Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to the statement of profit or loss. The amount recognized in the statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the statement of profit or loss immediately in the period when these occur.

3.2 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 consolidated other comprehensive income or equity.

3.3 Leases

The Group is the lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At initial recognition, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

3.4 Property, plant and equipment

3.4.1 Tangible assets

Owned

Tangible assets except freehold land, buildings on freehold land, roads, bridges and railway sidings and plant and machinery are stated at cost less accumulated depreciation and impairment in value, if any. Buildings on freehold land, roads, bridges and railway sidings and plant and machinery are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses while freehold land is stated at revalued amount being the fair value at the date of revaluation, less any subsequent impairment losses, if any. Surplus on revaluation is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses, if any.

The surplus on revaluation of fixed assets to the extent of the annual incremental depreciation based on the revalued carrying amount of the asset is transferred annually to retained earnings net of related deferred tax. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of fixed assets account are net of applicable deferred income tax.

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Group and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in statement of consolidated 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 certain assets of plant and machinery and buildings after deducting residual value. Depreciation on additions to property, plant and equipment is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

Increase in the carrying amounts arising on revaluation of land, building, road bridges and railway sidings and plant and machinery is recognized, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

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

3.4.2 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.

3.5 Stores, spare parts and loose tools

These are stated at weighted average cost less provision for obsolescence if any. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

3.6 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.

3.7 Financial instruments

3.7.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

3.7.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, loan to employees, accrued profit, term deposit receipts, trade debts and other receivables.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. However, the Group has no such instrument at the reporting date.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to Statement of profit or loss. However, the Group has no such instrument at the reporting date.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized statement of profit or loss. Short term investment in listed equities is classified as fair value through statement of profit or loss at the reporting date.

Financial assets - Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

Financial liabilities comprise trade and other payables, long term loans from financial institutions (including current portion), markup accrued on borrowings, unclaimed dividend, retention money payable, long term deposits and short term borrowings.

3.7.3 Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

3.8 Trade Debts

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

3.9 Impairment

Financial assets

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The Gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

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

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

3.10 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention and ability to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.11 Cash and cash equivalents

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

3.12 Revenue recognition

Revenue from contracts with customers is recognized, when control of goods is transferred to the customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods excluding sales taxes and trade discounts. Specific revenue and other income recognition policies are as follows:

3.12.1 Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer which on the basis of current agreement with majority of the customers, is when the goods are dispatched to customers and in very few cases when goods are delivered to the customers, in case of local sales. Further in case of export sale, control is transferred when goods are shipped to the customers or received at customer's country port.

3.12.2 Dividends

Dividend income is recognized when the Group's right to receive the dividend is established.

3.12.3 Interest income

Interest income is recognized as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

3.13 Contract liabilities

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Group on account of contractual delays in delivery of performance obligations and incentive on target achievements.

3.14 Foreign currency translations

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pak Rupees at exchange rates prevailing on the statement of financial position date. All exchange differences are charged to consolidated statement of profit or loss.

3.15 Borrowings

All borrowings are recorded at the proceeds received. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to consolidated statement of profit or loss in the period in which these are incurred.

3.16 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

3.17 Earnings per share (EPS)

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

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

3.18 Dividend to ordinary shareholders

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

3.19 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost representing the fair value of consideration received less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at original cost less subsequent repayments, while the difference between the original recognized amounts (as reduced by periodic payments) and redemption value is recognized in the consolidated statement of profit or loss over the period of borrowings on an effective rate basis. The borrowing cost on qualifying asset is included in the cost of related asset.

3.20 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.21 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

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

3.22 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from other segments. Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Director of the Group that makes strategic decisions.

3.23 Government Grant

The Group follows deferral method of accounting for government grant related to subsidized long term loan. Government grant is initially recognized as deferred grant and measured as the difference between the initial carrying value of the long term loan recorded at market rate (i.e. fair value of the long term loan in this case) and the proceeds of subsidized long term loan received. In subsequent years, the grant is recognized in statement of profit or loss, in line with the recognition of interest expenses the grant is compensating and is presented as a reduction of related interest expense.

3.24 Own shares purchased for cancellation

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as own shares purchased for cancellation and are presented in the statement of changes in equity as a separate reserve.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

4.1 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 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

  Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 – The amendment partially amends Illustrative Example 13 grouping IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This amendment enables the fair value measurement of biological assets on a post-tax basis.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc. are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022.

- Classification of liabilities as current or non-current (Amendments to IAS 1) apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period.

  An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a Group's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Group applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments, interpretations or improvements are likely to have no impact on the Group's consolidated financial statements.

5. SHARE CAPITAL

5.1 Authorised share capital

	Number of shares	2022 (Rupees in thousand)	2021 (Rupees in thousand)
(2021: 1,400,000,000) ordinary shares of Rs. 10 each	1,400,000,000	14,000,000	14,000,000
(2021: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each	100,000,000	1,000,000	1,000,000
	1,500,000,000	15,000,000	15,000,000

5.2 Issued, subscribed and paid-up share capital

Number of shares	Note	Number of shares	2022 (Rupees in thousand)	2021 (Rupees in thousand)
(2021: 860,972,162) ordinary shares of Rs. 10 each fully paid in cash	5.2.1	860,972,162	8,609,721	8,609,721
(2021: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	5.2.2	35,834,100	358,341	358,341
(2021: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		46,069,400	460,694	460,694
(2021: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.2.3	153,846,153	1,538,462	1,538,462
(2021: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	5.2.4	1,624,417	16,244	16,244
		1,098,346,232	10,983,462	10,983,462

5.2.1 During the financial year ended 30 June 2020, the Holding Company issued 504,645,556 ordinary shares at the rate of Rs. 12 per share (including share premium of Rs.2 per share). The same was approved by Board of Directors ("the Board") and shareholders in their meeting held on 19 September 2019 and 26 October 2019 respectively.

5.2.2 During the financial year 1992, pursuant to merger of White Cement Industries Limited and Pak Cement Capital Limited with and into the Holding Company, the Holding Company issued 3,503,000 ordinary shares at the rate of Rs. 10 each to the shareholders of White Cement Industries Limited and 6,487,100 ordinary shares at the rate of Rs. 10 each to the shareholders of Pak Cement Holding Company Limited respectively. Further, during financial year 2001, pursuant to merger of Maple Leaf Electric Holding Company Limited with and into the Holding Company, the Holding Company issued 25,844,000 ordinary shares at the rate of Rs. 10 each to the shareholders of Maple Leaf Electric Holding Company Limited. The shares were issued in accordance with the schemes of merger approved by the share holders of the Holding Company.

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

5.2.4 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 606,497,944 (2021: 606,497,944) ordinary shares, which represents 55.22% (2021: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Holding Company.

5.4 Director of the Holding Company holds 98,730 (2021: 96,706) ordinary shares, of Rs. 10 each of the Holding Company.

6. CAPITAL RESERVES

	Note	2022	2021
		(Rupees in thousand)	
Capital redemption reserve	6.1	528,263	528,263
Share premium reserve	6.2	6,060,550	6,060,550
Own shares purchased for cancellation	6.3	(496,429)	-
		6,092,384	6,588,813

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

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

6.3 This represents 18.545 million own ordinary shares purchased by the Holding Company during the year, for the purpose of cancellation, from 26 May 2022 to 30 June 2022 at market price prevailing at the date of purchase. The purchase was made pursuant to the approvals of Board of Directors and the Shareholders of the Holding Company in their meeting held on 19 April 2022 and 17 May 2022 respectively, where the Holding Company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 25 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from 26 May 2022 to 15 August 2022. Subsequent to the year end, the Holding Company has purchased remaining 6.454 million issued ordinary shares and cancelled the entire 25 million issued ordinary shares.

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

	2022	2021
	(Rupees in thousand)	
At beginning of the year	4,224,458	4,944,623
Surplus on disposal of fixed assets during the year - net of deferred tax	(1,986)	(82)
Related deferred tax liability	(786)	(33)
Transfer to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(516,244)	(515,500)
Related deferred tax liability	(203,448)	(204,550)
At end of the year	3,501,994	4,224,458

	2022	2021
	(Rupees in thousand)	
Deferred tax liability on revaluation surplus		
At beginning of the year	1,088,998	1,277,467
Tax on surplus	-	3,339
Transferred to unappropriated profit in respect of disposal of fixed assets during the year	(786)	(33)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(203,448)	(204,550)
Effect of change in effective tax rate	113,647	12,775
At end of the year	998,411	1,088,998
	2,503,583	3,135,460

7.1 The Group'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 Group and approved by Pakistan Banks' Association (PBA) in "any amount" category, at 30 June 2020. The basis of revaluation for items of these fixed assets were as follows:

Freehold land

Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well.

Buildings on freehold land, roads, bridges and railway sidings

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery

Suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance.

8. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Sanctioned Limit	2022	2021	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		--------- Rupees in '000' ---------					
1	Askari Bank Limited - Term Finance	707,130	636,416	707,130	18 equal quarterly installments starting from 28 September 2022.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, from 1st drawdown to be set on last business day before first draw down and then on immediately preceding day of each quarter.	1st Joint Pari Passu charge of Rs. 1,333.33 million over fixed assets of the Holding Company inclusive of 25% margin as below: -Hypothecation charge over all present and future plant and machinery of the Holding Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.
2	Bank of Punjab - Demand Finance	1,253,119	1,190,463	1,253,119	19 equal quarterly installments starting from 27 August 2022.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	Ist Joint Pari Passu charge of Rs.7,903 million over all present and future fixed assets of the Holding Company with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
3	MCB Bank Limited - Demand Finance	1,451,920	889,149	1,367,920	13 equal quarterly installments starting from 22 Mar 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each quarter.	Ist Joint Pari Passu charge of Rs. 38,051 million (MCB Share Rs. 4,500 million) over all present and future fixed assets of the Holding Company.
4	National Bank of Pakistan - Demand Finance	5,500,000	2,565,714	2,994,285	18 equal quarterly installments starting from 01 July 2022.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last business day before first draw down and then on immediately preceding day of each calendar quarter.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Holding Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
5	Samba Bank Limited - Term Finance	450,000	412,500	450,000	11 equal quarterly installments starting from 01 Jul 2022.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each calendar quarter.	Joint Pari Passu charge of Rs. 600 million on all present and future fixed assets of the Holding Company including land.
6	MCB Bank Limited (EX NIB) - Term Finance	1,488,379	962,878	1,488,379	First installment of Rs. 41.5 million is due on 04 Feb 2024 and afterwards payable in 13 equal quarterly installments starting from 4 May 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on the first working day of every calendar quarter.	Ist Joint Pari Passu charge of Rs. 38,051 million (MCB Share Rs. 4,500 million) over all present and future fixed assets of the Holding Company.
7	MCB Islamic Bank Limited - Diminishing Musharakah	1,500,000	1,045,285	1,104,167	Repayment will made in following tranches. Tranche 1 16 equal quarterly installments starting from 23 August 2022. Tranche 2 16 equal quarterly installments starting from 28 August 2022. Tranche 3 16 equal quarterly installments starting from 27 September 2022. Tranche 4 16 equal quarterly installments starting from 13 December 2022. Tranche 5 17 equal quarterly installments starting from 16 September 2022. Tranche 6 18 equal quarterly installments starting from 27 September 2022.	3-Month KIBOR + 70 bps p.a, payable quarterly in arrears, to be set on the date of first day of disbursement and to be reset on 1st working day of each calendar quarter.	1st Joint Pari Passu charge of Rs. 2,000 million over all present and future fixed assets of the Holding Company including land and building and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

	Lender	Sanctioned Limit	2022	2021	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in '000' --------					
8	Habib Bank Limited - Term Finance	1,000,000	-	714,286	This loan has been fully repaid during the year.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	No security as the loan has been fully repaid during the year.
9	Askari Bank Limited - Term Finance	125,000	75,000	125,000	3 equal quarterly installments starting from 04 September 2022.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	1st Joint Pari Passu charge of Rs. 667 million over fixed assets of the Holding Company inclusive of 25% margin as below: -Hypothecation charge over all present and future plant and machinery of the Holding Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it. - Personal Guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
10	The Bank of Punjab - Demand Finance	374,339	299,471	374,339	4 equal quarterly installments starting from 06 July 2022.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 7,903 million, with 25% margin, over all present and future fixed assets of the Holding Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
11	MCB Bank Limited - Demand Finance	185,145	-	37,029	This loan has been fully repaid during the year.	3-Month KIBOR + 115 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each calendar quarter.	No security as the loan has been fully repaid during the year.
12	National Bank of Pakistan - Demand Finance	1,000,000	200,000	250,000	4 equal quarterly installments starting from 06 July 2022.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be set on the date of first disbursement and to be reset on the first working day of each calendar quarter.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Holding Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
13	MCB Islamic Bank - Diminishing Musharakah	500,000	166,667	166,667	8 equal quarterly installments starting from 13 December 2022.	3-Month KIBOR + 70 bps p.a, payable quarterly in arrears, to be set on the date of first disbursement and subsequently at the beginning of each quarter.	1st Joint Pari Passu charge of Rs. 666.67 million over all present and future fixed assets of the Holding Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
14	Allied Bank Limited- SBP refinance for Wages and Salaries	933,000	213,315	639,945	2 equal quarterly installments starting from 31 July 2022.	SBP rate + 50 bps to 100 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge over all fixed assets of the Holding Company with 25% margin.
15	Pair Investment Company Limited - Term Finance	300,000	75,000	150,000	4 equal quarterly installments starting from 28 September 2022.	3 months KIBOR + 100 bps p.a, payable quarterly, with the first payment falling due at the end of the 3rd month from the first disbursement date and subsequently every three months thereafter.	1st Joint Pari Passu charge over present and future fixed assets of the Holding Company with 25% margin.

	Lender	Sanctioned Limit	2022	2021	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in '000'	--------				
16	Askari Bank Limited - Term Finance	900,000	-	97,964	This loan is converted into TERF during the period as mentioned in serial number 17 below.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on the last working day of preceding calendar quarter.	As mentioned in serial number 17 below.
17	Askari Bank Limited - TERF	756,000	586,433	591,957	17 equal quarterly installments starting from 17 August 2022.	SBP Rate + 200 bps p.a, payable quarterly in arrears.	Ranking hypothecation charge of PKR 310 million with 25% margin, over all present and future fixed assets (excluding land and building) of the Holding Company (to be upgraded to 1st Joint Pari Passu charge). Cushion available against existing registered 1st Joint Pari Passu charge of Rs. 2,000 million, to the extent of Rs. 890.493 million, over fixed assets of the Holding Company with 25% margin over fixed assets of the Holding Company as below: - Hypothecation charge over all present and future plant and machinery of the Holding Company. Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.
18	Bank of Punjab - Demand Finance	600,000	297,192	161,102	22 equal quarterly installments starting from 14 September 2022.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on last working day of preceding calendar quarter.	Ist Joint Pari Passu charge of Rs. 7,903 million over all present and future fixed assets of the Holding Company with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
19	National Bank of Pakistan - Demand Finance	1,220,497	360,751	198,302	32 equal quarterly installments starting from 18 September 2023.	3-Month KIBOR + 125 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Holding Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
20	National Bank of Pakistan - TERF	1,779,503	1,779,503	-	32 equal quarterly installments starting from 18 September 2023.	SBP rate + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of Rs. 10,000 million over fixed assets of the Holding Company and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
21	Bank of Punjab - Demand Finance	2,500,000	1,965,331	182,555	32 equal quarterly installments starting from 19 September 2023.	3-Month KIBOR + 90 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	Cushion available against existing registered 1st Joint Pari Passu charge of Rs. 7,903 million, over fixed assets of the Holding Company inclusive of 25% margin and initial ranking charge of Rs. 3,236.1 million with 25% margin, over all present and future fixed assets of the Holding Company (upgraded to First Joint Pari Passu charge).

	Lender	Sanctioned Limit	2022	2021	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in '000' --------					
22	Bank of Punjab - TERF	500,000	500,000	-	32 equal quarterly installments starting from 19 September 2023.	SBP Rate + 150 bps p.a payable quarterly in arrears.	1st Joint Pari Passu Charge of Rs. 7,903 million over all present and future fixed assets of the Holding Company, with 25% margin.
23	MCB Bank Limited - LTFF	805,806	805,806	-	32 equal quarterly installments starting from 18 September 2023.	SBP LTFF Rate + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of Rs. 38,051 million (MCB Share Rs. 4,500 million) over all present and future fixed assets of the Holding Company.
24	MCB Bank Limited - Demand Finance	1,194,194	439,276	136,930	32 equal quarterly installments starting from 18 September 2023.	3-Month KIBOR + 75 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 38,051 million (MCB Share Rs. 4,500 million) over all present and future fixed assets of the Holding Company.
25	Habib Bank Limited. - LTFF	560,703	560,705	249,851	20 equal quarterly installments starting from 25 September 2023.	SBP + 150 bps p.a, payable quarterly in arrears.	1st Joint Pari Passu charge of Rs. 4,000 million over all present and future fixed assets of the Holding Company including land i.e. 2097 Kanals and 9 Marlas, building, plant and machinery.
26	Habib Bank Limited - Term Finance	2,439,295	1,437,412	-	20 equal quarterly installments starting from 25 September 2023.	3-Month KIBOR + 150 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st Joint Pari Passu charge of Rs. 4,000 million over all present and future fixed assets of the Holding Company including land i.e. 2097 Kanals and 9 Marlas, building, plant and machinery.
27	Allied Bank Limited -Term Finance	518,575	118,969	-	24 equal quarterly installments starting from 23 November 2022.	3-Month KIBOR + 100 bps p.a, payable quarterly in arrears, markup to be reset on last working day of preceding calendar quarter.	Joint Pari Passu charge of Rs. 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Holding Company.
28	Allied Bank Limited - LTFF	121,425	121,425	-	24 equal quarterly installments starting from 23 November 2022.	SBP + 100 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge of Rs. 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Holding Company.
29	Faysal Bank Limited - Diminishing Musharakah	2,000,000	986,594	-	24 equal quarterly installments starting from 30 November 2022.	3-Month KIBOR + 150 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge over all present & future fixed assets of the Holding Company with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

	Lender	Sanctioned Limit	2022	2021	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		-------- Rupees in '000' --------					
30	MCB Islamic Bank Limited - Diminishing Musharakah	350,000	350,000	-	Repayment will made in following tranches. Tranche 1 12 equal quarterly installments starting from 01 January 2023. Tranche 2 11 equal quarterly installments starting from 31 March 2023. Tranche 3 12 equal quarterly installments starting from 26 July 2023.	SBP Rate + 150 bps p.a, payable quarterly in arrears.	Joint Pari Passu charge over fixed assets of Holding Company including land, building and plant and machinery with 25% margin.
31	MCB Bank Limited - Demand Finance	500,000	480,816	-	24 equal quarterly installments starting from 28 May 2023.	3-Month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	Ranking charge of Rs. 667 million over present and future fixed assets of the Holding Company, inclusive of 25% margin.
32	Askari Bank Limited - Term Finance	1,000,000	816,931	-	32 equal quarterly installments starting from 09 June 2024.	3-Month KIBOR + 75 bps p.a, payable quarterly in areas, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	1st Joint Pari Passu charge of Rs. 1,333.33 million over fixed assets of the Holding Company inclusive of 25% margin as below (same charged in serial no 9) : - Hypothecation charge over all present and future plant and machinery of the Holding Company. - Land and Building of Cement Unit Phase II and additional bare land measuring 30 Kanals adjacent to it.
	Total	34,514,030	20,339,002	13,440,927			
	Accrued mark up on long term loans		490,860	211,307			
	Amortized Cost of long term loans		20,829,862	13,652,234			
	Less:						
	Impact of deferred government grant		(971,334)	(99,566)			
	Current portion of long term loans from financial institutions - secured (principal portion)		(2,619,800)	(1,704,612)			
	Current portion of long term loans from financial institutions - secured (accrued mark up portion)		(490,860)	(211,307)			
	Long term portion of loans from financial institutions		16,747,868	11,636,749			

