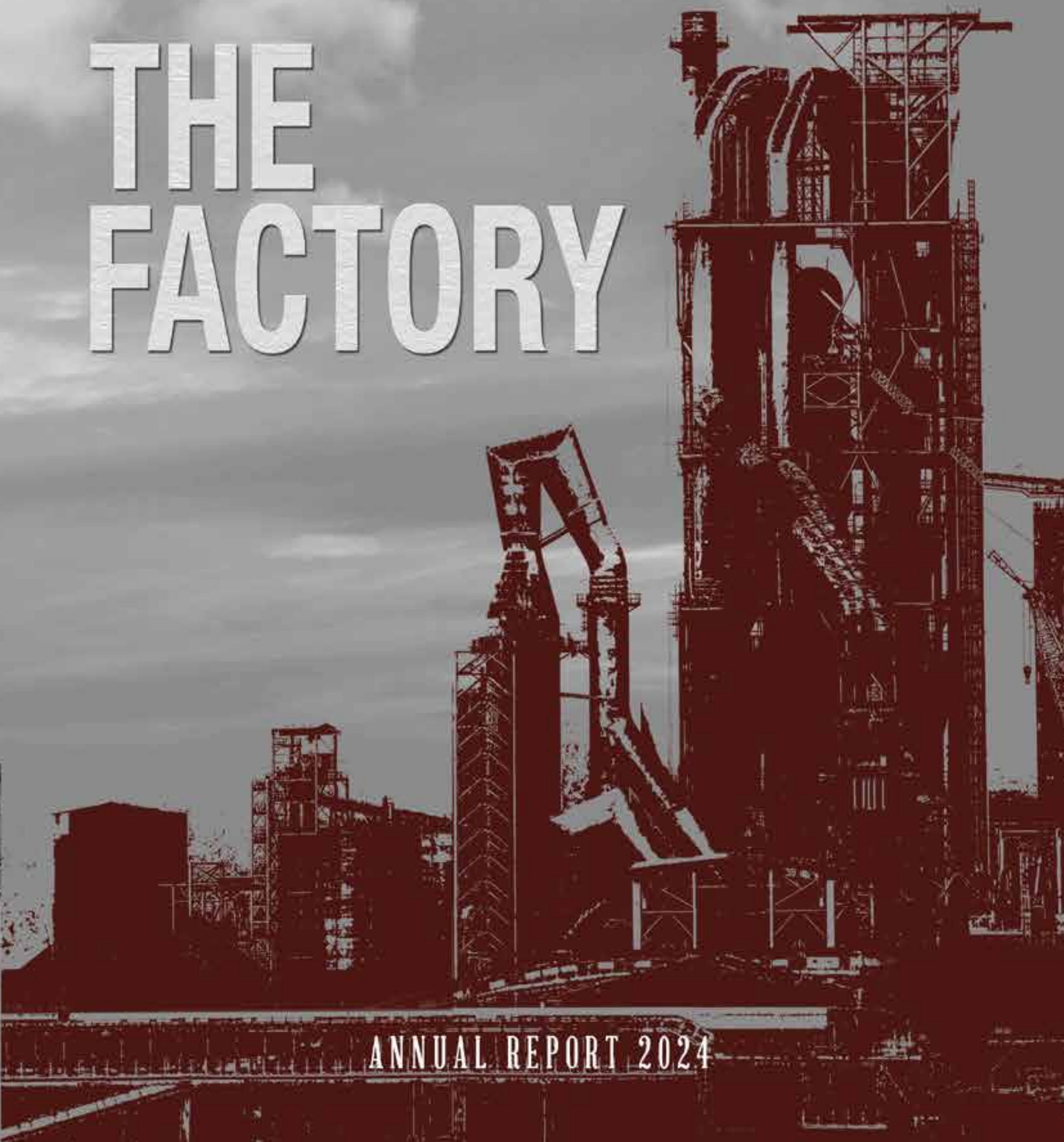
میپل لیف
MAPLE LEAF CEMENT

ایک دم SOLID

THE FACTORY



ANNUAL REPORT 2024

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ABOUT THE
REPORT

Maple Leaf Cement Factory Limited (MLCFL) corporate Annual Report 2024 covers the period from 1st July 2023 to 30th June 2024. All the activities and performance related data is related to MLCFL and its wholly owned subsidiaries Maple Leaf Power Limited (MLPL), Maple Leaf Industries Limited (MLIL) and NovaCare Hospitals (Pvt) Limited (NHPL) does not include any information or data related to its holding and / or associated companies unless where required by legal and corporate regulations.