	Note	2022	2021
		(Rupees in thousand)	
9. DEFERRED GRANT			
Balance as at 01 July	9.1	99,566	-
Recognized during the year	9.2	950,467	142,092
Amortization during the year		(78,699)	(42,526)
Balance as at 30 June	8	971,334	99,566
Current portion of deferred grant		(184,576)	(49,997)
Non - current portion		786,758	49,569

9.1 This represents deferred grant related to loans obtained, during last year, under "SBP refinance scheme for payment of wages and salaries" and "SBP Temporary Economic Refinance Facility Scheme" for setting of waste heat recovery plant. These facilities carry mark-up at the rate specified by State Bank of Pakistan plus spread of 0.5% to 2% per annum. The loans were initially measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds was recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance), circular number 11 of 2020 issued by the Institute of Chartered Accountant of Pakistan and selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

9.2 The Holding Company has obtained loans amounting to Rs. 2,727 million under "SBP Temporary Economic Refinance Facility" and "SBP Financing Scheme for Renewable energy" for setting up of Waste Heat Recovery Plant, for import and installation of new cement production line (Line - IV) and for setting of Solar Energy Project. These facilities carry markup at the rate specified by State Bank of Pakistan plus spread of 1.50% to 2% per annum. The loan has been initially measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

	Note	2022	2021
		(Rupees in thousand)	

10. LIABILITY AGAINST RIGHT OF USE ASSET

	Note	2022	2021
Liability against right of use asset		33,973	-
Current portion of liability against right of use asset		(6,837)	-
		27,136	-
Maturity analysis of liability against right of use asset is as follows:			
Less than one year		9,138	-
One to five years		19,715	-
More than five years		31,924	-
Total undiscounted liability against right of use asset as at 30 June 2022		60,777	-
Impact of discounting on liability against right of use asset		(26,804)	-
		33,973	-

11. DEFERRED TAXATION

	Note	2022	2021
Deferred tax liability on taxable temporary differences arising in respect of:			
- accelerated tax depreciation on fixed assets		6,176,356	5,260,413
- surplus on revaluation of fixed assets		998,411	1,088,998
		7,174,767	6,349,411
Deferred tax asset on deductible temporary differences arising in respect of:			
- provision against expected credit loss		(16,155)	(85,084)
- unused tax losses	11.2	(974,863)	(1,991,241)
- alternative corporate tax		(458,028)	(276,429)
- employees' retirement benefits		(37,978)	(65,117)
		(1,487,024)	(2,417,871)
		5,687,743	3,931,540

11.1 Movement in deferred tax balances is as follows:

	2022	2021
At beginning of the year	3,931,540	3,379,440
Recognized in statement of profit or loss:		
- accelerated tax depreciation on fixed assets	915,943	144,421
- surplus on revaluation of fixed assets	(204,234)	(204,583)
- provision for expected credit loss	68,929	(32,684)
- unused tax losses	1,016,378	789,796
- tax credit under section 65B of ITO 2001	-	119,870
- alternative corporate tax	(181,599)	(276,430)
- employees' retirement benefits	26,582	3,428
	1,641,999	543,818
Recognized in surplus on revaluation of fixed assets		
Effect of change in effective tax rate	113,647	12,775
Recognized in other comprehensive income:		
- employees' retirement benefits	557	(7,832)
- surplus on revaluation of fixed assets	-	3,339
	5,687,743	3,931,540

11.2 This represents deferred tax asset on unused tax losses amounting to Rs. 3,362 million (2021: Rs. 6,866.35 million) recognized on the basis of future expected taxable profits. As at 30 June 2022, unused tax losses represent unabsorbed depreciation which is available for adjustment for indefinite period in accordance with the provisions of Income Tax Ordinance, 2001.

12. RETENTION MONEY PAYABLE

This represented retention money payable to M/s FLSmidth amounting to Euro 3.796 million (equivalent to Rs. 421.841 million at the exchange rate prevailing on the date of signing of contract, i.e. 16 January 2017) on meeting the agreed performance guarantee. The amount is payable after the expiry of two years period following the fulfillment of performance guarantee and therefore accounted for at present value using discount rate of 7% per annum. Unwinding of liability during the year amounting to Rs. 27.82 million (2021: Rs. 25.62 million) has been charged to statement of profit or loss. The balance at the year end has been classified to current liabilities.

	2022	2021
	(Rupees in thousand)	
13. PAYABLE TO GOVERNMENT AUTHORITY		
Payable to government authority	311,276	324,370
Less: Current maturity of payable to government authority	(311,276)	(281,480)
	-	42,890

This represented non-current portion of Gas Infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL). During previous years, the Group, along with various other companies had challenged the legality and validity of levy and demand of GIDC in Honorable Lahore High Court. However, during the last year Supreme Court of Pakistan vide judgement dated 13 August 2020, while dismissing appeals filed by various industrial and commercial entities with respect to the legality and validity of levy and demand of GIDC, decided the case in favor of SNGPL. Consequently the Group was required to pay the balance amount of GIDC in 24 equal monthly installments. This liability was initially recognized at fair value using discount rate of 8.31% per annum and the difference between the fair value and the total amount of liability is recognized in statement of profit or loss as other income. Subsequent to initial recognition, the effect of unwinding of liability is being recognized in statement of profit or loss as finance cost.

	Note	2022	2021
		(Rupees in thousand)	
14. RETIREMENT BENEFITS			
Accumulated compensated absences	14.1	165,416	137,775
Gratuity	14.2	69,913	90,491
		235,329	228,266

14.1 Accumulated compensated absences

The actuarial valuation of the Group's accumulated compensated absences was conducted on 30 June 2022 using projected unit credit method. Detail of obligation for accumulated compensated absences is as follows:

	2022	2021
	(Rupees in thousand)	

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

	2022	2021
Present value of defined benefit obligations at beginning of the year	137,775	126,963
Current service cost for the year	11,110	10,053
Interest cost for the year	12,990	9,957
Actuarial losses on present value of defined benefit obligations	19,283	10,450
Benefits paid during the year	(15,742)	(19,648)
Present value of defined benefit obligation at end of the year	165,416	137,775

14.1.2 Charge for the year

In statement of profit or loss

	2022	2021
Current service cost for the year	11,110	10,053
Interest cost for the year	12,990	9,957
Actuarial losses on present value of defined benefit obligations	19,283	10,450
	43,383	30,460

14.1.3 Sensitivity analysis

If the significant actuarial assumptions used to estimate the liability of compensated absences 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 2022 would have been as follows:

	Compensated absences	
	Present value of defined benefit obligation	
	Increase in assumption	Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	149,765	183,824
Future salary increase + 100 bps	183,530	149,771

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the consolidated statement of financial position.

14.1.4 At 30 June 2022, the average duration of the defined benefit obligation was 10 years.

14.1.5 Actuarial assumptions

The following are the principal actuarial assumptions as at 30 June 2022:

	2022	2021
	(Percentage)	
Discount rate used for interest cost	10.00%	8.50%
Discount rate used for year end obligations	13.25%	10.00%
Expected rate of growth per annum in future salaries	12.25%	9.00%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	60 Years

14.2 Gratuity

The latest actuarial valuation of the Group's defined benefit plan, was conducted on 30 June 2022 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

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

	Note	2022	2021
		(Rupees in thousand)	
Present value of defined benefit obligation	14.2.1	153,729	168,575
Less: Fair value of plan assets	14.2.2	(83,816)	(78,084)
Net liability at end of the year		69,913	90,491
Net liability at beginning of the year		90,491	87,989
Charge to profit and loss account for the year	14.2.3	13,957	11,596
Charge to other comprehensive income for the year	14.2.3	(1,726)	27,456
Contribution made during the year		(27,577)	(36,550)
Gratuity due but not paid		(5,232)	-
Net liability at end of the year		69,913	90,491

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

	2022	2021
Present value of defined benefit obligations at beginning of the year	168,575	156,025
Current service cost for the year	6,547	5,852
Interest cost for the year	15,218	11,708
Benefits due but not paid	(5,232)	-
Adjustment	-	2,126
Actuarial (gain) / losses on present value of defined benefit obligations	(3,802)	29,414
Benefits paid during the year	(27,577)	(36,550)
Present value of defined benefit obligation at end of the year	153,729	168,575

	2022	2021
	(Rupees in thousand)	
14.2.2 Movement in the fair value of plan assets is as follows:		
Fair value of plan assets at beginning of the year	78,084	70,163
Contributions made during the year	27,577	36,550
Expected return on plan assets for the year	7,808	5,964
Actuarial (loss) / gain	(2,076)	1,958
Benefits paid during the year	(27,577)	(36,551)
Fair value of plan assets at end of the year	83,816	78,084
Fair value of plan assets are as follows:		
NAFA Government Securities Liquid Fund	23,743	23,424
Special saving certificates	58,560	53,280
Cash at bank	1,513	1,380
	83,816	78,084

	2022	2021
	(Percentage)	
Plan assets comprise of:		
Equity	28.32%	30.00%
Special saving certificates	69.87%	68.23%
Cash at bank	1.81%	1.77%
	100.00%	100.00%

	2022	2021
	(Rupees in thousand)	
14.2.3 Charge for the year		
In consolidated statement of profit or loss		
Current service cost for the year	6,547	5,852
Interest cost for the year	15,218	11,708
Expected return on plan assets for the year	(7,808)	(5,964)
	13,957	11,596
In consolidated other comprehensive income		
Actuarial (gain) / loss on retirement benefits - net	(1,726)	27,456
	12,231	39,052

Actuarial assumptions

The following are the principal actuarial assumptions at 30 June 2022:

	2022	2021
	(Percentage)	
Discount rate used for year end obligations	13.25%	10.00%
Discount rate used for interest cost in profit or loss	10.00%	8.50%
Expected rate of growth per annum in future salaries	12.25%	9.00%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	60 Years

14.3 The Group expects to charge Rs. 13.464 million to consolidated statement of profit or loss on account of defined benefit plan in the year ending 30 June 2023.

14.4 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 2022 would have been as follows:

	Gratuity	
	Present value of defined benefit obligation	
	Increase in assumption	Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	147,451	160,564
Future salary increase + 100 bps	160,564	147,343

14.4.1 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 consolidated financial position.

14.5 At 30 June 2022, the average duration of the defined benefit obligation was 4 years.

14.6 Compensated absence and gratuity charge to statement of profit or loss for the year has been allocated as follows:

	Note	2022	2021
		(Rupees in thousand)	
Cost of sales	34.2	34,380	32,693
Administrative expenses	36.1	13,731	6,466
Distribution expenses	35.1	9,229	2,897
		57,340	42,056

15. TRADE AND OTHER PAYABLES

	Note	2022 (Rupees in thousand)	2021 (Rupees in thousand)
Trade creditors		3,670,091	2,843,605
Bills payable - secured		329,630	752,517
Accrued liabilities	15.1	1,378,847	925,123
Contract liabilities	15.2	345,495	250,565
Payable to Workers' Profit Participation Fund	15.3	1,889,435	1,553,602
Payable to Workers' Welfare Fund	15.4	175,669	86,043
Payable to Provident Fund Trust	15.5	17,786	15,830
		7,806,953	6,427,285
Payable to Government on account of:			
Federal Excise Duty payable		511,547	789,851
Sales Tax payable - net		39,473	129,739
Royalty and Excise Duty payable		80,435	90,252
Provision for electricity duty		180,652	136,312
Other taxes payable		356,679	270,331
		1,168,786	1,416,485
Contractors' retention money	15.6	555,864	43,296
Security deposits repayable on demand	15.7	75,214	64,242
Payable against redemption of preference shares		1,010	1,016
Other payables		35,722	38,802
		667,810	147,356
		9,643,549	7,991,126

15.1 This includes current portion of GIDC payable as at 30 June 2022, amounting to Rs. 311.28 million, as explained in note 13 to these consolidated financial statements.

15.2 This represents advance received from customers for future sale of goods. During the year, the Group has recognized revenue amounting to Rs. 175.28 million, out of the contract liability as at 01 July 2022.

15.3 Payable to Workers' Profit Participation Fund

	Note	2022 (Rupees in thousand)	2021 (Rupees in thousand)
At beginning of the year		1,553,602	1,284,355
Allocation for the year	37	427,064	269,247
Less: Paid during the year		(91,231)	-
At end of the year		1,889,435	1,553,602

15.3.1 The WPPF liability includes leftover amount of Rs. 1,613.7 million, related to the Holding Company, payable to Workers Welfare Fund, in terms of the Companies Profits Worker's Participation Act, 1968 followed by The Punjab Workers Welfare Fund Act, 2019 and The Companies Profits (Workers Participation) (Amendment) Act, 2021, pertaining to the financial year ended 30 June 2012 to 30 June 2022. The payment of residual amount was earlier held up in view of legal infirmities, which has further widened in view of the Holding Company's status as a "trans-provincial" establishment on account of Industrial Relation Act 2012, whereby it is amenable to the jurisdiction of Federal Government and the enforceability of Provincial Laws stands excluded. This has given rise to conflict between the Federation and the Provinces. The Holding Company's reference to the Punjab Government whereby number of legal propositions have been agitated with a request for necessary decision in accordance with Law, which is still awaited. In the absence of the decision and the way forward the Holding Company is handicapped for the payment of residual amount either to the Provincial Government or the Federal Government. The Holding Company is under no obligation for payment of mark-up as the payment is not held up at its own volition but as a compulsion on account of the said dispute between the two Governments.

The WPPF liability includes leftover amount of Rs 224.9 million, related to the Subsidiary Company. According to the 18th amendment to the Constitution of Pakistan in 2010, all labor / labor 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 Honourable 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) Act, 2021, however this has not specified the payment modalities and therefore the company is constrained to deposit the left-over amount to Government of Pakistan.

	Note	2022	2021
		(Rupees in thousand)	
15.4 Workers' Welfare Fund			
At the beginning of the year		86,043	4,844
Charge for the year		170,825	81,199
Prior year charge		(58,014)	161
	37	112,811	81,360
Paid during the year		(23,185)	(161)
At end of the year		175,669	86,043

15.5 This also includes some employees on which provident fund deduction is 15% of basic salary (2021: 15%).

15.6 This represents retention money withheld from contractors and are repayable after satisfactory completion of contracts.

15.7 This represents security deposits received from distributors and contractors of the Holding Company. This includes security deposits amounting to Rs. 33.76 million which have not been kept in a separate bank account and Rs. 41.46 million utilized for the purpose of the business in accordance with requirements of written agreement with distributors and contractors.

	Note	2022	2021
		(Rupees in thousand)	

16. MARK-UP ACCRUED ON BORROWINGS

	Note	2022	2021
Accrued mark-up on:			
- Long term loans	16.1	490,860	211,307
- Short term borrowings	16.2	141,976	28,854
		632,836	240,161

16.1 Accrued mark-up on long term loans includes Rs. 60.547 million (2021: Rs. 5.112 million) related to an arrangement permissible under Shariah. Remaining mark up pertains to the loans from conventional banks.

16.2 Accrued mark-up on short term loans includes Rs. 62.331 million (2021: Nil) related to an arrangement permissible under Shariah. Remaining mark up pertains to the loans from conventional banks.

17. SHORT TERM BORROWINGS

	Note	2022	2021
		(Rupees in thousand)	
Holding Company			
Banking and financial institutions:			
- Cash finance and others	17.1	808,521	1,683,588
- Running finance	17.2	1,396,990	207,310
- Islamic mode of financing	17.3	1,366,057	-
Temporary bank overdrafts - unsecured	17.4	505	3,217
Subsidiary Company			
- Running finance	17.5	-	30,000
		3,572,073	1,924,115

17.1 These facilities have been obtained from various banking companies for meeting working capital requirements of the Holding Company and are secured by charge over current and future assets of the Holding Company; lien marked over import documents and title of ownership of goods imported under letters of credit.

The cash finance and other facilities carry mark-up at the rates ranging from 3.00% to 21.00% (2021: 3.00% to 14.81%) per annum payable quarterly in arrears.

The Holding Company has unavailed cash finance and other funded facilities aggregating to Rs. 1,938 million (2021: Rs. 1,175 million) at the year end and unavailed facilities for opening letters of credit/guarantee aggregating Rs. 7,935 million (2021: Rs. 8,685 million) at the year end.

17.2 The Holding Company has unavailed running finance funded facilities aggregating to Rs. 448 million (2021: Rs. 499 million) at the year end. These are secured against same securities as mentioned in note 17.1 above.

The running finance carries mark-up at the rates ranging from 7.92% to 15.18% (2021: 7.75% to 8.95%) per annum, payable quarterly in arrears.

17.3 These Islamic financing facilities have been obtained from Faysal Bank Limited for working capital requirements and are secured by First Joint Pari Passu charge on all present and future current assets of the Holding Company amounting to Rs. 1,334 million. The Holding Company has unavailed Islamic financing facilities aggregating to Rs. 601 million (2021: Nil) at the year end.

The Islamic financing facilities carry profit expense at the rates ranging from 8.05% to 11.26% (2021: Nil) per annum payable in arrears.

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

17.5 Last year figure represents utilized amount of short term running finance facility availed from National Bank of Pakistan with a accumulated sanctioned limit of Rs. 200 million. During the current year the utilized amount of Rs. 30 million was paid off and the amount of short term borrowing was reduced to zero as no further financing was obtained.

The Subsidiary Company at the year end has unavailed FATR facility with sanction limit of Rs. 500 million from the Bank of Punjab which carries markup at the rate of 3 months KIBOR + 0.75%, payable quarterly. This is secured against first Pari Passu charge of Rs.667 million over all present and future moveable fixed assets and current assets of the Subsidiary Company with 25% margin, corporate guarantee of the Holding Company, assignment of receivables of the Holding Company, trust receipts and lien on title of goods under import documents. The expiry date of the facility is 30 November 2022.

The Subsidiary Company at the year end also has unavailed facility under Islamic mode of financing from MCB Islamic Bank Limited with a sanction limit of Rs. 400 million (2021: Rs. 400 million). This facility carries markup of 3 months KIBOR + 1%. The facility is secured against First Joint Pari Passu charge over current assets for Rs. 467 million, First Joint Pari Passu charge over fixed assets of the Subsidiary Company with a margin of 25%, lien over import title documents and cross corporate guarantee of Holding Company. The expiry date of facility is 31 January 2023.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 The Holding Company 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 out of which Rs. 3 million had already been paid during previous years. During the last year Lahore High Court remanded the case back to Appellate Tribunal for Decision afresh. However, hearing of the appeals by the Appellate Tribunal is yet to be fixed. No further provision has been made in these consolidated financial statements in respect of the matter as the management and the 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. The management and the legal advisor of the Holding Company are confident that the ultimate outcome of this case will be in favor of the Holding Company. However, no receivable of Rs. 12.35 million was booked by the management in previous years and no further provision has been booked by the management in these consolidated financial statements.

18.1.3 The Show Cause Notice was issued to the Holding Company on 04 December 1999 and demand was raised by the CBR 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 allegedly on the ground that the plant could be locally manufactured and was therefore not exempt). A total demand of Rs.1,386.72 million was raised by the CBR out of which an amount of Rs. 449.328 Million was deposited by the Holding Company (initially the Holding Company deposited Rs. 269.328 million and subsequently deposited further amount of Rs. 180.00 million). Initially, the matter was decided in favor of the Holding Company as per the judgment of the Lahore High Court in W.P. No. 6794/2000. Against the aforesaid judgment of Lahore High Court, the customs department had filed appeal before the Supreme Court of Pakistan which was decided by the Hon'ble Supreme Court vide judgment dated 21.12.2011 with the direction to file reply to the Show Cause Notice before the Collector of Customs, Faisalabad.

The Holding Company has filed its reply before the Collector of Customs, Faisalabad who decided the same against the Holding Company through an Order-in-Original No. 6/2014 dated 09 July 2014. The said Order-in-Original was challenged by the Holding Company by way of filing of Appeal No. 172/LB/2014 before the Customs Appellate Tribunal, Lahore who vide Judgment dated 21 August 2019 has granted partial relief to the Holding Company with direction to the Customs Department to recalculate the customs duty in accordance with the list communicated by EDB vide letter dated 21 June 2006. However, the Collector of Customs instead of making fresh calculations through a Demand Notice bearing C. No. CA-1946/2000(Pt-I)/8169 dated 23 October 2019 restored the original demand raised by the earlier Order-in-Original No. 06/2014 and directed the Holding Company to pay the amount of Rs. 933.810 million within a period of seven days. The said demand of tax was challenged by the Holding Company before the Honorable Lahore High Court, wherein stay against recovery was granted to it by the Honorable Lahore High Court vide order dated 04 November 2019. This matter is still pending before the Honorable Lahore High Court, Lahore and next date of hearing is yet to be fixed by the office of the High Court. No provision has been made in these consolidated financial statements in respect of the above stated amount as the management and the legal advisor of the Holding Company are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.4 The Competition Commission of Pakistan, vide order dated 27 August 2009, imposed penalty on twenty cement factories of Pakistan at the rate of 7.5% of the turnover value. In doing so, the Commission imposed penalty amounting to Rs. 586.19 million on the Holding Company. The Commission 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 (LHC). During the last year, Honorable LHC vide its order dated 26 October 2020 decided the writ petition challenging the vires of the law against the Holding Company and the appeal impugning the levy of penalty vide order dated 28 August 2009 was referred to the Competition Appellate Tribunal. The Holding Company has challenged decision of LHC before the Honorable Supreme Court of Pakistan where the case was last fixed for hearing on 23 February 2022 and leave to appeal was granted by Supreme Court of Pakistan. No provision has been made in these consolidated financial statements as the management and the legal advisor of the Holding Company are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.5 The Additional Collector, Karachi 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 submitted reply to the show cause notice and currently proceedings are pending before the Additional Collector. No provision has been made in these consolidated financial statements as the management and the legal advisor of the Holding Company are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.6 The customs department 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. During the year Honorable Lahore High Court vide order dated 08 March 2022 remanded back the case to Customs Appellate Tribunal, Lahore. However, the appeal is pending adjudication No provision has been made in these consolidated financial statements as the management and the legal advisor of the Holding Company are confident that the ultimate outcome of this case will be in favor of the Holding Company.

18.1.7 During the last year, FBR through computerized balloting selected the Holding Company's case for audit of its sales tax affairs for the tax period from July, 2017 to June 2018. Subsequently, the Deputy Commissioner Inland Revenue, Audit - 2, Zone I, Large Taxpayers Unit, Lahore ('DCIR') issued audit report and show cause notice dated March 8, 2021 and March 17, 2021 respectively. The proceedings were finalized through order dated 31 March 2021 through which an aggregate sales tax demand of Rs. 1,399,890,879 was created against the Holding Company. The Holding Company, being aggrieved, has preferred an appeal against the above referred order which was disposed of by the CIR vide appellate order dated July 15, 2021. Through such order, majority of the issues which were pressed in appeal were settled in favor of the Holding Company. Regarding the issues decided against the Holding Company, the Holding Company is in process of preferring an appeal before the ATIR. However, management and tax advisor of the Holding Company are hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these consolidated financial statements.

18.1.8 During the year 2018, the Learned Additional Commissioner, Officer, Enforcement-III, Punjab Inland Revenue Authority, Lahore (the "Learned Addl. CIR") vide order in order-in-original No. ENF-III.50.2017 dated 22 March 2018 raised demand of Rs. 256 million against the Holding Company, related to tax period from July 2015 to March, 2017, on alleged non-deduction of withholding tax on services received by the Holding Company. Being aggrieved, the Holding Company filed an appeal before the Commissioner (Appeals), Punjab Revenue Authority. The Holding Company also challenged the vires of Rule 6 of Punjab Sales Tax on Services (Withholding) Rules, 2002 before Honorable Lahore High Court (LHC) through constitutional petition No. 203460/2018. The Hon'ble Court was pleased to issue notice to the department and suspended proceedings before the first appellate authority vide order dated 23 May 2018. The writ petition is pending adjudication. The Holding Company and the tax/legal advisor of the Holding Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

18.1.9 During last year, the Holding Company was selected for audit under section 42B of Sales tax for tax period July 2017 through June 2018 which was intimated to the Holding Company by intimation letter dated December 8, 2020. During the year, the DCIR - Audit finalized the audit and created a demand of Rs. 690,519,908, along with default surcharge and penalty, vide order no. 02 dated October 20, 2021. Being aggrieved, the Holding Company preferred an appeal before CIR(A). The appeal was disposed off by CIR(A) vide appellate order no. 12 dated February 10, 2022 and entire amount of Federal Excise Duty along with penalty and default surcharge was annulled and the matter was remanded back to the taxation officer. Being aggrieved, the Holding Company has preferred an appeal before the ATIR which is pending adjudication at the year end. However, the management and the tax advisor of the Holding Company are hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these consolidated financial statements.

18.1.10 During the year, the Holding Company received show cause notice, dated 17 April 2022, as per which it was alleged that the Holding Company's claim of input sales tax, amounting to Rs 85.98 million, for the tax periods January 2017 through August 2019, was illegal. The Holding Company responded to the notice vide letter dated 25 April 2022. The proceedings were concluded by the DCIR and demand of Rs. 85.98 million along with default surcharge and penalty has been raised by DCIR vide assessment order dated 31 May 2022, passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Holding Company has preferred an appeal before the CIR(A), which is pending adjudication. The management of the Holding Company is hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these consolidated financial statements.

18.1.11 During the year, the Holding Company received show cause notice, dated 7 April 2022, as per which it was alleged that the Holding Company's claim of input sales tax, amounting to Rs. 620.98 million, for the tax periods July 2019 through November 2021 was illegal. The Holding Company responded to the notice vide letter dated 25 March 2022. The proceedings were concluded by the DCIR and demand of Rs. 580.06 million along with default surcharge and penalty has been raised by DCIR vide assessment order dated 31 May 2022, passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Holding Company has preferred an appeal before the CIR(A), which is pending adjudication. The management of the Holding Company is hopeful of favorable outcome of the case. Therefore, no provision has been recorded in these consolidated financial statements.

18.1.12 During last year, the Holding Company received show cause notice, dated April 26, 2021, in which it was confronted that the Holding Company has disposed of its fixed assets during the tax periods July 2015 through June 2017 without charging sales tax, aggregating to Rs. 42.75 million. The Holding Company responded to the notice vide letter dated May 7, 2021. The proceedings were concluded and the DCIR vide assessment, dated 23 August 2021, passed under section 11 of the Sales Tax Act 1990, raised sales tax demand amounting to Rs. 42,758,060 along with default surcharge and penalty. Being aggrieved, the Holding Company preferred an appeal before the CIR(A), which was disposed of by the CIR(A) vide appellate order dated 10 February 2022. Through such appellate order, entire sales tax demand along with penalty and default surcharge has been annulled by the CIR(A). It has been held that the disposal of land, buildings and vehicles did not warrant the imposition of sales tax and accordingly, the demand on account of these disposals has been deleted whereas sales tax demand on account of disposal of remaining fixed assets, amounting to Rs. 23 million, has been remanded back to the taxation officer to decide the matter after examination of underlying record. No further correspondence received from tax department in this regard. The management is expecting favorable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

18.1.13 Contingencies relating to income tax matters are disclosed in note 31 to these consolidated financial statements.

The Subsidiary Company

18.1.14 The Deputy Commissioner Inland Revenue (DCIR) vide order no. U-13/Enf-11/19/2021 dated 27 May 2021 created demand amounting Rs. 367.6 million under section 11(2) of Sales Tax Act, 1990 for the tax period from July 2016 to June 2018 on account of in-admissible adjustment of input tax credit. Being aggrieved, the Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) who vide order no. 136-ST/A-VI dated 31 December 2021 reduced the demand to Rs. 134.8 million and remanded the remaining demand to DCIR. The Subsidiary Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the remaining demand which is pending adjudication. Management is hopeful of the favorable outcome of case and accordingly, no provision has been incorporated in these consolidated financial statements.

18.1.15 The Deputy Commissioner Inland Revenue (DCIR) vide order no. 04/2021 dated 15 July 2021 created demand amounting Rs. 843.6 million under Sales Tax Act, 1990 for the tax period from July 2017 to December 2020 on account of non-apportionment of input tax credit against Capacity Purchase Price (CPP) component of electricity tariff. Being aggrieved, the Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) who vide order no. 151-ST/A-VI dated 20 January 2022 reduced the demand to Rs. 580.3 million and annulled the remaining demand. The Subsidiary Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the remaining demand which is pending adjudication. Management is hopeful of the favorable outcome of case and accordingly, no provision has been incorporated in these consolidated financial statements.

18.1.16 The Deputy Commissioner Inland Revenue (DCIR) vide order no. 05/2021 dated 17 July 2021 created demand amounting Rs. 182.8 million under Sales Tax Act, 1990 for the tax period from July 2016 to June 2017 on account of non-apportionment of input tax credit against Capacity Purchase Price (CPP) component of electricity tariff. Being aggrieved, the Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) who vide order no. 150-ST/A-VI dated 20 January 2022 reduced the demand to Rs. 96.5 million and annulled the remaining demand.

The Subsidiary Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the remaining demand which is pending adjudication. Management is hopeful of the favorable outcome of case and accordingly, no provision has been incorporated in these consolidated financial statements.

18.1.17 The Deputy Commissioner Inland Revenue (DCIR) vide order no. U-13/Enf-II/165/2021 dated 15 February 2022 created demand amounting Rs. 13.58 million (including 100% penalty amounting Rs. 6.78 million) under Sales Tax Act, 1990 for the tax period July 2019 and August 2019 on account of in-admissible adjustment of input tax credit. Being aggrieved, the Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) who vide order no. 258-ST/A-VI 04 July 2022 upheld the order of DCIR. The Subsidiary Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A) which is pending adjudication. Management is hopeful of the favorable outcome of case and accordingly, no provision has been incorporated in these consolidated financial statements.

18.1.18 The Assistant Commissioner Inland Revenue (ACIR) vide order no. U-13/Enf-II/168/460 dated 12 April 2022 created demand amounting Rs. 14.76 million (including penalty amounting Rs. 0.70 million) under Special Procedure Withholding Rules, 2007 and Sales Tax Act, 1990 for the tax period July 2016 and June 2018 on account of non-payment of withholding sales tax in respect of purchases. Being aggrieved, the Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) CIR(A) which is pending adjudication. Management is hopeful of the favorable outcome of case and accordingly, no provision has been incorporated in these consolidated financial statements.

	2022	2021
	(Rupees in thousand)	
18.2 Commitments		
18.2.1 In respect of:		
- capital expenditure	5,623,145	11,257,597
- irrevocable letters of credit for spare parts	423,764	50,626
- coal	1,972,000	-
	8,018,909	11,308,223

18.2.2 Guarantees given by banks on behalf of the Holding Company are Rs. 1,037.04 million (2021: Rs. 683.06 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

18.2.3 The Subsidiary Company has arranged guarantees from different banks aggregating to Rs. 25 million (2021: Rs. 25 million) which comprises of a guarantee from Askari Bank Limited worth Rs.15 million (secured with 100% margin) and a guarantee from MCB Bank Limited worth Rs.10 million in favour of Director Excise and Taxation Karachi. Bank guarantee was also given by a bank on behalf of the Subsidiary Company, amounting to Rs. 25.66 million (2021: Nil) (secured against 15% lien on P/L account), in favour of Pakistan Railways.

19. PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
		(Rupees in thousand)	
Operating fixed assets	19.1	45,846,742	46,187,994
Capital work in progress - at cost	19.2	15,352,800	2,854,293
Major spare parts and stand-by equipments	19.3	280,655	107,942
		61,480,197	49,150,229

19.1 Operating fixed assets

	Cost / Revalued amount					Depreciation				
	At 01 July 2021	Additions	Disposals	At 30 June 2022	Rate	At 01 July 2021	For the year	Disposals	At 30 June 2022	Net book value at 30 June 2022
	---------------------- Rupees in thousand ----------------------				Percentage	---------------------------------- Rupees in thousand ----------------------------------				
Owned										
Freehold land										
- cost	822,154	-	-	822,154	-	-	-	-	-	822,154
- surplus on revaluation	369,883	-	-	369,883	-	-	-	-	-	369,883
	1,192,037	-	-	1,192,037		-	-	-	-	1,192,037
Buildings on freehold land										
- cost	14,991,362	618,970	(36,528)	15,573,804	5 - 10	4,098,993	696,392	(33,381)	4,762,004	10,811,800
- surplus on revaluation	358,084	-	(244)	357,840	5 - 10	177,779	30,892	(155)	208,516	149,324
	15,349,446	618,970	(36,772)	15,931,644		4,276,772	727,284	(33,536)	4,970,520	10,961,124
Roads, bridges and railway sidings										
- cost	455,040	2,117	-	457,157	5 - 10	133,125	33,538	-	166,663	290,494
- surplus on revaluation	4,428	-	-	4,428	5 - 10	4,312	9	-	4,321	107
	459,468	2,117	-	461,585		137,437	33,547	-	170,984	290,601
Plant and machinery										
- cost	51,068,005	2,460,441	(63,182)	53,465,264	5 - 20	21,427,992	2,029,220	(45,794)	23,411,418	30,053,846
- surplus on revaluation	7,531,251	-	(6,237)	7,525,014	5 - 20	3,857,097	688,642	(3,554)	4,542,186	2,982,829
	58,599,256	2,460,441	(69,419)	60,990,278		25,285,089	2,717,862	(49,348)	27,953,604	33,036,675
Furniture, fixtures and equipment	507,812	29,394	(3,870)	533,336	10 - 30	403,730	27,579	(3,419)	427,890	105,446
Quarry equipment	192,244	-	-	192,244	20	181,931	2,597	-	184,528	7,716
Vehicles	352,873	93,190	(25,887)	420,176	20	180,185	38,966	(16,020)	203,131	217,045
Share of joint assets (19.1.2)	6,000	-	-	6,000	10	5,998	2	-	6,000	-
	1,058,929	122,584	(29,757)	1,151,756		771,844	69,144	(19,439)	821,549	330,207
Right of use asset										
- leasehold land	-	29,001	-	29,001	5.88 - 50	-	1,113	-	1,113	27,888
- leasehold building	-	15,020	-	15,020	33	-	6,810	-	6,810	8,210
	-	44,021	-	44,021		-	7,923	-	7,923	36,098
	76,659,136	3,248,133	(135,948)	79,771,321		30,471,142	3,555,760	(102,323)	33,924,580	45,846,742

Operating fixed assets

	Cost / Revalued amount					Depreciation				
	At 01 July 2020	Additions	Disposals	At 30 June 2021	Rate	At 01 July 2020	For the year	Disposals	At 30 June 2021	Net book value at 30 June 2021
	----------------------- Rupees in thousand -----------------------				Percentage	----------------------------------- Rupees in thousand ---------------------------------				
Owned										
Freehold land										
- cost	822,154	-	-	822,154	-	-	-	-	-	822,154
- surplus on revaluation	369,883	-	-	369,883	-	-	-	-	-	369,883
	1,192,037	-	-	1,192,037		-	-	-	-	1,192,037
Buildings on freehold land										
- cost	14,702,255	289,107	-	14,991,362	5 - 10	3,437,496	661,497	-	4,098,993	10,892,369
- surplus on revaluation	358,084	-	-	358,084	5 - 10	146,433	31,346	-	177,779	180,305
	15,060,339	289,107	-	15,349,446		3,583,929	692,843	-	4,276,772	11,072,674
Roads, bridges and railway sidings										
- cost	140,401	314,639	-	455,040	5 - 10	91,985	41,140	-	133,125	321,915
- surplus on revaluation	4,428	-	-	4,428	5 - 10	3,105	1,207	-	4,312	116
	144,829	314,639	-	459,468		95,090	42,347	-	137,437	322,031
Plant and machinery										
- cost	50,634,766	600,875	(167,636)	51,068,005	5 - 20	19,420,719	2,104,148	(96,862)	21,428,005	29,640,000
- surplus on revaluation	7,532,121	-	(870)	7,531,251	5 - 20	3,170,342	687,497	(755)	3,857,084	3,674,167
	58,166,887	600,875	(168,506)	58,599,256		22,591,061	2,791,645	(97,617)	25,285,089	33,314,167
Furniture, fixtures and equipment	499,799	8,013	-	507,812	10 - 30	376,909	26,821	-	403,730	104,082
Quarry equipment	192,244	-	-	192,244	20	178,691	3,240	-	181,931	10,313
Vehicles	340,786	35,863	(23,776)	352,873	20	156,840	35,005	(11,660)	180,185	172,688
Share of joint assets (19.1.2)	6,000	-	-	6,000	10	5,998	-	-	5,998	2
	1,038,829	43,876	(23,776)	1,058,929		718,438	65,066	(11,660)	771,844	287,085
	75,602,921	1,248,497	(192,282)	76,659,136		26,988,518	3,591,901	(109,277)	30,471,142	46,187,994

19.1.1 Additions in operating fixed assets include transfers from capital work-in-progress amounting to Rs. 2,833.5 million (2021: Rs. 993.67 million).

19.1.2 Ownership of the housing colony's assets included in the operating fixed assets is shared by the Holding 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.

19.1.3 Buildings, roads, bridges and railway sidings, plant and machinery are located at freehold land measuring 10,145 kanals located at Iskandrabad District Mianwali.

19.1.4 Had the certain classes of operating fixed assets not been revalued the net book value would have been as follows:

	2022	2021
	(Rupees in thousand)	
Freehold land	822,154	822,154
Buildings on freehold land	10,811,800	10,892,369
Roads, bridges and railway sidings	290,495	321,915
Plant and machinery	30,053,846	29,640,000
	41,978,295	41,676,438

19.1.5 The latest valuation of Group's assets was carried as at 30 June 2020 and the forced sale value as at that date is given below:

	(Rupees in thousand)
Freehold land	953,630
Buildings on freehold land	9,170,936
Roads, bridges and railway sidings	39,842
Plant and machinery	28,454,046
	38,618,454

19.1.6 All assets of the Group as at 30 June 2022 are located in Pakistan and are in the name of the Group.

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

	Note	2022	2021
		(Rupees in thousand)	
Cost of sales	34	3,487,516	3,523,123
Administrative expenses	36	50,347	61,669
Distribution expenses	35	17,897	7,109
		3,555,760	3,591,901

19.1.8 Disposal of property, plant and equipment

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss)	Mode of disposal	Particulars of purchaser
	(------------------ Rupees in thousand				------------------)		
Buildings							
Slurry Silos	10,033	9,030	1,003	1,550	547	Auction	M/s Techsawy Trading
Cement Storage	8,998	8,099	900	1,390	490	Auction	M/s Techsawy Trading
Raw Mill/Cement Mill	8,245	7,420	824	830	6	Auction	M/s Techsawy Trading
Pack House/Loading Platform	5,085	4,577	509	786	277	Auction	M/s Techsawy Trading
Others (having book value below Rs. 500,000)	4,410	4,410	-	444	444		
	36,771	33,536	3,236	5,000	1,764		
Plant and machinery							
Gear Box	6,626	927	5,699	2,126	(3,573)	Auction	M/s Muhammad Hayat
Tyre With Shell Drg.No. 6222-0401	5,019	890	4,129	669	(3,460)	Auction	M/s Muhammad Hayat
Gear Boxes	24,010	21,609	2,401	392	(2,009)	Auction	M/s Muhammad Hayat
Grinding Vessel	3,817	1,602	2,215	711	(1,504)	Auction	M/s Muhammad Hayat
Automatic Manual Motor	1,400	478	923	150	(773)	Auction	M/s Muhammad Hayat
Gear Box	2,838	2,040	797	125	(672)	Auction	M/s Muhammad Hayat
Butterfly Valve	695	89	605	650	45	Auction	M/s Karam Dad Khan
Hydrolic Cylinder	679	87	591	635	44	Auction	M/s Karam Dad Khan
Others (having book value below Rs. 500,000)	24,336	21,626	2,711	1,141	(1,570)		
	69,420	49,348	20,071	6,599	(13,472)		
Vehicles							
Suzuki Cultus	2,017	120	1,897	1,890	(7)	Buy Back Policy	Mr. Tariq Ahmed Mir
Suzuki Cultus	1,603	725	878	1,200	322	Buy Back Policy	Ms. Hafsa Mehmood
Suzuki Cultus	1,603	752	851	1,050	199	Buy Back Policy	Ms. Amna Nauman
Suzuki Cultus	1,419	793	627	1,100	473	Buy Back Policy	Mr. Sajid Alam
Suzuki Cultus	1,426	866	560	950	390	Buy Back Policy	Mr. Muhammad Haroon Saleem
Others (having book value below Rs. 500,000)	17,819	12,764	5,055	11,494	6,439		
	25,887	16,020	9,868	17,684	7,816		
IT Equipment	3,870	3,419	451	1,300	849		
2022	135,948	102,323	33,626	30,583	(3,043)		
2021	192,282	109,277	83,005	53,115	(29,890)		

	Note	2022	2021
		(Rupees in thousand)	
19.2 Movement in capital work-in-progress - at cost			
At beginning of the year		2,854,293	871,386
Additions during the year		15,332,007	2,997,765
Less: Transfers during the year	19.1.1	(2,833,500)	(993,697)
Less: Charged off during the year		-	(21,161)
At end of the year	19.2.1	15,352,800	2,854,293
19.2.1 Capital work-in-progress - at cost			
Civil works		3,347,313	887,521
Plant and machinery		10,691,775	565,992
Advances to suppliers against:			
- civil works		449,900	464,353
- plant and machinery		861,860	932,331
- vehicles		1,952	4,096
	19.2.2	15,352,800	2,854,293

19.2.2 This includes borrowing cost amounting to Rs. 361.25 million (2021: Rs. 22.72 million) capitalized during the year at effective rate ranging from 2.50% to 16.27% per annum.

19.2.3 The Holding Company is in process of setting up Line-IV of grey cement having production capacity of 7,000 metric tons per day with expected cost of Rs. 20 billion.

19.3 This represents stores held for capital expenditure related to Holding Company's expansion project.

20. INTANGIBLE ASSETS

	Note	2022	2021
		(Rupees in thousand)	
At beginning of the year		83,885	83,885
Additions during the year		6,786	-
At end of the year		90,671	83,885
Accumulated Amortization			
At beginning of the year		77,868	74,862
Amortization for the year		2,388	3,006
At end of the year		80,256	77,868
Net book value		10,415	6,017
Amortization rate - % per annum		33%	33%

20.1 Amortization charge for the year has been allocated as follows:

	Note	2022	2021
Cost of sales	34	740	1,110
Administrative expenses	36	1,648	1,896
		2,388	3,006

21. LONG TERM LOANS TO EMPLOYEES - SECURED

	Note	2022	2021
		(Rupees in thousand)	
House building		4,677	7,101
Vehicles		1,395	2,021
Others		24,162	18,874
	21.1 & 21.2	30,234	27,996
Less: Current portion presented under current assets	26	(10,868)	(10,992)
		19,366	17,004

21.1 These loans are secured against employees' retirement benefits and carry interest at the rate of 6% per annum (2021: 6% per annum). These loans are recoverable in 30 to 60 monthly installments.

21.2 This includes loans to executives amounting to Rs. 4.24 million (2021: Rs. 6.08 million) which includes loan to key management personnel amounting to Nil (2021: Rs. 2.2 million). The maximum aggregate amount outstanding from key management personnel at any time during the year calculated with reference to month end balance is Rs. 2.2 million (2021: Rs. 5.2 million). Further, no amount is due from Directors and Chief Executive at the year end (2021: Nil).

22. LONG TERM DEPOSITS

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

23. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2022	2021
		(Rupees in thousand)	
Stores		9,165,462	5,642,085
Spare parts		4,128,303	4,220,409
Loose tools		31,561	185,233
	23.1	13,325,326	10,047,727

23.1 This include items in transit amounting to Rs. 98.4 million (2021: Rs. 1,241.72 million).

24. STOCK-IN-TRADE

	2022	2021
	(Rupees in thousand)	
Raw material	108,905	109,758
Packing material	258,414	231,303
Work-in-process	1,775,210	1,373,133
Finished goods	499,536	371,669
	2,642,065	2,085,863

25. TRADE DEBTS

	Note	2022	2021
		(Rupees in thousand)	
Export debtors		26,995	7,669
Local debtors			
Considered good - unsecured		2,039,217	1,672,035
Considered doubtful - unsecured	25.1	50,049	293,392
		2,116,261	1,973,096
Less: Provision for expected credit loss		(50,049)	(293,392)
		2,066,212	1,679,704

25.1 The movement in provision for impairment of receivables is as follows:

	Note	2022	2021
		(Rupees in thousand)	
At beginning of the year		293,392	180,689
Provision for expected credit loss charge for the year	37	50,049	112,703
Debtors written off against provision		(293,392)	-
At end of the year		50,049	293,392

25.2 Trade debts are non-interest bearing and ageing analysis of trade debts is as follows:

	2022	2021
	(Rupees in thousand)	
Not past due	1,342,565	708,821
Past due:		
1-90 days	568,615	669,896
91-180 days	83,753	215,727
181-270 days	72,081	62,964
271-365 days	16,419	46,914
366-above	32,828	268,774
	2,116,261	1,973,096
Less: Provision for expected credit loss	(50,049)	(293,392)
	2,066,212	1,679,704

26. LOANS AND ADVANCES

	Note	2022	2021
		(Rupees in thousand)	
Advances - unsecured, considered good			
- Employees	26.1	28,740	10,795
- Suppliers	26.2	378,249	247,439
- Government authorities	26.3	180,543	206,118
Current portion of long term loans to employees	21	10,868	10,992
Refunds due from government	26.4	7,588	16,797
		605,988	492,141

26.1 This includes loans to executives amounting to Rs. 4 million (2021: Rs. 3.81 million) which includes loan to key management personnel (Amir Feroze and Zeeshan Malik Bhutta) amounting to Rs. 3.25 million (2021: Rs. 3.05 million).

The maximum aggregate amount outstanding from key management personnel (Amir Feroze and Zeeshan Malik Bhutta) at any time during the year calculated with reference to month end balance is Rs. 3.25 million (2021: Rs. 3.05 million). Further, no amount is due from other directors and chief executive officer at the year end (2021: Rs. Nil)

26.2 This includes an amount of Rs. 121.58 million (2021: Rs. 103.59 million) advanced to Ministry of Railways for transportation of coal and cement.

26.3 This includes Rs. 180 million paid under protest as disclosed in note 18.1.3 to these consolidated financial statements.

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

26.5 There has been no loans and advances to any foreign Company at the year end (2021: Nil).

27. SHORT TERM INVESTMENT

	Note	2022	2021
		(Rupees in thousand)	
Investment at fair value through statement of profit or loss - listed securities			
Next Capital Limited:			
1,500,000 (2021: 1,500,000) ordinary shares of Rs. 10 each			
1,875,000 (2021: 1,875,000) right shares of Rs. 8 each			
337,500 (2021: 337,500) bonus shares			
Market value Rs. 7.77 per share (2021: Rs. 14.72 per share)			
Cost			
At beginning and end of the year		30,000	30,000
Unrealized fair value gain / (loss)			
At beginning of the year		24,648	(4,755)
Fair value (loss) / gain for the year		(25,802)	29,403
At end of the year		(1,154)	24,648
Fair value at 30 June		28,846	54,648
Investment at amortized cost - debt instrument			
Term deposit receipts	27.1	169,500	94,500
		198,346	149,148

27.1 This represents term deposits having maturity of one year starting from 5 April 2023 till 15 April 2023 carries mark-up at the rate ranging from 8.5% to 10.5% per annum.

27.2 There has been no investment in any foreign company during the year (2021: Nil).

28. SHORT TERM DEPOSITS AND PREPAYMENTS

	2022	2021
	(Rupees in thousand)	
Margin against:		
- letters of credit	69,316	5,942
- bank guarantees	436,955	231,035
Prepayments	17,238	3,084
Short term deposits	34,106	-
	557,615	240,061

29. ACCRUED PROFIT

This represents profit accrued on deposits and saving accounts and term deposit receipts at the rates ranging from 8.50% to 12.25% (2021: 4.16% to 7.20%).

30. OTHER RECEIVABLES

	Note	2022	2021
		(Rupees in thousand)	
Due from related party - unsecured	30.1	38,402	96,779
Others	30.2	13,859	69,056
		52,261	165,835

30.1 This represents balance receivable from Kohinoor Textile Mills Limited (the Ultimate Holding Group). The maximum aggregate amount outstanding from the Ultimate Holding Group at any time during the year calculated with reference to month end balance is Rs. 154.90 million (2021: Rs. 96.78 million).

30.2 This includes Rs. 11.018 million (2021: Rs. 13.861 million) receivable against export rebate.

31. ADVANCE INCOME TAX - NET OF PROVISION

	2022	2021
	(Rupees in thousand)	
At beginning of the year	1,970,899	1,821,238
Tax deducted / deposited at source	575,384	747,553
Advance income tax paid	365,366	366,170
Tax refunds received	(340,366)	(366,170)
	2,571,283	2,568,791
(Provision) / reversal during the year:		
- current	(1,944,288)	(595,447)
- prior	-	(2,284)
- WWF paid	-	(161)
	(1,944,288)	(597,892)
	626,995	1,970,899

31.1 The Additional Commissioner Inland Revenue, Audit, Range, Zone - 1, Large Taxpayers Unit, Lahore (ACIR) initiated proceedings related to the tax year 2017, vide order dated 13 March 2019, against the Holding Company under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001 (the "Ordinance"). The notice was duly responded by tax advisor of the Holding Company. Proceedings were concluded and ACIR raised an additional tax demand of Rs. 303.360 million through amendment order, dated 27 January 2020, passed under section 122(5A) of the Ordinance. The Holding Company preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) - CIR(A). The CIR(A), through his order dated 6 May 2020, decided all the matters in favor of the Holding Company except for issues relating to claim of depreciation and initial allowance, without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset and apportionment of advertisement and sales promotion expenses.

The Holding Company, as well as the tax authorities, have preferred an appeal before the Appellant Tribunal Inland Revenue (ATIR), which is pending adjudication at the year end. However, being prudent the Holding Company has recorded the provision of Rs. 46.88 million during previous years in these consolidated financial statements. Management of the Holding Company is confident of favorable outcome of the case. Therefore, no further provision has been incorporated in these consolidated financial statements.

31.2 The Deputy Commissioner Inland Revenue, Audit - 2, Zone I, Large Taxpayers Unit, Lahore ('DCIR') passed an appeal effect order dated 31 July 2017, related to tax year 2015, under section 124/129 of the Ordinance, giving effect to an earlier order passed by CIR(A). While passing the order, the DCIR made certain errors which were assailed before CIR(A) in second round of appeal. During the year 2020, CIR(A), through order dated 17 April 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible deductions, aggregating to Rs. 180 million, against the Holding Company. Being aggrieved, the Holding Company has preferred an appeal before the ATIR, which is pending adjudication. However, management and tax advisor of the Holding Company are hopeful of favorable outcome of the case. Accordingly no provision has been incorporated in these consolidated financial statements.

31.3 The Additional Commissioner Inland Revenue, Audit, Range, Zone - 1, Large Taxpayers Unit, Lahore (ACIR), via notice dated May 21, 2020, initiated proceedings against the Holding Company, related to tax year 2018, under Section 122 (9) read with section 122 (5A) of the Income Tax Ordinance 2001 (Ordinance). The above proceedings were concluded by the ACIR through amendment order dated 02 September 2020, passed under section 122(5A) of Ordinance through, which income tax demand of Rs. 376.182 million was created against the Holding Company. The Holding Company, being aggrieved, preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) ['CIR(A)']. During the year, the CIR (A) through appellate order dated December 30, 2020, decided majority of the issues in favor of the Holding Company. The Holding Company, as well as the tax authorities, have preferred an appeal before the Appellant Tribunal Inland Revenue ['ATIR'] which is pending adjudication. However, management and tax advisor of the Holding Company is hopeful of favorable outcome of the case. Therefore, no provision has been incorporated in these consolidated financial statements.

31.4 During previous year, the Additional Commissioner of Inland Revenue (the ACIR), vide order dated 3 May 2017, raised income tax demand amounting to Rs 1,001.38 million related to the tax year 2016 primarily on account of inadmissibility of tax credit under section 113(2)(c) of the Income Tax Ordinance 2001. Being aggrieved, the Company filled a writ petition in the Honorable Lahore High Court (LHC) in May 2017 which is pending adjudication at the year end. The Company and the tax/legal advisor of the Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

31.5 During previous years, the income tax department filed various appeals in Honorable Lahore High Court / Supreme Court of Pakistan against decisions of different appellate forum in favor of the Holding Company, which are pending adjudication at the year end. The Holding Company and the tax/legal advisor of the Holding Company are expecting favorable outcome of the cases. Therefore, no provision has been booked in these consolidated financial statements.

31.6 During the year, with respect to the tax year 2021, the Holding Company received the notice dated 20 January 2022 where the Additional Commissioner Inland Revenue Audit-I, Range-I, Large Taxpayers Office, Lahore [ADCIR] initiated proceedings against the Holding Company under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001. The Holding Company responded to the notice vide letter dated 23 June 2022, through which Holding Company's stance was adequately explained. Subsequent to the year end, the ADCIR has concluded the proceedings vide amendment order dated 05 August 2022, through which the income tax refund has been curtailed to Rs. 862,510,581. Being aggrieved, the Holding Company is in the process of filing an appeal against the subject amendment order before the 'CIR(A)'. The Holding Company and the tax advisor of the Holding Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

31.7 With respect to the tax year 2012, the Holding Company received the notice, dated 7 March 2014, from tax department for furnishing books of accounts / details / documents for audit under section 177 of the Income Tax Ordinance 2001. In response the Holding Company filed reply / explanation which the Officer Inland Revenue (OIR) found unsatisfactory to the extent of some points which were confronted through notice, dated 23 April 2019, under section 122(4)/122(5)/122(9) of the Income Tax Ordinance 2001. Subsequently, during the year 2014, the OIR amended the assessment under section 122(4)/122(5) of the Income Tax Ordinance 2001, in the light of record available with him, vide order dated 30 April 2019 and reduced the losses by making additions of Rs. 256 million. Being aggrieved, the Holding Company filed an appeal before CIR (A) dated 07 August 2019. The case was heard before CIR (A) dated 14 December 2012 in which the CIR (A) upheld the additions of Rs. 99 million, remand back total additions of Rs. 127 million and delete total additions of Rs. 30 million vide order dated 31 December 2021. Being aggrieved with the treatment of CIR(A) the Holding Company filed an appeal before ATIR dated 15 March 2022 which is pending for adjudication at the year end. The Holding Company and the tax advisor of the Holding Company are expecting favorable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

32. CASH AND BANK BALANCES

	Note	2022	2021
		(Rupees in thousand)	
- Cash in hand in local currency		2,780	2,518
- Cash in hand in foreign currency		1,791	1,426
		4,571	3,944
Cash at bank			
Current accounts:			
- foreign currency		15,597	12,506
- local currency	32.1	465,683	314,423
		481,280	326,929
Deposit accounts	32.2	331,393	170,458
		812,673	497,387
		817,244	501,331

32.1 These include balances of aggregate amount of Rs. 16.59 million (2021: Rs. 4.559 million) placed under an arrangement permissible under Shariah.

32.2 These carry return ranging between 6.00% to 12.50% (2021: 3.65% to 5.50%) per annum. These include deposits amounting to Rs. 12.39 million (2021: Rs. 14.695 million) placed under an arrangement permissible under Shariah. Remaining balances represent deposits with conventional banks.

These includes balance amounting to Rs. 11.062 million on which lien is marked by the BankIslami Pakistan Limited against bank guarantee issued to Excise and Taxation Department on behalf of the Holding Company.

33. SALES - NET

	2022	2021
	(Rupees in thousand)	
Gross local sales	66,251,395	49,622,979
Less:		
Federal Excise Duty	(6,973,716)	(7,043,999)
Sales Tax	(10,631,729)	(8,060,518)
Discount and others	(726,418)	(642,449)
Commission	(275,582)	(233,060)
	(18,607,445)	(15,980,026)
Net local sales	47,643,950	33,642,953
Export sales	875,672	1,895,348
	48,519,622	35,538,301

33.1 Disaggregation of Revenue (Gross sales)

	2022	2021
Type of Customers		
Government Customers	14,683	904
Non-Government Customers	67,112,384	51,517,423
	67,127,067	51,518,327
Primary Geographical Markets		
Pakistan	66,251,395	49,622,979
Afghanistan	787,476	1,771,351
Madagascar	-	735
Mozambique	1,540	2,660
Nigeria	1,358	-
Ethiopia	1,658	-
Oman	25,356	30,537
Qatar	5,075	6,485
Seychelles	-	52,626
Sri Lanka	32,685	8,995
Tanzania	20,524	21,960
	67,127,067	51,518,328

	Note	2022	2021
		(Rupees in thousand)	

34. COST OF SALES

	Note	2022	2021
Raw materials consumed	34.1	2,388,979	2,250,691
Packing materials consumed		3,065,308	2,824,094
Fuel and power		22,524,184	14,970,096
Stores, spare parts and loose tools consumed		1,380,128	1,171,408
Salaries, wages and other benefits	34.2	1,364,635	1,250,770
Rent, rates and taxes		1,699	2,622
Insurance		94,061	89,035
Repair and maintenance		437,027	364,115
Depreciation	19.1.7	3,487,516	3,523,123
Amortization	20.1	740	1,110
Vehicles running and maintenance		225,507	165,884
Freight and forwarding		699,664	543,688
Other expenses	34.3	140,779	148,811
		35,810,227	27,305,447
Work in process:			
At beginning of the year		1,373,133	903,522
At end of the year		(1,775,210)	(1,373,133)
		(402,077)	(469,611)
Cost of goods manufactured		35,408,150	26,835,836
Finished goods:			
At beginning of the year		371,669	575,494
At end of the year		(499,536)	(371,669)
		(127,867)	203,825
Cost of sales		35,280,283	27,039,661

34.1 Raw materials consumed

	2022	2021
At beginning of the year	109,758	90,975
Add: Purchases made during the year	2,388,126	2,269,474
	2,497,884	2,360,449
Less: At end of the year	(108,905)	(109,758)
	2,388,979	2,250,691

34.2 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 62.169 million (2021: Rs. 56.21 million) and gratuity and compensated absence as mentioned in note 14.6 to these consolidated financial statements.

34.3 Other expenses include housing colony expenses aggregating to Rs. 77.72 million (2021: Rs. 64.33 million).

35. DISTRIBUTION COST

	Note	2022	2021
		(Rupees in thousand)	
Salaries, wages and other benefits	35.1	288,873	241,825
Travelling and conveyance		209,953	123,155
Vehicle running and maintenance		52,990	36,083
Postage, telephone and fax		7,831	5,834
Printing, stationery and office supplies		5,060	9,169
Entertainment		14,300	26,563
Repair and maintenance		10,565	13,904
Depreciation	19.1.8	17,897	7,109
Rent, rates and taxes		-	6,077
Legal and professional charges		1,949	6,267
Advertisement and sale promotions		812,020	487,484
Fee and subscription		48,438	38,150
Other expenses		14,000	12,231
		1,483,876	1,013,851

35.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 13.52 million (2021: Rs. 11.17 million) and gratuity and compensated absence as mentioned in note 14.6 to these consolidated financial statements.

36. ADMINISTRATIVE EXPENSES

	Note	2022	2021
		(Rupees in thousand)	
Salaries, wages and other benefits	36.1	487,744	417,616
Travelling		74,235	66,728
Vehicle running and maintenance		54,806	36,670
Postage, telephone and fax		16,025	15,486
Printing, stationery and office supplies		37,673	25,140
Entertainment		32,499	23,973
Repair and maintenance		46,049	21,941
Legal and professional charges	36.2	41,472	35,187
Consultancy fee and subscription		55,049	43,969
Depreciation	19.1.8	50,347	61,669
Amortization	20.1	1,648	1,896
Advances / Receivable written off		9,209	18,335
Rent, rates and taxes		12,996	7,869
Other expenses		57,720	43,686
		977,472	820,165

36.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 21.66 million (2021: Rs. 18.13 million) and gratuity and compensated absence as mentioned in note 14.6 to these consolidated financial statements.

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

	2022	2021
	(Rupees in thousand)	
Audit fee		
Annual statutory audit	1,850	1,610
Interim review	650	540
Other certifications	1,440	315
Taxation	-	1,418
Out of pocket expenses	620	600
	4,560	4,483
Statutory auditors of Maple Leaf Power Limited		
Annual statutory audit	750	750
Taxation	630	840
Out of pocket expenses	75	75
	1,455	1,665

36.3 The Group has shared expenses aggregating Rs. 21.57 million (2021: Rs. 22.15 million) on account of combined offices with the Ultimate Holding Company. These expenses have been recorded in respective account.

37. OTHER CHARGES

	Note	2022	2021
		(Rupees in thousand)	
Donation	37.1	6,605	29,676
Workers' Profit Participation Fund (WPPF)	16.4	427,064	269,247
Workers' Welfare Fund (WWF)	16.5	112,811	81,360
Un-realized fair value loss on short term investment	27	25,802	-
Exchange loss- net		255,271	-
Provision for expected credit loss	25.1	50,049	112,703
Debtors written off	37.2	159,871	46,355
Loss on disposal of property, plant and equipment	19.1.9	3,043	29,890
Others		-	21,162
		1,040,516	590,393

37.1 Donations for the year have been given to:

	Note	2022	2021
Gulab Devi Chest Hospital		-	16,215
Maple CSR Initiative as per DC Office requirement		-	4,223
Daud Khel Police Station		-	3,500
Housing Colony Water Turbine		-	2,000
Auditorium at Police Public School		-	1,500
MAYO Hospital (Baby Incubator)		1,319	-
Dialysis center in AGL hospital		1,000	-
Daud Khel Water Supply Project		726	72
Beaconhouse National University (Scholarship)		1,358	-
Road Safety Campaign DPO Mianwali		-	150
Financial assistance for the deceased worker		600	-
Shafaullah		120	-
Local schools at Daud Khel		1,482	-
Miscellaneous donations in the form of cement		-	1,959
Rescue Office 1122		-	57
	37.1.1	6,605	29,676

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

37.2 This includes balance written off amounting to Rs. 1.3 million pertaining to export customer Haji Mohammad Nader Dawlat Zai Limited.

38. OTHER INCOME

	Note	2022	2021
		(Rupees in thousand)	
Income from financial assets			
Profit on bank deposits	38.1	24,598	18,720
Interest on loans to employees		319	398
Un-realized fair value gain on investments		-	29,403
		24,917	48,521
Income from non-financial assets			
Sale of scrap		3,470	5,508
Exchange gain - net	38.2	-	99,394
FV gain on discounting of payable to government authority		-	31,008
Rental income		1,149	25,774
Miscellaneous		30,673	12,810
		35,292	174,494
		60,209	223,015

38.1 This includes profit earned on deposits under an arrangements which are permissible under Shariah amounting to Rs. 0.64 million (2021: Rs. 2.764 million). The remaining profit relates to interest / markup based arrangement from conventional banks.

38.2 This represents exchange gain - net of loss incurred on actual currency conversion.

39. FINANCE COST

	Note	2022	2021
		(Rupees in thousand)	
Profit / interest / mark up on:			
- Long term loans and finances		1,114,050	937,274
- Short term borrowings	17 & 39.1	452,218	295,567
		1,566,268	1,232,841
Notional interest on unwinding of retention money payable		27,828	25,625
Notional interest on unwinding of payable to government authority		9,871	20,920
Interest on lease liabilities		2,377	-
Bank and other charges		51,928	47,817
		1,658,272	1,327,203

39.1 This includes share of profit paid, amounting to Rs. 5.39 million (2021: Rs. 3.08 million), under Shariah compliant arrangement with Islamic Banks. The remaining interest relates to interest / markup based arrangement from conventional banks.

40. TAXATION

	Note	2022	2021
		(Rupees in thousand)	
Income tax			
- current		1,944,288	595,447
- prior		-	2,284
		1,944,288	597,731
Deferred	11.1	1,641,999	543,818
		3,586,287	1,141,549

40.1 Tax charge reconciliation

40.1.1 Numerical reconciliation between tax expense and accounting profit:

Profit before taxation	2022	2021
	(Rupees in thousand)	
Profit before taxation	8,139,412	4,970,043
Applicable tax rate as per Income Tax Ordinance, 2001	29%	29%
Tax on accounting profit	2,357,308	1,441,312
Impact of super tax under section 4E	694,910	-
Effect of final tax regime	(24,171)	(56,999)
Effect of exempt income	(235,624)	(271,000)
Change in tax rate and proportion of local and export sales	849,050	50,556
Effect of ACT / minimum tax / unused tax losses	-	(80,987)
Effect of prior year adjustment	-	2,285
Other	(55,186)	56,382
	3,586,287	1,141,549

40.2 As per management's assessment, the provision for tax made in the consolidated financial statements is sufficient. A comparison of last three years' of income tax provision with tax assessment is presented below:

	Tax provision as per financial statements	Tax as per return
	(Rupees in thousand)	
2019	-	-
2020	-	2,285
2021	527,683	-

40.2.1 Income tax liability for the tax year 2019 and tax year 2020 was adjusted against tax credit under section 65(B) of Income Tax Ordinance 2001, accordingly, no provision for the said tax year was required to be recorded in these consolidated financial statements.

The Group has challenged the amendments made in Finance Act, 2020 that reduced the tax credit under section 65 (B) from 10% to 5% of the eligible addition in fixed assets. However, provision is calculated for financial statements as per the enacted law on a prudent basis.

41. EARNINGS PER SHARE - BASIC AND DILUTED

41.1 Basic earnings per share

	Unit	2022	2021
Profit after taxation	Rupees in '000	4,553,125	3,828,494
Weighted average number of ordinary shares	No. of shares in '000	1,097,524	1,098,346
	Rupees	4.15	3.49

41.2 Weighted average number of ordinary shares

	2022	2021
	(Number of shares in '000')	
Outstanding number of shares before own shares purchased	1,098,346	1,098,346
Add: Impact of own shares purchased during the year	(822)	-
	1,097,524	1,098,346

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

42. CASH AND CASH EQUIVALENTS

	Note	2022	2021
		(Rupees in thousand)	
Short term running finance	17.2	(1,396,990)	(237,310)
Temporary bank overdrafts - unsecured	17.4	(505)	(3,217)
Cash and bank balances	32	817,244	501,331
		(580,251)	260,804

43. RELATED PARTY TRANSACTIONS AND BALANCES

The Group is a subsidiary of Kohinoor Textile Mills Limited (the "Ultimate Holding Company"), accordingly all the subsidiaries and associated companies of the Ultimate Holding Company are related party of the Group. In addition Group's related parties comprises of the directors of the Holding Company, key management personnel and post employment retirement plan. Amounts 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	2022	2021
			(Rupees in thousand)	
a) Kohinoor Textile Mills Limited	Holding Group (55.22% equity held)	Sale of goods to related party	101,341	144,968
		Purchase of fixed assets	-	3,533
		Expenses paid by related party on behalf of the Group	21,666	14,050
		Expenses paid by the Group on behalf of related party	1,948	5,265
b) Mr. Tariq Ahmed Mir	Key management personnel	Sale proceed from sale of vehicle to related party	1,890	-
c) Key management personnel	Key management personnel	Remuneration and other benefits	255,683	196,694
d) Employee benefits				
Gratuity	Post employment benefit plan	Contribution	27,577	36,550
Provident Fund Trust	Employees benefit fund	Contribution	211,461	175,197

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 and these are disclosed below.

Name	Relationship	% of shareholding in the Group
Mr. Tariq Sayeed Saigol	Director / Key management personnel	0.0030%
Mr. Sayeed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Taufique Sayeed Saigol	Director / Key management personnel	0.0015%
Mr. Waleed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Danial Taufique Saigol	Director / Key management personnel	0.0005%
Ms. Jahanara Saigol	Director / Key management personnel	0.0002%
Mr. Shafiq Ahmed Khan	Director / Key management personnel	0.0014%
Mr. Zulfikar Monnoo	Director / Key management personnel	0.0003%
Mr. Syed Mohsin Raza Naqvi	Director / Key management personnel	N/A
Mr. Arif Ijaz	Director / Key management personnel	N/A
Mr. Sohail Sadiq	Key management personnel	N/A
Mr. Yahya Hamid	Key management personnel	N/A
Mr. Amir Feroze	Key management personnel	N/A
Mr. Zeeshan Malik Bhutta	Key management personnel	N/A
Mr. Nasir Iqbal	Key management personnel	N/A
Mr. Tariq Ahmed Mir	Key management personnel	N/A
Mr. Amer Bilal	Key management personnel	N/A
Mr. Muhammad Basharat	Key management personnel	N/A

44. REMUNERATION OF CHAIRMAN, CHIEF EXECUTIVE, DIRECTORS, NON-EXECUTIVE DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the consolidated financial statements for the year for remuneration, including all benefits to the Chairman, Chief Executive, Directors and Executives of the Group are as follows:

	2022				
			Directors		
	Chairman	Chief Executive	Executive	Non-Executives	Executives
	(----------	Rupees in thousand			----------)
Short term benefits					
Managerial remuneration	39,347	36,199	24,947	-	315,309
House rent	4,819	4,433	-	-	64,812
Medical	2,963	2,726	1,676	-	24,089
Conveyance	-	1,632	1,188	-	37,254
Utilities	5,372	4,942	2,361	-	50,268
	52,501	49,932	30,172	-	491,732
Post employment benefits					
Contribution to Provident Fund Trust	2,963	2,726	1,676	-	24,089
	55,464	52,658	31,848	-	515,821
Numbers	1	1	1	5	110

	2021				
			Directors		
	Chairman	Chief Executive	Executive	Non-Executives	Executives
	(----------	Rupees in thousand			----------)
Short term benefits					
Managerial remuneration	32,625	30,015	17,534	-	267,783
House rent	4,950	6,831	1,310	-	77,098
Medical	2,475	-	142	-	5,040
Conveyance	-	1,627	914	-	25,189
Utilities	-	-	655	-	20,430
	40,050	38,473	20,555	-	395,540
Post employment benefits					
Contribution to Provident Fund Trust	2,475	2,277	1,310	-	20,020
	42,525	40,750	21,865	-	415,560
Numbers	1	1	1	5	98

44.1 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.

44.2 Aggregate amount charged in these consolidated financial statements in respect of meeting fee paid to Directors aggregates to Rs. 0.34 million (2021: Rs. 0.34 million).

45. CAPACITY AND PRODUCTION

	Capacity		Actual Production	
	2022	2021	2022	2021
	------------------- Metric tons -------------------			
Clinker	5,700,000	5,585,342	4,528,651	4,881,669

The capacity as disclosed in these consolidated financial statements is worked out based on 300 working days. Increase in capacity during the year as compared to last year was due to additional capacity available from line III from April 2021. During the last year, the Group increased the clinker / cement production capacity of line III from 7,300 tons per day to 7,800 tons per day due to debottlenecking and balancing, modernization and replacement program. The Group had aggregate clinker / cement production capacity of 18,500 tons per day until April 2021 and 19,000 tons per day after April 2021. Further, actual production is based on actual demand of cement during the year.

46. SEGMENT REPORTING

46.1 Reportable segments

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	**Operation**
Cement manufacturing	The Maple Leaf Cement Factory Limited (the "Holding Company") is operating as a cement manufacturing segment of the Group. The principal activity of the Holding Company is production and sale of cement.
Power generation	Maple Leaf Power Limited (the "Subsidiary Company") is operating as a electric power generation segment of the Group. The principal activity of the Subsidiary Company is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity. The Subsidiary Company entered into a power purchase and steam purchase agreements with the Holding Company on 04 July 2017 and 31 October 2019 respectively which are valid for 20 years. Accordingly the Subsidiary Company sold 100% electricity and steam to the Holding Company during the year.

The management reviews internal management reports of each division.

46.2 Information about reportable segments

Information related to each reportable segment is set out below. Segment operating profit or loss as included in internal management reports reviewed by the Group's top management is used to measure performance because management believes that such information is the most relevant in evaluating the result of the respective segments relative to other entities that operate in the same industries.

	Cement manufacturing	Power generation	Inter segment elimination	Total
	(Rupees in thousand)			
For the year ended 30 June 2022				
Revenue				
Revenue from external customer	48,519,622	-	-	48,519,622
Intersegment revenue	-	5,252,091	(5,252,091)	-
	48,519,622	5,252,091	(5,252,091)	48,519,622
Cost of sales	(36,244,156)	(4,324,351)	5,288,224	(35,280,283)
Distribution cost	(1,483,876)	-	-	(1,483,876)
Administrative expenses	(971,452)	(6,020)	-	(977,472)
Other charges	(952,200)	(88,317)	-	(1,040,517)
Other income				
Other income from external customer	55,017	1,207	-	56,224
Intersegment other income	1,584	131,941	(129,540)	3,985
	56,601	133,148	(129,540)	60,209
Finance cost	(1,741,026)	(21,416)	104,170	(1,658,272)
Segment profit before tax	7,183,513	945,135	10,763	8,139,411
Taxation	(3,557,172)	(29,115)	-	(3,586,287)
Segment profit after tax	3,626,341	916,020	10,763	4,553,124
Reconciliation:				
Segment profit after tax				4,553,124
Other consolidation adjustment				-
Consolidated profit after tax				4,553,124

	Cement manufacturing	Power generation	Inter segment elimination	Total
	Rupees in thousand			
For the year ended 30 June 2021				
Revenue				
Revenue from external customer	35,538,301	-	-	35,538,301
Intersegment revenue	-	4,236,412	(4,236,412)	-
	35,538,301	4,236,412	(4,236,412)	35,538,301
Cost of sales	(28,135,419)	(3,109,406)	4,205,164	(27,039,661)
Distribution cost	(1,013,851)	-	-	(1,013,851)
Administrative expenses	(820,165)	-	-	(820,165)
Other charges	(590,393)	-	-	(590,393)
Other income				
Other income from external customer	217,772	5,243	-	223,015
Intersegment other income	3,514,360	230,586	(3,744,946)	-
	3,732,132	235,829	(3,744,946)	223,015
Finance cost	(1,493,930)	(31,151)	197,878	(1,327,203)
Segment profit before tax	7,216,675	1,331,684	(3,578,316)	4,970,043
Taxation	(1,035,492)	(106,057)	-	(1,141,549)
Segment profit after tax	6,181,183	1,225,627	(3,578,316)	3,828,494
Reconciliation:				
Segment profit after tax				3,828,494
Other consolidation adjustment				-
Consolidated profit after tax				3,828,494

46.2.1 The revenue reported above represents revenue generated from each segment and inter segment revenue eliminated.

46.2.2 Revenue from major products and services

The analysis of the Group's revenue from external customers for major products and services is given in note 33 to these consolidated financial statements.

46.3 The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3 to these consolidated financial statements.

46.4 All non-current assets of the Group at 30 June 2022 are located and operating in Pakistan.

46.5 Segment assets and liabilities

Reportable segment's assets and liabilities are reconciled to total assets and liabilities as follows:

	Cement manufacturing	Power generation	Inter segment elimination	Total
	Rupees in thousand			
For the year ended 30 June 2022				
Segment assets				
Current assets	20,321,989	795,701	(218,432)	20,899,258
Non-current assets	61,892,221	6,695,357	(7,020,000)	61,567,578
Segment liabilities				
Current liabilities	16,193,390	658,730	(164,880)	16,687,240
Non-current liabilities	25,461,804	31,244	(2,000,000)	23,493,048
For the year ended 30 June 2021				
Segment assets				
Current assets	16,923,416	562,385	(146,956)	17,338,845
Non-current assets	49,315,862	5,934,690	(6,020,000)	49,230,552
Segment liabilities				
Current liabilities	11,449,448	571,337	(82,640)	11,938,145
Non-current liabilities	17,247,289	41,633	(1,000,000)	16,288,922

46.5.1 For the purposes of monitoring segment performance and allocating resources between segments:

All assets and liabilities are allocated to reportable segments; and there are no assets and liabilities separately managed by Group.

46.6 Other segment information

	Cement manufacturing	Power generation	Inter segment elimination	Total
	Rupees in thousand			
For the year ended 30 June 2022				
Capital expenditure	15,790,494	84,838	-	15,875,332
Depreciation	3,231,589	324,170	-	3,555,759
Amortization	2,388	-	-	2,388
Finance Cost	1,741,026	21,416	(104,170)	1,658,272
Non-cash items other than depreciation, amortization and finance cost	750,660	(34,238)	104,170	820,592

	Cement manufacturing	Power generation	Inter segment elimination	Total
	- - - - - - - - - - - - - - - Rupees in thousand - -			- - - - - - - - - - - - -
For the year ended 30 June 2021				
Capital expenditure	3,285,300	-	-	3,285,300
Depreciation	3,284,697	307,205	-	3,591,902
Amortization	3,006	-	-	3,006
Finance Cost	1,493,930	31,151	(197,878)	1,327,203
Non-cash items other than depreciation, amortization and finance cost	455,936	(132,999)	197,878	520,815

47. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

The Group's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and 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 ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Group and the manner in which such risks are managed is as follows:

47.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Group maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

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:

	2022	2021
	(Rupees in thousand)	
Financial assets at amortised cost		
Long term deposits	57,600	57,302
Trade debts	2,066,212	1,679,704
Long term loans to employees	30,234	27,996
Short term loan / advance to employees	28,740	10,795
Short term investment	169,500	94,500
Margin and short term deposits	540,377	236,977
Accrued profit	7,206	6,136
Other receivables	52,261	165,835
Cash at Bank	812,673	497,387
	3,764,803	2,776,632

47.1.2 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:

	2022	2021
	(Rupees in thousand)	
Customers	2,066,212	1,679,704
Banking companies and financial institutions	1,495,650	835,000
Others	202,941	261,928
	3,764,803	2,776,632

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.

47.1.3.1 Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to bank balances, term deposits margin against bank guarantees, marging against letter of credit and accrued return on deposits. Credit risk is considered minimal as these counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Following are the credit ratings of counterparties with external credit ratings:

	Rating			2022	2021
	Short term	Long term	Agency	(Rupees in thousand)	
Cash at Bank					
Allied Bank Limited	A1+	AAA	PACRA	5,256	4,195
Askari Bank Limited	A1+	AA+	PACRA	17,008	10,879
Bank Al-Habib Limited	A1+	AAA+	PACRA	145,032	134,635
Bank Alfalah Limited	A1+	AA+	PACRA - VIS	6,928	1,376
BankIslami Pakistan Limited	A1	A+	PACRA	13,492	13,325
The Bank of Punjab	A1+	AA+	PACRA	15,228	14,965
AlBaraka Bank Limited	A1	A+	PACRA	9	9
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	2,580	2,580
Faysal Bank Limited	A1+	AA	PACRA - VIS	4,687	1,266
Finca Microfinance Bank Limited	A1	A	PACRA - VIS	5,082	1,871
Habib Bank Limited	A1+	AAA	PACRA	195,064	56,586
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	31,780	28,937
Meezan Bank Limited	A1+	AAA	JCR-VIS	-	658
MCB Bank Limited	A1+	AAA	PACRA	305,324	144,880
MCB Islamic Bank Limited	A1	A	PACRA	7,104	777
National Bank of Pakistan	A1+	AAA	PACRA - VIS	15,609	41,985
Samba Bank Limited	A1	AA	JCR-VIS	1,485	1,259
Silk Bank Limited	A-2	A-	JCR-VIS	13	12
Soneri Bank Limited	A1+	AA-	PACRA	102	102
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,820	3,423
Summit Bank Limited	A3	BBB-	JCR-VIS	25	25
United Bank Limited	A1+	AAA	JCR-VIS	38,045	32,743
U Micro finance Bank Limited	A1	A	JCR-VIS	-	899
				812,673	497,387
Short term investment - Term deposit receipts					
The Bank of Punjab	A1+	AA+	PACRA	169,500	94,500
Accrued profit					
The Bank of Punjab	A1+	AA+	PACRA	7,075	6,136
National Bank of Pakistan	A1+	AAA	PACRA - VIS	131	75
				7,206	6,211
Margin against bank guarantees					
Allied Bank Limited	A1+	AAA	PACRA	1,700	1,700
Askari Bank Limited	A1+	AA+	PACRA	275,000	75,000
United Bank Limited	A1+	AAA	JCR-VIS	31,214	31,214
Summit Bank Limited	A3	BBB-	JCR-VIS	32,135	26,216
Soneri Bank Limited	A1+	AA-	PACRA	5,000	5,000
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	1,964	1,963
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	39,942	39,942
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	50,000	50,000
				436,955	231,035
Margin against letters of credit					
Allied Bank Limited	A1+	AAA	PACRA	-	241
Faysal Bank Limited	A1+	AA	PACRA - VIS	5,120	-
Habib Bank Limited	A1+	AAA	PACRA	62,734	-
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,462	5,701
				69,316	5,942
Total				1,495,650	835,075

47.1.3.2 Counterparties without external credit ratings

These mainly include customers which are counter parties to local and foreign trade debts against sale of cement. As explained in note 3.9, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. The management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off. The Group has used three years quarterly data in the calculation of historical loss rates along with the matching quarterly ageing brackets for the computation of roll rates. These rates are multiplied by scalar factors to reflect the effect of forward looking macro economic factors.

The analysis of ages of trade debts and loss allowance using the aforementioned approach as at 30 June 2022 was determined as follows:

	2022		2021	
	Gross carrying amount	Loss Allowance	Gross carrying amount	Loss Allowance
	---------------------- (Rupees in thousand) --------------------			
The ageing of trade debts at the reporting date is:				
Not past due	1,342,565	4,687	708,821	1,825
Past due:				
1- 90 days	568,615	1,985	669,896	9,108
91 - 180 days	83,753	3,616	215,727	15,952
181 - 270 days	72,081	7,156	62,964	16,357
271 - 365 days	16,419	2,816	46,914	12,202
366 - above days	32,828	29,789	268,774	237,948
	2,116,261	50,049	1,973,096	293,392

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.

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 Group. Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in notes 8 and 17 to these consolidated financial statements is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

47.2.1 Exposure to liquidity risk

Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	2022				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	---------------------- (Rupees in thousand)	----------------------			
Financial liabilities at amortised cost					
Long term loans from financial institutions - secured	20,339,002	29,694,914	5,279,292	19,257,595	5,158,027
Long term deposits	8,214	8,214	-	8,214	-
Trade and other payables	6,046,378	6,046,378	6,046,378	-	-
Unclaimed dividend	27,569	27,569	27,569	-	-
Mark-up accrued on borrowings	632,836	632,836	632,836	-	-
Short term borrowings	3,572,073	3,572,073	3,572,073	-	-
	30,626,072	39,981,984	15,558,148	19,265,809	5,158,027

	2021				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	---------------------- (Rupees in thousand)	----------------------			
Financial liabilities at amortised cost					
Long term loans from financial institutions - secured	13,440,927	16,665,786	2,747,709	12,256,541	1,661,536
Long term deposits	8,214	8,214	-	8,214	-
Retention money payable	391,694	421,841	-	421,841	-
Trade and other payables	4,668,601	4,668,601	4,668,601	-	-
Unclaimed dividend	28,134	28,134	28,134	-	-
Mark-up accrued on borrowings	240,161	240,161	240,161	-	-
Short term borrowings	1,924,115	1,924,115	1,924,115	-	-
	20,701,846	23,956,852	9,608,720	12,686,596	1,661,536

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 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.

47.3.1 Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Group. The functional currency of the Group is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros and US dollars.

47.3.1.1 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 consolidated statement of financial position date.

	2022					
	Equivalent to Rupees	GBP	AED	RMB	EURO	USD
	(Amount in thousand)					
Assets						
- Trade debts	26,995	-	-	-	-	129
- Cash and bank balances	17,388	2	-	-	-	82
	44,383	2	-	-	-	211
Liabilities						
- Trade and other payables	(74,835)	-	(22)	(487)	(47)	(234)
	(74,835)	-	(22)	(487)	(47)	(234)
Net Statement of financial position exposure	(30,452)	2	(22)	(487)	(47)	(23)
Off statement of financial position items						
- Outstanding letters of credit	(3,934,248)	-	-	(109,402)	(864)	(1,767)
Net exposure	(3,964,700)	2	(22)	(109,889)	(911)	(1,790)

	2021					
	Equivalent to Rupees	GBP	AED	RMB	EURO	USD
	(Amount in thousand)					
Assets						
- Trade debts	7,669	-	-	-	-	49
- Cash and bank balances	13,412	2	-	-	-	82
	21,081	2	-	-	-	131
Liabilities						
- Trade creditors and bills payable	(664,545)	-		(45)	(33)	(4,151)
	(664,545)	-	-	(45)	(33)	(4,151)
Net Statement of financial position exposure	(643,464)	2	-	(45)	(33)	(4,020)
Off statement of financial position items						
- Outstanding letters of credit	(8,856,645)	-	-	(340,033)	(1,988)	(394)
Net exposure	(9,500,109)	2	-	(340,078)	(2,021)	(4,414)

47.3.1.2 Exchange rates applied during the year

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

	Average rate for the year		Reporting date spot rate			
			2022		2021	
	2022	2021	Buying	Selling	Buying	Selling
GBP	236.36	217.00	249.31	249.92	218.58	219.28
CHF	190.84	176.52	215.43	215.96	171.32	171.86
EURO	200.16	191.91	215.23	215.75	188.12	188.71
USD	178.01	160.31	205.50	206.00	157.8	158.3
YEN	1.52	1.51	1.50	1.51	1.43	1.43
AED	48.46	43.65	56.35	56.48	43.27	43.40
RMB	27.57	24.41	30.85	30.93	24.69	24.76
SGD	130.87	119.29	147.69	148.05	117.37	117.74

47.3.1.3 Sensitivity analysis

A reasonably possible 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 before tax	
	2022	2021
	(Rupees in thousand)	
USD	(36,874)	(69,874)
EURO	(19,655)	(38,138)
RMB	(339,887)	(842,033)
GBP	50	44
AED	(124)	-
	(396,490)	(950,001)

47.3.1.4 Currency risk management

Since the amount exposed to currency risk is very insignificant as compared to total assets or total liabilities of the Company therefore any adverse / favorable movement in functional currency with respect to US dollar , GBP and Euro will not have any material impact on the Company's 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.

47.3.2.1 Fixed rate financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Group's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2022		2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	------------- (Rupees in thousand) -------------			
Non-derivative financial instruments				
Short term investment - term deposit receipt	169,500	-	94,500	-

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to these consolidated financial statements.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit and loss account.

47.3.2.2 Variable rate financial instruments

	Note	2022		2021	
		Financial assets	Financial liabilities	Financial assets	Financial liabilities
		------------- (Rupees in thousand) -------------			
Non-derivative financial instruments					
Long term loans from banking companies-secured	8	-	20,339,002	-	13,440,927
Short term borrowings	17	-	3,571,568	-	1,920,898
Bank balances at deposit accounts	32	331,393	-	170,458	-
		331,393	23,910,570	170,458	15,361,825

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the consolidated financial statements.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. This analysis is performed on the same basis for the year 2022.

	Profit before tax	
	2022	2021
	(Rupees in thousand)	
Increase of 100 basis points		
Variable rate instruments	(235,792)	(151,914)
Decrease of 100 basis points		
Variable rate instruments	235,792	151,914

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

47.3.2.3 Interest rate risk management

The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing and loans and advances by the Group has variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

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.

47.3.3.1 Investments exposed to price risk

At the balance sheet date, the Group's investment in quoted equity securities and investments in money market mutual funds is as follows:

	2022	2021
	(Rupees in thousand)	
Investment in equity securities	28,846	54,648

47.3.3.2 Sensitivity analysis

A 10.00% increase / (decrease) share prices at year end would have increased / (decreased) the Group's fair value gain on investment as follows:

	Equity	
	2022	2021
	(Rupees in thousand)	
Short term investment at fair value through statement of profit or loss		
Effect of increase	2,885	5,465
Effect of decrease	(2,885)	(5,465)

47.3.3.3 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.

48. FAIR VALUES

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

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

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

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

IFRS 13, 'Fair Value Measurements' requires the 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 liablities including their levels in the fair value hierarchy:

	Note	Carrying Amount				Fair Value		
		Fair Value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
		(Rupees in thousand)						
30 June 2022								
Financial assets at fair value								
Short term investments		28,846	-	-	28,846	28,846	-	-
Financial assets at amortised cost								
Cash and bank balances		-	817,244	-	817,244	-	-	-
Long term loans to employees		-	30,234	-	30,234	-	-	-
Short term investment - term deposit receipt		-	169,500	-	169,500	-	-	-
Short term loan / advance to employees		-	28,740	-	28,740	-	-	-
Margin and short term deposits		-	540,377	-	540,377	-	-	-
Other receivables		-	52,261	-	52,261	-	-	-
Accrued profit		-	7,206	-	7,206	-	-	-
Long term deposits		-	57,600	-	57,600	-	-	-
Trade debts		-	2,066,212	-	2,066,212	-	-	-
	48.1	28,846	3,769,374	-	3,798,220	28,846	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from financial institutions - secured		-	-	20,339,002	20,339,002	-	-	-
Long term deposits		-	-	8,214	8,214	-	-	-
Trade and other payables		-	-	6,046,378	6,046,378	-	-	-
Unclaimed dividend		-	-	27,569	27,569	-	-	-
Mark-up accrued on borrowings		-	-	632,836	632,836	-	-	-
Short term borrowings		-	-	3,572,073	3,572,073	-	-	-
	48.1	-	-	30,626,072	30,626,072	-	-	-

	Note	Carrying Amount				Fair Value		
		Fair Value through statement of profit or loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
		(Rupees in thousand)						
30 June 2021								
Financial assets measured at fair value								
Short term investments		54,648	-	-	54,648	54,648	-	-
Financial assets at amortised cost								
Cash and bank balances		-	501,331	-	501,331	-	-	-
Long term loans to employees		-	27,996	-	27,996	-	-	-
Short term investment - term deposit receipt		-	94,500	-	94,500	-	-	-
Short term loan / advance to employees		-	10,795	-	10,795	-	-	-
Margin and short term deposits		-	236,977	-	236,977	-	-	-
Other receivables		-	165,835	-	165,835	-	-	-
Accrued profit		-	6,136	-	6,136	-	-	-
Long term deposits		-	57,302	-	57,302	-	-	-
Trade debts		-	1,679,704	-	1,679,704	-	-	-
	48.1	54,648	2,780,576	-	2,835,224	54,648	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from financial institutions - secured		-	-	13,440,927	13,440,927	-	-	-
Long term deposits		-	-	8,214	8,214	-	-	-
Retention money payable		-	-	391,694	391,694	-	-	-
Trade and other payables		-	-	4,668,601	4,668,601	-	-	-
Unclaimed dividend		-	-	28,134	28,134	-	-	-
Mark-up accrued on borrowings		-	-	240,161	240,161	-	-	-
Short term borrowings		-	-	1,924,115	1,924,115	-	-	-
	48.1	-	-	20,701,846	20,701,846	-	-	-

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

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 Group. The valuation experts used a market based approach to arrive at the fair value of the Group's properties. For revaluation of freehold land fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. In case of buildings on freehold land, roads, bridges and railway sidings, construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value. For revaluation of plant and machinery, suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

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

	2022						
	Own shares purchased for cancellation	Unclaimed dividend	Liabilities against right of use assets	Long term financing from financial institutions	Short term borrowing	Accrued markup	Total
	---------- (Rupees in thousand) ----------						
As at 01 July 2021	-	28,134	-	13,341,361	1,924,115	240,161	15,533,771
Changes from financing cash flows							
Dividend paid	-	(565)	-	-	-	-	(565)
Short term borrowings - net	-	-	-	-	490,990	-	490,990
Financial charges paid	-	-	-	-	-	(1,225,521)	(1,225,521)
Lease rentals paid during the year	-	-	(12,425)	-	-	-	(12,425)
Own share purchased for cancellation	(477,778)	-	-	-	-	-	(477,778)
Long term loans from financial institutions - secured - net	-	-	-	6,898,075	-	-	6,898,075
Total changes from financing cash flows	(477,778)	(565)	(12,425)	6,898,075	490,990	(1,225,521)	5,672,776
Other changes							
Deferred grant	-	-	-	(871,768)	-	-	(871,768)
Change in running finances and over draft balances	-	-	-	-	1,156,968	-	1,156,968
Payable against purchase of own shares	(18,651)	-	-	-	-	-	(18,651)
Recognized during the year	-	-	44,021	-	-	-	44,021
Finance cost	-	-	2,377	-	-	1,618,196	1,620,573
Total liability related other changes	(18,651)	-	46,398	(871,768)	1,156,968	1,618,196	1,931,143
As at 30 June 2022	(496,429)	27,569	33,973	19,367,668	3,572,073	632,836	23,137,690

	2021						
	Own shares Purchased for Cancellation	Unclaimed divident	Liabilities against right of use assests	Long term financing from financial institutions	Short term borrowing	Accrued markup	Total
	---------- (Rupees in thousand) ----------						
As at 01 July 2020	-	48,053	-	12,331,058	7,181,815	509,934	20,070,860
Changes from financing cash flows							
Dividend paid	-	(19,919)	-	-	-	-	(19,919)
Short term borrowings - net	-	-	-	-	(4,453,486)	-	(4,453,486)
Financial charges paid	-	-	-	-	-	(1,550,431)	(1,550,431)
Long term loans from financial institutions - secured - net	-	-	-	1,109,869	-	-	1,109,869
Total changes from financing cash flows	-	(19,919)	-	1,109,869	(4,453,486)	(1,550,431)	(4,913,967)
Other changes							
Deferred grant	-	-	-	(99,566)	-	-	(99,566)
Change in running finances and over draft balances	-	-	-	-	(804,214)	-	(804,214)
Finance cost	-	-	-	-	-	1,280,658	1,280,658
Total liability related other changes	-	-	-	(99,566)	(804,214)	1,280,658	376,878
As at 30 June 2021	-	28,134	-	13,341,361	1,924,115	240,161	15,533,771

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 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	2022	2021
Total debt	Rupees in '000	24,577,884	15,505,637
Less: Cash and bank balances	Rupees in '000	(817,244)	(501,331)
Net debt	Rupees in '000	23,760,640	15,004,306
Total Equity	Rupees in '000	42,286,548	38,342,330
Total capital employed	Rupees in '000	66,047,188	53,346,636
Gearing	Percentage	35.98%	28.13%

Total debt comprises of long term loans from banking companies, accrued markup on borrowings and short term borrowings.

Total equity includes issued, subscribed and paid-up share capital, capital reserves, accumulated profits and surplus on revaluation of fixed assets.

There were no changes in the Group's approach to capital management during the year.

51. PROVIDENT FUND TRUST

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

	Un-audited 2022	Audited 2021
	(Rupees in thousand)	
Size of the fund - total assets	1,114,648	1,049,204
Cost of investments made	1,009,704	967,440
Percentage of investments made	97.13%	97.80%
Fair value of investments	1,082,669	1,026,086

The break-up of fair value of investments is:

	2022 (Un-audited)		2021 (Audited)	
	Rs. in '000	Percentage	Rs. in '000	Percentage
Shares in quoted securities	3,734	0.34%	4,620	0.45%
Term deposit receipts	648,057	59.86%	615,792	60.01%
Government securities	322,274	29.77%	316,995	30.89%
Mutual funds	108,604	10.03%	88,679	8.65%
	1,082,669	100.00%	1,026,086	100.00%

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 Group during the year and as at 30 June 2022 and 2021 respectively are as follows:

	2022	2021
Total number of employees as on June 30		
- Head office	353	342
- Factory	1,237	1,145
	1,590	1,487
Average number of employees during the year		
- Head office	348	329
- Factory	1,211	1,161
	1,559	1,490

53. IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. During the previous years, the Government of Pakistan, from time to time announced a temporary smart lock downs as a measure to reduce the spread of the COVID–19, however, no lock down was announced during the year. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of the employees, the Group continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Management is actively monitoring the impact of the pandemic on its financial condition, liquidity, operations, supply chain and workforce, which at this point is not considered significant. The Group, during the last year, obtained term loan / SBP COVID-19 relief facility, under "SBP refinance scheme for payment of wages and salaries" introduced by Government of Pakistan, of Rs. 853.26 million, for paying salaries for the months from April 2020 to September 2020. Balance amount of the loan is appearing in note 8 to these consolidated financial statements. Management believes that the Group has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future when they become due. From the very outset of Covid-19, the management has adopted various policies and practices to minimize adverse impact of Covid-19 on the business and is continuously monitoring the situation in order to proactively address any challenges which may arise from Covid-19.

54. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue by the Board of Directors of the Group in their meeting held on 01 September 2022.

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 (Folio / CDC A/c No., if Member)

of ____

or failing him/her ____

Name (Folio / CDC A/c No., if Member)

of ____

as my/our proxy to attend, speak and vote for and on my/our behalf at the 62nd Annual General Meeting of the Company to be held at its Registered Office, 42-Lawrence Road, Lahore, on **Thursday, October 27, 2022 at 11:00 AM** and/or any adjournment thereof.

As witness given under my/our hand(s) _______________ day of October 2022.

1. Witness:

Signature : ____________________

Name : ____________________

CNIC : ____________________

Address : ____________________

: ____________________

2. Witness:

Signature : ____________________

Name : ____________________

CNIC : ____________________

Address : ____________________

: ____________________

Affix
Revenue
Stamp of Rs. 50/-

____

Signature of Member / Attorney
(Please also affix company stamp, in case of corporate entity)

Shares Held: _________________________

Folio No.	**CDC Account No.**	
	Participant I.D.	**Account No.**

CNIC No. | | | | | | – | | | | | | | | – | |

Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

2. CDC beneficial owners and Proxy Holders must bring with them their Computerized National Identity Cards (CNIC)/Passports in original to prove his/her identity and in case of Proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their CNIC/Passport with Proxy Form.

3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form or may be provided at the time of meeting.

AFFIX

CORRECT

POSTAGE

The Company Secretary

MAPLE LEAF CEMENT FACTORY LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36278904-05

میپل لیف سیمنٹ فیکٹری لمیٹڈ

42-لارنس روڈ، لاہور

تشکیلِ نیابت داری (پراکسی فارم)

میں / ہم ---

ساکن ---

بحیثیت حصہ دار میپل لیف سیمنٹ فیکٹری لمیٹڈ--

نام (فولیو/سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن-----------------------------یا بصورت دیگر-----------------------------

نام (فولیو/سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن------------------کو اپنی جگہ بروز جمعرات 27 اکتوبر 2022ء کو دن گیارہ (11:00) بجے رجسٹرڈ آفس 42-لارنس روڈ، لاہور میں منعقدہ یا ملتوی ہونے والے 62ویں سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

بطور گواہ میرے/ہمارے دستخط سے مورخہ ________ اکتوبر 2022ء کو دی گئی۔

۵۰ روپے کا رسیدی ٹکٹ چسپاں کر کے دستخط کریں

ا۔ گواہ

دستخط : ____________________

نام : ____________________

شناختی کارڈ نمبر : ____________________

پتہ : ____________________

____

دستخط ____________________

(ممبر/مجاز افسر)

(کارپوریٹ ادارے کی صورت میں کمپنی کی مہر بھی لگائیں)

۲۔ گواہ

دستخط : ____________________

نام : ____________________

شناختی کارڈ نمبر : ____________________

پتہ : ____________________

____

____

حامل عام حصص

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	شراکتی آئی ڈی	اکاؤنٹ نمبر

کمپیوٹرائزڈ شناختی کارڈ نمبر | | | | | | - | | | | | | | | - | |

نوٹس:

(ا) پراکسیز کے مؤثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔

(۲) سی ڈی سی حصص داران اور پراکسی ہولڈرز اجلاس ہذا میں اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ ساتھ لائیں اور پراکسی کی صورت میں سی ڈی سی حصص داران اور پراکسی ہولڈرز اپنے کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ لگائیں۔

(۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نمائندہ کے دستخط (اگر پہلے مہیا نہیں کی گئیں) پراکسی فارم کے ساتھ لف کرنے ہوں گے یا اجلاس ہذا کے وقت مہیا کر سکتے ہیں۔

AFFIX

CORRECT

POSTAGE

The Company Secretary

MAPLE LEAF CEMENT FACTORY LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36278904-05

نظرثانی اشتمال شدہ مالیاتی گوشواروں پرڈائریکٹرز رپورٹ

ڈائریکٹرز 30 جون 2022 کوختم ہونے والے سال کے لئے میپل لیف سیمنٹ فیکٹری لمیٹڈ (ہولڈنگ کمپنی) اوراسکی 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 کے 8,499 ملین روپے کے مقابلے میں 13,239 ملین روپے کا مجموعی منافع کمایا ہے۔گروپ نے گزشتہ سال کے 3,828 ملین روپے کابعداز ٹیکس کے مقابلے میں 4,553 روپے کا منافع ظاہر کیا ہے۔
گروپ کے مجموعی نتائج حسب ذیل ہیں:

	30 جون 2022		30 جون 2021
		روپے ملین میں	
فروخت	48,520		35,538
مجموعی منافع	13,239		8,499
آپریشنز سے منافع	9,798		6,297
مالی اخراجات	(1,658)		(1,327)
بعداز ٹیکس منافع	4,553		3,828
		روپے	
فی حصص آمدنی بنیادی اورڈائیلوٹڈ	4.15		3.49

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 آرڈیننس 1984 (اب کمپنیز ایکٹ 2017) کے تحت ایک پبلک لمیٹڈ کمپنی کے طور پر قائم ہوئی۔MLPL کا اصل مقصد ہولڈنگ کمپنی کوبجلی پیدا کرکے فروخت اورفراہمی کے کاروبار میں مشغول کرنے کے سلسلے میں الیکٹرک پاور جنریشن پلانٹ تیار، ڈیزائن، چلانا اور برقرار رکھنا ہے۔

کمپنیز ایکٹ 2017ء کی تعمیل میں سیکشن 227 کے تحت تمام معاملات ہماری Standalone ڈائریکٹرز رپورٹ میں درج کردیئے گئے ہیں۔

اظہارتشکر

ڈائریکٹرز گروپ کے ارکان، مالیاتی اداروں، صارفین اور ملازمین کے تعاون اورحمایت کے شکرگذار ہیں۔وہ مختلف کرداروں میں کام کرنے والے ملازمین کی سخت محنت اورلگن کوبھی سراہتے ہیں۔

منجانب بورڈ

سید محسن رضانقوی
ڈائریکٹر

سعید طارق سہگل
چیف ایگزیکٹوآفیسر

لاہور: 01 ستمبر 2022ء

ڈائریکٹران کا مشاہرہ

بورڈ آف ڈائریکٹرز نے ایک "ڈائریکٹرز ریمنریشن پالیسی" منظور کی ہے، جس کی خصوصیات درج ذیل ہیں:

☆ کوئی ڈائریکٹر خود اپنا مشاہرہ متعین نہیں کرے گا۔

☆ ریگولر پیڈ چیف ایگزیکٹو، سپانسرز اور/یا فیملی ڈائریکٹرز اور کل وقتی کام کرنے والے ڈائریکٹرز کے علاوہ ایک ڈائریکٹر کی اجلاس فیس بغیر ٹیکس خالص رقم -/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 کی جانب سے منعقدہ اجلاسوں میں شرکت اور دیگر امور کے لئے ڈائریکٹرز کی طرف سے خرچ کئے جانے والے تمام اخراجات، بشمول سفری، ہوٹل چارجز اور دیگر اخراجات کمپنی سے وصول کرنے کے اہل ہونگے۔

کمپنی کے چیئرمین اور چیف ایگزیکٹو سمیت ڈائریکٹرز کو ادا کئے جانے والے مشاہرہ کی تفصیلات کا انکشاف واحد مالی حسابات کے نوٹ 46 میں کیا گیا ہے۔

شیئر ہولڈنگ کا نمونہ

30 جون 2022 کے مطابق کمپنیز ایکٹ 2017 کے تحت کمپنی کے شیئر ہولڈنگ کا نمونہ منسلک کیا گیا ہے۔

اظہار تشکر

بورڈ اس موقع پر حصص دار، ملازمین، گاہکوں، بینکوں اور دیگر اسٹیک ہولڈرز کے اعتماد اور یقین جو انھوں نے ہمیشہ ہم پر کیا، کے لئے دل کی گہرائیوں سے شکریہ ادا کرتا ہے۔

منجانب بورڈ

(سید محسن رضا نقوی)	**(سعید طارق سہگل)**
ڈائریکٹر	**چیف ایگزیکٹو آفیسر**

لاہور: 01 ستمبر 2022ء

کیٹگری	نام	اجلاسوں میں حاضری
آزاد ڈائریکٹرز	جناب شفیق احمد خان	4
	جناب ذوالفقار منو	4
دیگر نان ایگزیکٹوڈائریکٹرز	جناب طارق سعید سہگل (چیئرمین)	4
	جناب توفیق سعید سہگل	4
	جناب ولید طارق سہگل	4
	جناب دانیال توفیق سہگل	4
ایگزیکٹوڈائریکٹرز	جناب سعید طارق سہگل (چیف ایگزیکٹو آفیسر)	4
	سید محسن رضا نقوی	4
خاتون ڈائریکٹر (نان ایگزیکٹو)	محترمہ جہاں آراء سہگل	3

ڈائریکٹر کو غیر حاضری کی اجازت دی گئی جو بورڈ کے اجلاس میں شرکت نہیں کر سکے۔

آڈٹ کمیٹی

نام	عہدہ	اجلاسوں میں حاضری کی تعداد
جناب شفیق احمد خان	چیئرمین (آزاد ڈائریکٹر)	4
جناب ذوالفقار منو	رکن (آزاد ڈائریکٹر)	4
جناب ولید طارق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)	3
جناب دانیال توفیق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)	4

رکن کو غیر حاضری کی رخصت دی گئی جو آڈٹ کمیٹی کے اجلاس میں شرکت نہیں کر سکے۔

جناب شفیق احمد خان، چیئرمین آڈٹ کمیٹی نے 28 ستمبر 2021 کو منعقدہ گزشتہ AGM میں شرکت کی۔

بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی سمیت بورڈ کمیٹیوں کی کارکردگی کی سالانہ تشخیص کرتا ہے۔

ہیومن ریسورس اور ریمنریشن (HR & R) کمیٹی

نام	عہدہ
جناب شفیق احمد خان	چیئرمین (آزاد ڈائریکٹر)
جناب ذوالفقار منو	رکن (آزاد ڈائریکٹر)
جناب دانیال توفیق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)

ہیومن ریسورس اینڈ ریمنریشن کمیٹی کا ایک اجلاس 25 اکتوبر 2021 کو منعقد ہوا۔ جناب ذوالفقار منو، رکن، نے اجلاس میں شرکت نہیں اور انہیں غیر حاضری کی رخصت دی گئی۔

بورڈ، ڈائریکٹران کے اگلے انتخابات کے بعد نامزدگی کمیٹی اور رسک مینجمنٹ کمیٹی کی تشکیل پر غور کرے گی۔

مارجن کے باعث، مینجمنٹ کی قیادت میں مارکیٹنگ ٹیم نے غیر استعمال شدہ مارکیٹوں میں اپنی موجودگی بڑھانے کے لئے مؤثر انداز سے مارکیٹ میں داخل ہونے اور ڈویلپرز، ڈیلرز اور ہاؤس کنزیومرز کے درمیان میپل لیف کو ایک مشہور قابل اعتماد برانڈ بنانے کی حکمت عملی کا آغاز کیا ہے۔ مجموعی افراط زر کو پورا کرنے کے لئے، پورے سال میں لاگت بچانے کے اقدامات کئے گئے۔ مالی لاگت کو کم کرنے کے لئے، آپریٹنگ نقد بہاؤ کو مؤثر طور پر استعمال اور آپریٹنگ سائیکل میں کمی کرتے ہوئے مختصر مدتی قرضوں کو کم کیا گیا۔ سخت مسابقت کا سامنا کرنے کے لئے، مینجمنٹ اس بات کو یقینی بناتی ہے کہ پیداوار اور فروخت کی اپنی مستعمل صلاحیت کو بھرپور بروئے کار لایا گیا ہے۔

مصرفات

سال کے لئے کمپنی (واحد) کے ٹیکس کے بعد منافع کی تقسیم حسبِ ذیل ہے:

تفصیل	2022	2021
	روپے ہزاروں میں	
بعد از ٹیکس منافع	3,626,340	6,254,109
منافع منقسمہ	-	-
برقرار رکھی گئی آمدنی میں منتقلہ بیلنس	3,626,340	6,254,109

لیڈرشپ سٹرکچر

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی تشکیل

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی تشکیل

ڈائریکٹرز کی کل تعداد:

a)۔مرد 8

b)۔خاتون 1

ترتیب:

آزاد ڈائریکٹرز	02
دیگر نان ایگزیکٹو ڈائریکٹرز	04
ایگزیکٹو ڈائریکٹرز (بشمول سی ای او)	02
خاتون ڈائریکٹر (نان ایگزیکٹو)	01

ڈائریکٹرز اور بورڈ کے اجلاس

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے چار (04) اجلاس پاکستان میں منعقد ہوئے ہیں اور پاکستان سے باہر کوئی اجلاس منعقد نہیں ہوا۔ ہر ایک ڈائریکٹرز کی حاضری حسبِ ذیل کے مطابق ہے:

کمپنی نے میڈیکل سوشل سائنسز پراجیکٹ میں بھی حصہ لیا ہے اور اس سلسلے میں، کمپنی کے بورڈ آف ڈائریکٹرز اور ذیلی کمپنی کے بورڈ نے مشترکہ طور پر گلاب دیوی چیسٹ ہسپتال (جی ڈی سی ایچ) لاہور میں العلیم میڈیکل کالج میں ایڈمن بلاک کی تعمیر کے لئے عطیہ کرنے کا فیصلہ کیا ہے۔ یہ منصوبہ اس سال کے دوران مکمل ہو گیا ہے۔

کمپنی نے ماضی میں بھی میڈیکل سوشل سائنسز پروجیکٹ میں حصہ لیا اور اس سلسلے میں، کمپنی نے گلاب دیوی چیسٹ ہاسپٹل (GDCH) لاہور میں سعید سہگل کارڈیک کمپلیکس تعمیر کر کے ایک جدید کارڈیک سہولت عطیہ کی تھی۔

کوہِ نور میپل لیف گروپ نے متعدد سماجی ذمہ داریوں کی اپنی کارکردگی کی مد میں "تیرہواں 13th کارپوریٹ سماجی ذمہ داری نیشنل ایکسیلنس ایوارڈ" حاصل کیا ہے۔

ماحول پر اثرات اور صنعتی اثرات کو کنٹرول کرنے کے لئے مفاہمتی اقدامات

روایتی طور پر، سیمنٹ پلانٹس کو ماحول دوستی کا فقدان ہوتا ہے لیکن کمپنی نے صنعتی اثرات کو کنٹرول کرنے کے لئے جدید ترین آلات نصب کئے ہیں۔ اردگرد کے ماحول پر صنعتی اثرات کو کم کرنے کے لئے، کمپنی ملازمین اور مقامیوں کو صحت مند ماحول فراہم کرنے کے لئے تمام تر کوششیں کر رہی ہے۔ اس سلسلے میں کمپنی کی طرف سے ماحول دوستی کی اہم کوششیں مندرجہ ذیل ہیں:

i) قدرتی ماحولیاتی معیار کے مطابق اسٹیک کے اخراج اور اثرات کے لئے باقاعدگی سے ماہانہ ماحولیاتی نگرانی کرنا۔

ii) کمپنی ماحول کی حفاظت کے لئے سب سے بہترین ڈسٹ کولیکشن electrostatic precipitators اور بیگ فلٹر کے ساتھ لیس، جدید FLSmidth اے/ایس سیمنٹ مینوفیکچرنگ ٹیکنالوجی رکھتی ہے۔

iii) ضلعی آفیسر (ماحولیات) میانوالی کے تعاون سے کارپوریٹ سماجی ذمہ داری کے ایک حصے کے طور پر صحت مند اور خوشگوار ماحول کو برقرار رکھنے کے لئے وسیع پیمانے پر درخت پودے لگانے کا بندوبست 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 میپل لیف سیمنٹ فیکٹری لمیٹڈ کو سال 2021 کے لئے ماحول، صحت اور حفاظت پر 7th بین الاقوامی ایوارڈز کا فاتح قرار دیا ہے۔

اصل خطرات، مشکلات اور غیر یقینی

کمپنی کو مندرجہ ذیل اہم خطرات اور مشکلات درپیش ہیں:

i۔ روپیہ کی قدر میں کمی کے نتیجے کوئلہ کی قیمتوں میں اضافہ اور مارجن کی کمی۔

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۔ بلند شرح سود۔

vi۔ ایندھن کی بلند قیمتیں۔

v آپریشنل اخراجات میں مجموعی طور پر افراط زر کا اضافہ۔

vi۔ سیمنٹ مینوفیکچررز کے درمیان حوصلہ افزاء صلاحیت بڑھانے کے لئے قیمتوں اور فروخت پر مقابلہ کا سامنا۔

vii۔ تباہ کن سیلاب کے اثرات جس نے ملک کے بڑے حصے کو متاثر کیا ہے۔

آرگنائزیشن پیش آنے والے ممکنہ چیلنجوں اور غیر یقینی صورتحال کا مقابلہ کرنے کے لئے مؤثر طریقے سے لیس ہے۔ مشترکہ تجربے، مہارت اور مؤثر کاروباری رپورٹنگ کے ذریعے، انتظامیہ ہمیشہ داخلی اور خارجی پیشرفت سے آگاہ رہتی ہے۔ کمپنی نے منفرد خصوصی کراس فنکشنل ٹیمیں تشکیل دی ہیں جو آگے کے نقطہ کو اُجاگر کرنے کے لئے مستقل طور پر اہم امور اور خطرات کے بارے میں تبادلہ خیال کرتی ہیں۔ برآمدی منڈیوں میں سخت مسابقت اور کم

عندیہ دیا گیا ہے جو کہ کلیدی سیمنٹ پروڈیوسرز کی طرف سے اعلان کردہ اہم گرین فیلڈ اور براؤن فیلڈ پروجیکٹس سے ظاہر ہوتا ہے۔ کمپنی نے مارچ 2021 کے دوران 7,000 میٹرک ٹن یومیہ کی ڈرائی پروسیس کلینکر پروڈکشن لائن-4 کے لیے سامان اور انجینئرنگ کی فراہمی کے لیے بھی ایک معاہدہ کیا ہے۔ کمپنی نے اپریل 2021 کے دوران آلات کی درآمد کے لیے لیٹرز آف کریڈٹ قائم کرلیا ہے۔ یہ منصوبہ مستقبل میں کمپنی کے ٹاپ لائن کے اعداد و شمار کو نمایاں طور پر تقویت بخشے گا اور توقع ہے کہ مالی سال 2023 کی دوسری سہ ماہی میں پیداوار شروع ہو جائے گی۔

کمپنی نے اپنے موجودہ ویسٹ ہیٹ ریکوری پلانٹ کی توسیع مکمل کر لی ہے جس سے کل کپیسٹی MW 25 تک بڑھ گئی، جس کے نتیجے بجلی کی لاگت میں کافی بچت ہوئی ہے۔

مذکورہ بالا کے علاوہ، کمپنی نے نئی سیمنٹ لائن-4 کے جاری اضافے کے لیے ایک نئے ویسٹ ہیٹ ریکوری پلانٹ پر بھی کام شروع کیا ہے۔ اس منصوبہ بندی سے منصوبے کی صلاحیت 25 میگاواٹ سے بڑھ کر 37 میگاواٹ ہونے کی توقع ہے۔ اس سلسلے میں، کمپنی نے سامان کی درآمد کے لیے لیٹر آف کریڈٹ قائم کرلیا ہے اور جزوی ڈیلیوریز پلانٹ سائٹ پر پہنچنا شروع ہوگئی ہیں۔ سول ورکس تسلی بخش رفتار سے جاری ہیں۔

کمپنی اپنے پلانٹ سائٹ پر شمسی توانائی کے منصوبے کے آغاز کے ساتھ پائیدار اور قابل تجدید توانائی میں سرمایہ کاری پر بھی کر رہی ہے۔ کمپنی نے مالی سال 22-2021 کے دوران 5 میگاواٹ اور 7.5 میگاواٹ کے 2 سولر پاور پلانٹ نصب کئے ہیں۔

حصص کی واپس خریداری

کمپنیز ایکٹ 2017 کی دفعہ 88 کے تحت کمپنی کے اراکین نے 17 مئی 2022 کو منعقد ہونے والے غیر معمولی اجلاس عام میں 26 مئی 2022 سے شروع 15 اگست 2022 کو ختم ہونے والی مدت کے دوران اسپاٹ/موجودہ حصص کی قیمت پر ہر ایک 10 روپے کی قیمت کے زیادہ سے زیادہ 25 ملین عام حصص کی واپس خریداری تنسیخی مقاصد کے لئے منظوری دی۔ کمپنی نے جولائی 2022 میں کمپنی کے 25 ملین عام حصص کی واپس خریداری مکمل کر لی۔ اس کے نتیجے میں کمپنی کی فی حصص آمدنی اور بریک اپ ویلیو میں اضافہ ہوگا۔

بعد کے واقعات

گزشتہ چند ہفتوں کے دوران تباہ کن سیلاب جس نے شدید تباہی مچائی ایک بڑی تشویش ہے اور یہ غیر یقینی ہے کہ معیشت پر کیا اثر پڑے گا۔ اس ابتدائی مرحلے میں اہم پیش رفت پر تبصرہ قبل از وقت ہوگا۔

مزید یہ کہ، کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلی اور وعدہ نہیں کیا گیا ہے جو کمپنی کے مالی سال کے اختتام کے درمیان واقع ہوا، جس سے مالی حسابات اور رپورٹ کی تاریخ کا تعلق ہے۔

کاروبار کی نوعیت میں تبدیلی

کمپنی یا اسکی ذیلی کمپنیوں، یا کسی دیگر کمپنی جس میں کمپنی دلچسپی رکھتی ہو کے کاروبار کی نوعیت سے متعلقہ مالی سال کے دوران کوئی تبدیلی وقوع پذیر نہیں ہوئی ہے۔

غیر مالی کارکردگی

معیار، صارف کا اطمینان، ملازمین کی ترقی اور پیشہ ورانہ معیارات کمپنی کے کلیدی شعبے ہیں جہاں انتظامیہ نے ان کو بہتر بنانے کے لئے ضروری اقدامات اٹھائے ہیں۔ کمپنی اس وقت اعلیٰ معیار کی مصنوعات تیار اور فراہم کر رہی ہے جو گاہکوں کے زیادہ سے زیادہ اطمینان کو یقینی بناتی ہیں۔ سال کے دوران، کمپنی نے موجودہ انسانی سرمائے کی ترقی کے لئے مختلف کارکردگی کی تشخیص کی ہے۔ کمپنی تمام اسٹیک ہولڈرز کے ساتھ انتہائی اطمینان بخش تعلقات کو برقرار رکھے ہوئے ہے۔ کمپنی نے مختلف کمیٹیاں تشکیل دی ہیں جو کلیدی شعبوں کی مؤثر نگرانی کی ذمہ دار ہیں۔

کارپوریٹ سماجی ذمہ داری

کمپنی معاشرے کی طرف اپنی ذمہ داری کو تسلیم کرتی ہے اور مستقل بنیادوں پر مختلف رفاہی اداروں کے ذریعہ معاشرے کی فلاح کے منصوبوں کو مالی اعانت فراہم کر کے اپنا فرض ادا کرتی ہے۔ کمپنی کو پاکستان سنٹر برائے انسان دوستی نے معاشرتی اور رفاعی شراکت میں قائد کی حیثیت سے تسلیم کیا ہے اور کمپنی ان کمیونٹیز کا تعمیری ممبر بننے کی کوشش کرتی ہے جہاں وہ موجود ہے۔

مالی گوشواروں کی تیاری اور پیش کرنے کی انتظامیہ کی ذمہ داری

پاکستان میں قابل اطلاق اورکمپنیز ایکٹ، 2017 (XIX of 2017) کی ضروریات کے مطابق مینجمنٹ اکاؤنٹنگ اور رپورٹنگ کے معیارات کے تحت مالی گوشواروں کی تیاری اور منصفانہ طور پر پیش کرنے کی اپنی ذمہ داری سے بخوبی آگاہ ہے اور انتظامیہ اس طرح کے داخلی کنٹرول کا تعین کرتی ہے جو مالی گوشواروں کی تیاری کے لئے ضروری ہے تاکہ وہ مادی غلط تشہیر سے پاک ہوں، چاہے دھوکہ دہی یا غلطی کی وجہ سے 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 غیر کوالیفائیڈ رائے کا اظہار کیا ہے۔

آڈٹ کمیٹی کی تجویز پر بورڈ نے سبکدوش ہونے والے آڈیٹرز کی دوبارہ تقرری کی سفارش کی اور چیف ایگزیکٹو آفیسر کو اختیار دیا ہے کہ وہ آئندہ سالانہ عام اجلاس میں حصص داران کی منظوری سے مشروط ان کی آڈٹ فیس پر بات چیت اور حتمی شکل دے۔

ادائیگیوں، ڈیبٹ / قرضہ، ٹیکسز اور لیویز 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۔ مزید برآں، مالی سال کے اختتام پر ٹیکسز، ڈیوٹیز اور لیویز کی مد میں کوئی ادائیگی زائد المیعاد یا بقایا نہیں ہے۔

مستقبل کا نقطہ نظر

آگے بڑھتے ہوئے، ہم توقع کرتے ہیں کہ مقامی مارکیٹ میں سیمنٹ کی طلب حکومت کی تبدیلی کے باوجود کم ہو جائے گی۔ سیمنٹ سیکٹر کو انتہائی نازک صورتحال کا سامنا ہے جہاں پاکستانی روپیہ کی قدر میں کمی، مہنگائی میں اضافہ، شرح سود میں اضافہ اور ٹیکس کے جارحانہ اقدامات سمیت اہم عوامل کی شکل میں متعدد خطرات اس کے منافع کو متاثر کر رہے ہیں۔ ان عوامل کا سیمنٹ مینوفیکچررز کے مارجن پر شدید اثر پڑتا ہے۔ PSDP کے متوقع اخراجات مالی سال 23-2022 کے لیے سیمنٹ کی طلب میں کمی کا باعث بن سکتے ہیں۔

مزید برآں، بین الاقوامی منڈیوں میں کوئلے کے زیادہ نرخوں کے ساتھ سمندری مال برداری، امریکی ڈالر کے مقابلے پاکستانی روپیہ کی کمی، اسٹیٹ بینک کی بڑھتی ہوئی ڈسکاؤنٹ شرح، منفی میکرو اکنامک اشارے اور بین الاقوامی منڈیوں میں گیس کی کمی سیمنٹ کی ان پٹ لاگت پر دباؤ ڈالے گی۔ SBP نے جولائی 2022 میں مالیاتی پالیسی کی شرح کو 13.75% سے بڑھا کر 15.00% کر دیا ہے جس سے آئندہ سہ ماہیوں میں کمپنی کی مالیاتی لاگت میں اضافہ ہوگا۔ توانائی کی عالمی طلب فراہمی کی محرکات کو دیکھتے ہوئے، مستقبل قریب میں کوئلے کی قیمتیں کم ہونے کا امکان نہیں ہے۔ لہذا، کمپنی نے بین الاقوامی منڈیوں میں کوئلے کی بلند شرحوں کے اثرات کو کم کرنے اور کرنسی کی قدر میں کمی کے خطرہ کو کم کرنے کے لیے افغان کوئلہ، مقامی کوئلہ اور دیگر متبادل ایندھن استعمال کرنے کا فیصلہ کیا ہے۔ تاہم، سیمنٹ سیکٹر میں افغان اور ملکی کوئلے کی مانگ میں اضافے کی وجہ سے نرخوں میں ڈرامائی طور پر اضافہ ہو رہا ہے۔ حال ہی میں، افغانستان کی حکومت نے کوئلے پر برآمدی ٹیکس میں اضافے کے ساتھ سابق کان کنی کوئلے کی قیمت میں اضافہ کر دیا ہے جس کے نتیجے میں افغانستان کے کوئلے کی قیمت میں اضافہ ہو گیا ہے۔ مزید برآں، یوکرین-روس جنگ کے غیر یقینی نتائج کی وجہ سے تیل کی قیمتیں بڑھ گئی ہیں کیونکہ صورتحال بہتر ہونے تک روس سے سپلائی متاثر رہے گی۔ مزید یہ کہ حکومت میں حالیہ تبدیلی اور موجودہ سیاسی بے یقینی کی وجہ سے تعمیراتی شعبے میں بھی غیر یقینی ہے اور سیمنٹ کی طلب کا درست تعین نہیں کیا جا سکتا۔ سب سے بڑھ کر، آئی ایم ایف کی شرائط کو پورا کرنے کے لیے حکومت پر زیادہ دباؤ کی وجہ سے، حکومت مستقبل میں پاور سیکٹر کے بقایا جات کو بڑھنے سے روکنے کے لیے بجلی کے نرخوں میں اضافہ اور فیول پرائس ایڈجسٹمنٹ کو منظم کرنے کا ارادہ رکھتی ہے۔ نتیجے کے طور پر، نیشنل گرڈ کی قیمتوں میں مزید اضافہ متوقع ہے جس کے نتیجے میں کمپنی کے لیے بجلی کی قیمتوں میں اضافہ ہوگا۔ قیمت میں اضافے کے مذکورہ عوامل کو جزوی طور پر کم کرنے کے لیے، کمپنی نیشنل گرڈ پر انحصار کو کم سے کم کرنے کے لیے مزید قابل تجدید توانائی کے وسائل کی تنصیب پر کام کر رہی ہے۔

کمپنی کے سرمایہ کاری اخراجات / جاری توسیع کی کاروباری شرح

غیر یقینی حالات کے باوجود، آئندہ برسوں میں سیمنٹ سیکٹر کی صلاحیت میں اضافہ کی توقع ہے۔ توسیع سائیکل طلب زیادہ ہونے کے باعث گزشتہ سے مختلف ہونے کا

لاگت کو کم کرنے کی مخصوص توجہ کے ساتھ پلانٹ کے بہتر آپریشنز شامل ہیں۔ کمپنی ریلوے نیٹ ورک کے ذریعے اندرون ملک نقل وحمل کے کم اخراجات سے مستفید ہوتی ہے جس کے نتیجے میں معقول بچت ہوتی ہے۔

پیداوار کی لاگت کو متاثر کرنے والے مذکورہ بالا عوامل کی بدولت، کمپنی نے سال کے دوران 13,239 ملین روپے کا مجموعی منافع حاصل کیا، جو کہ گزشتہ سال میں بیان کردہ 8,499 ملین روپے سے 55.78 فیصد کا متاثر کن اضافہ ہے۔

زیر جائزہ سال کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کی شرح کا جائزہ لیا اور اسے 7% سے بڑھا کر 13.75% کر دیا۔ اس اضافے کی وجہ سے مالی سال کی دوسری ششماہی کے دوران کمپنی کی مالیاتی لاگت میں اضافہ ہو گیا ہے۔ طویل مدتی مالیاتی سہولت (LTFF) اور SBP کی ہدایت کے تحت شروع کی گئی عارضی اقتصادی ری فنانس سہولت (TERF) نے کمپنی کو پلانٹ اور مشینری درآمد کرنے اور نئے منصوبوں کے قیام کے لیے پُرکشش مارک اپ شرحوں پر طویل مدتی قرضے حاصل کرنے میں اسے مستحکم مالی مدد فراہم کی ہے۔

کمپنی نے اپنے موجودہ پلانٹ کی جگہ پر اپنی صلاحیت بڑھانے کا منصوبہ یعنی لائن 4 (7000 tpd) شروع کر دیا ہے۔ تعمیراتی کام تسلی بخش رفتار سے جاری ہے۔ مذکورہ پروجیکٹ کو رعایتی قرضوں اور اس مدت کے دوران اندرونی طور پر پیدا ہونے والی نقد رقم کے ساتھ مالی اعانت فراہم کی جا رہی ہے۔ انتظامیہ مالی سال 2023 کی دوسری سہ ماہی میں COD حاصل کرنے کا ہدف بنا رہی ہے۔

کمپنی نے مالی سال 22-2021 کے لیے 8,139 ملین روپے کے مجموعی قبل از ٹیکس منافع درج کیا جبکہ گزشتہ سال میں 4,970 ملین روپے کا مجموعی قبل از ٹیکس منافع درج کرایا۔ گزشتہ سال میں 1,142 ملین روپے کے مجموعی ٹیکس چارج کے مقابلے میں رپورٹنگ سال کے لیے مجموعی ٹیکس کی رقم 3,586 ملین روپے رہی ہے۔ ٹیکسیشن میں یہ اہم اضافہ ٹیکس سے پہلے منافع میں اضافے کے نتیجے میں ہوا، وفاقی حکومت کی جانب سے 30 جون 2022 کو ختم ہونے والے مالی سال کی آمدنی پر فنانس ایکٹ 2022 کے ذریعے 10 فیصد شرح پر سپر ٹیکس عائد کیا گیا اور کمپنی کی مستقبل کی آمدنی پر 4% سپر ٹیکس کے نفاذ کی وجہ سے مؤخر ٹیکس اخراجات میں اضافہ ہوا۔

درآمد شدہ کوئلہ سے چلنے والے 40 میگا واٹ کے ذاتی پاور پلانٹ MLPL کو انسٹال اور چلانے کے لئے قائم کردہ کمپنی کی مکمل ملکیتی ذیلی کمپنی میپل لیف پاور لمیٹڈ (ایم ایل پی ایل) سے حاصل کردہ منافع کو انکم ٹیکس کے عائد سے استثنیٰ حاصل ہے۔ تاہم، جزوی ٹیکس چارج دیگر آمدنی سے متعلق ہے۔ MLPL نے مالی سال 22-2021 کے دوران 916 ملین روپے کا خالص منافع حاصل کیا ہے۔ MLPL کے آپریشنز نے بجلی کی لاگت میں خاطر خواہ بچت کر کے مجموعی نتائج کو موزوں بنایا ہے۔

مذکورہ بالا تمام عوامل نے رپورٹنگ مدت کے لئے گزشتہ سال کی اسی مدت کے دوران زیریں لائن میں 3,828 ملین روپے مجموعی منافع کے مقابلے 18.93 فیصد اضافہ کے ساتھ ٹیکس کے بعد منافع 4,553 ملین روپے پر زیریں لائن کو متاثر کیا ہے۔

ڈیویڈینڈ

7,000 میٹرک ٹن یومیہ کی ڈرائی پراسس گرے کلینکر پروڈکشن لائن 4، جو فی الحال زیر تعمیر ہے کے لیے درکار فنڈز کو محفوظ کرنے کے لئے 30 جون 2022 کو ختم ہونے والے سال کے لیے ڈیویڈنڈ پاس اوور کرنے کا فیصلہ کیا گیا۔ ڈیویڈنڈ کے مستقبل کے امکانات مقامی مارکیٹ میں بہتر طلب، بین الاقوامی کوئلہ کی قیمتوں میں تیزی سے اضافہ کو جذب کرنے کے لئے سیمنٹ کی قیمتوں میں اضافے اور ویسٹ ہیٹ ریکوری پلانٹ شروع ہونے کی وجہ سے ان پٹ لاگت میں کمی پر منحصر ہیں۔ مجموعی بہتر اقتصادی اور ترسیل کے حالات مستقبل میں منافع کی ادائیگی کے امکانات پر مثبت اثر ڈالیں گے۔

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 سال22-2021 کے دوران، پیداوار اور ترسیلات گزشتہ سال کی کارکردگی کے موازنہ میں کم ہوئیں، جیسا کہ درج ذیل اعداد و شمار سے ثابت ہوتا ہے:

	مختتمہ سال (جولائی تا جون)		تغیرات	فیصد
	2022	2021		
	----------------	میٹرک ٹن	----------------	
پیداوار				
کلنکر کی پیداوار	4,528,651	4,881,669	(353,018)	-7.23%
سیمنٹ کی پیداوار	4,741,944	4,994,594	(252,650)	-5.06%
فروخت				
مقامی	4,651,200	4,696,040	(44,840)	-0.95%
برآمدات	110,311	327,404	(217,093)	-66.31%
	4,761,512	5,023,444	(261,932)	-5.21%

4,761,512 ٹن کا کل فروخت حجم گزشتہ مالی سال کے دوران 5,023,444 ٹن فروخت سے 5.21 فیصد کی کمی کو ظاہر کرتا ہے۔ مقامی فروخت حجم گزشتہ مالی سال سے 0.95 فیصد کم ہو کر 4,651,200 ٹن تک کم اور برآمدی فروخت حجم 66.31 فیصد کم ہو کر 110,311 ٹن ہو گیا ہے۔

سال22-2021 کے دوران، کمپنی نے گزشتہ سال میں 35,538 ملین روپے کے مقابلے 48,520 ملین روپے مجموعی خالص فروخت درج کی۔ کمپنی کی ٹاپ لائن میں 36.53 فیصد اضافہ ہوا جس کی بنیادی وجہ مقامی مارکیٹ میں فروخت کی قیمتوں میں بہتری ہے۔ فروخت قیمتوں میں اضافہ بنیادی طور پر ان پُٹ اخراجات، خاص طور ایندھن اور توانائی پر زیادہ مہنگائی کے اثرات کی وجہ سے ہوا ہے۔ تعمیراتی شعبہ میں نمو بڑے پیمانے کے منصوبوں کے اطلاق کی کمی، PSDP بجٹ کے کم استعمال اور ہاؤسنگ سیکٹر میں متوقع طلب کم ہونے کی وجہ سے توقعات سے کم ہے۔

کمپنی کی برآمدات کا حجم گزشتہ اسی مدت کے 327,404 میٹرک ٹن سے تقریباً 66.31 فیصد کم ہو کر 110,311 میٹرک ٹن تک پہنچ گیا۔ یہ گراوٹ بنیادی طور پر افغانستان کی مارکیٹ کی وجہ سے ہوئی کیونکہ ملک سے امریکی انخلاء کے بعد سست اقتصادی سرگرمی، کم مارجن اور بینکنگ پابندیاں ہیں۔ مزید برآں، پاکستان میں پیداواری لاگت زیادہ اور علاقائی منڈیوں میں مسابقت کو متاثر کرنے والے شپنگ کی شرح میں اضافے کی وجہ سے باقی دنیا میں سیمنٹ کی ترسیل ابھی بھی ممکن نہیں ہے۔

ذاتی بجلی کی پیداوار کے ذرائع پر قابو پانے کے لئے، کمپنی نیپرا کی طرف سے بجلی کے ٹیرف میں اضافہ کی وجہ سے اپنے منافع پر ممکنہ منفی اثرات سے بچنے کے قابل تھی۔ کمپنی نے بنیادی طور پر اپنی ضروریات کو پورا کرنے کے لئے بجلی کی پیداوار کے اپنے داخلی ذرائع پر انحصار کیا جو بنیادی طور پر کوئلہ پر چلنے والے پاور پلانٹ (CFPP) سیٹ اپ جو کہ مکمل طور پر ملکیتی ماتحت ادارے، میپل لیف پاور لمیٹڈ (ایم ایل پی ایل)، کمپنی کو کاسٹ کمپیٹیٹو ایڈوانٹیج، سولر پاور پلانٹ اور ویسٹ ہیٹ ریکوری پلانٹ جو کہ کمپنی کے لئے بجلی کا سب سے سستا ذریعہ ہے۔ ویسٹ ہیٹ ریکوری پلانٹ اب کمپنی کے پاور مکس کا ایک تہائی پیش کر رہا ہے۔

مالی سال کی تیسری اور چوتھی سہ ماہی کے دوران روس اور یوکرین کے درمیان جاری جنگ کی وجہ سے کوئلے اور تیل کی عالمی قیمتوں میں اضافہ ہونا شروع ہوا جس کی وجہ سے روس کی جانب سے تیل کی سپلائی میں کمی آئی اور اشیاء کی قیمتوں میں مزید اضافہ ہو گیا۔ زیر جائزہ مدت کے دوران پاکستانی روپیہ کی قدر میں مزید کمی کے نتیجے میں کمپنی کے ایندھن اور بجلی کی قیمتوں پر دباؤ پڑ گیا۔

تاہم، کمپنی سپلائی اور معیار کے متضاد مسائل کے باوجود ایک خاص بہترین مکسچر میں افغان کوئلے اور مقامی کوئلے کا استعمال کرتے ہوئے اپنے ایندھن اور بجلی کی قیمتوں کو کنٹرول میں رکھنے میں کامیاب رہی۔ کمپنی پٹ کوک کے استعمال سے بھی فائدہ اٹھا رہی ہے جو توانائی کے زیادہ مواد اور درآمد شدہ/ مقامی کوئلے کی انوینٹری اور پٹ کوک کی کم قیمتوں کی وجہ سے لاگت بچانے والا ہے۔

کمپنی کی انتظامیہ نے لاگت پر قابو پانے کے اقدامات شروع کیے ہیں اور تمام شعبوں میں مختلف حکمت عملیوں کو اپنایا ہے جس میں متبادل ایندھن کا استعمال اور مقررہ

حصص داران کے لئے ڈائریکٹرز رپورٹ

کمپنیز ایکٹ، 2017 کی دفعہ 227 کی تعمیل میں، آپ کی کمپنی کے ڈائریکٹرز 30 جون، 2022 کو ختم ہونے والے سال کے لئے واحد اور مجموعی نظر ثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

میپل لیف سیمنٹ فیکٹری لمیٹڈ (کمپنی) پبلک مندرج کمپنی اور کوہ نور ٹیکسٹائل ملز لمیٹڈ کی ایک ذیلی کمپنی ہے۔ کمپنی کا اصل کاروبار سیمنٹ کی پیداوار اور فروخت کرنا ہے۔

کمپنی اور اسکی مکمل ذیلی کمپنی میپل لیف پاور لمیٹڈ (MLPL) کی مجموعی مالی جھلکیاں مندرجہ ذیل ہیں:-

MLCF- مجموعی

	مختتمہ سال (جولائی تا جون) 2022	2021	تغیرات	فیصد
	---------------روپے ہزاروں میں	---------------		
خالص فروخت آمدنی	48,519,622	35,538,301	12,981,321	36.53%
مجموعی منافع	13,239,339	8,498,640	4,740,699	55.78%
آپریٹنگ منافع	9,797,684	6,297,246	3,500,438	55.59%
مالی لاگت	1,658,272	1,327,203	331,069	24.94%
ٹیکس سے پہلے منافع	8,139,412	4,970,043	3,169,369	63.77%
ٹیکسیشن	3,586,287	1,141,549	2,444,738	214.16%
ٹیکس کے بعد منافع	4,553,125	3,828,494	724,631	18.93%
فی شیئر آمدنی (روپے) میں	4.15	3,49	0.66	18.91%

میپل لیف سیمنٹ فیکٹری لمیٹڈ، کمپنی کی غیر مجموعی مالی جھلکیاں مندرجہ ذیل ہیں:

	مختتمہ سال (جولائی تا جون) 2022	2021	تغیرات	فیصد
	---------------روپے ہزاروں میں	---------------		
خالص فروخت آمدنی	48,519,622	35,538,301	12,981,321	36.53%
مجموعی منافع	12,275,466	7,402,882	4,872,584	65.82%
آپریٹنگ منافع	8,924,538	8,783,531	141,007	1.61%
مالی لاگت	1,741,026	1,493,930	247,096	16.54%
ٹیکس سے پہلے منافع	7,183,512	7,289,601	(106,089)	-1.46%
ٹیکسیشن	3,557,172	1,035,492	2,521,680	243.52%
ٹیکس کے بعد منافع	3,626,340	6,254,109	(2,627,769)	-42.02%
فی شیئر آمدنی (روپے) میں	3.30	5.69	(2.39)	-42.00%

ميپل ليف

ایکدم SOLID

MAPLE LEAF CEMENT

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