The Annual Report has been prepared to first give an introduction and overview about the principal activities of the business. It then underlines the risk management framework of the company and then goes to explain the governance structure, their performance and future strategies of the organization which contains the directors' report to the shareholders and the chairman's review. Performance and future outlook are divided into economic, social and environmental categories. Both the financial and non-financial performance is covered in this report. While the economic, environmental and social data presented in this report is with

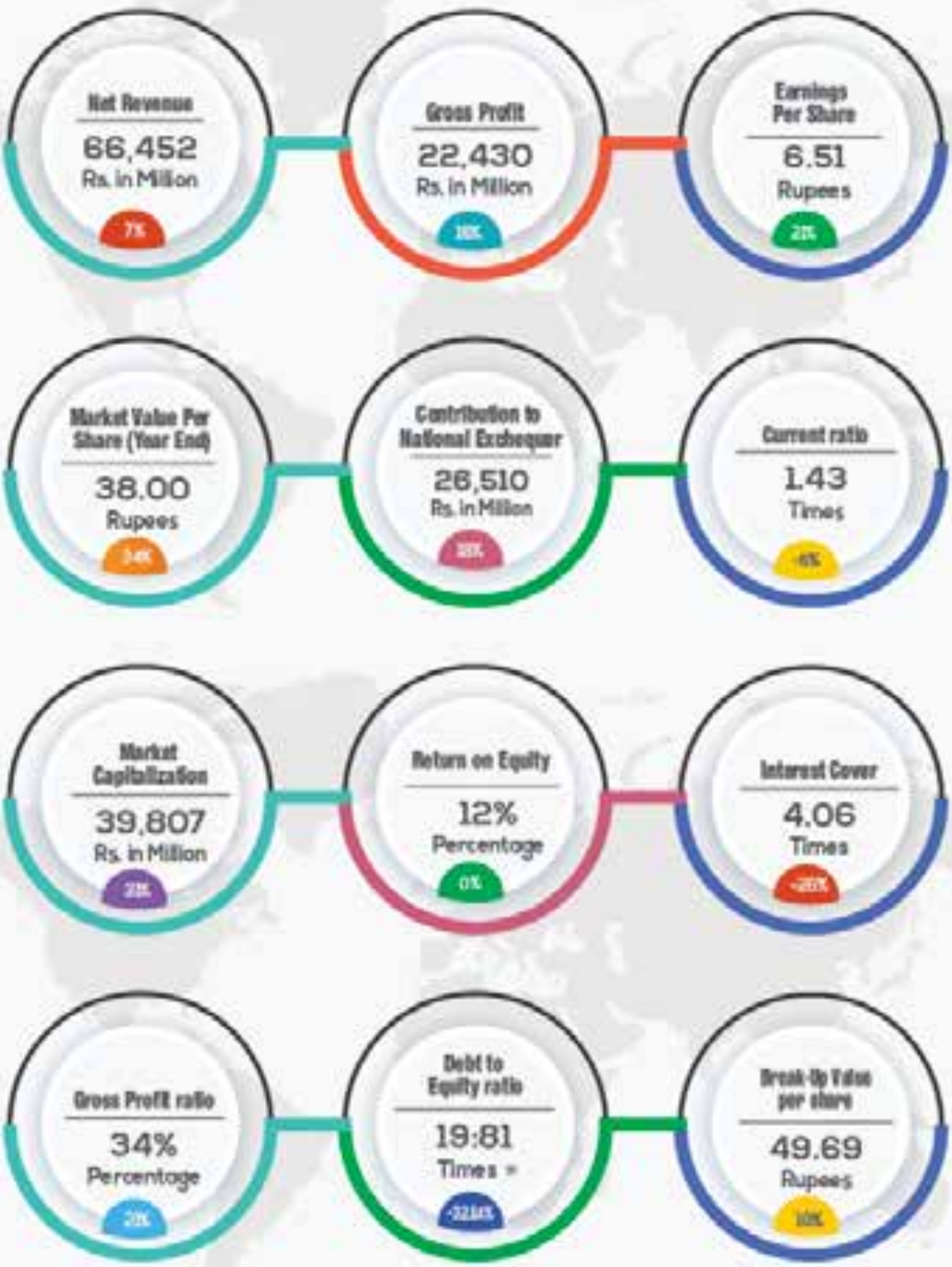
reference to activities and operations at Maple Leaf Cement Factory Limited. Along with operational impacts, the Annual Report also covers the company's aim of aligning its processes and activities with Sustainability Development Goals (SDGs) and highlight the company's current contributions towards each goal. Company also explains it's responsibility and performance related to corporate social responsibility. The report concludes with the audited financial statements of the company along with the auditor's report, prepared in accordance with the accounting and reporting standards as applicable in Pakistan.

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

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

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

2024 YEAR AT A GLANCE
(CONSOLIDATED)



★ Debt represents long-term loan including its current maturity

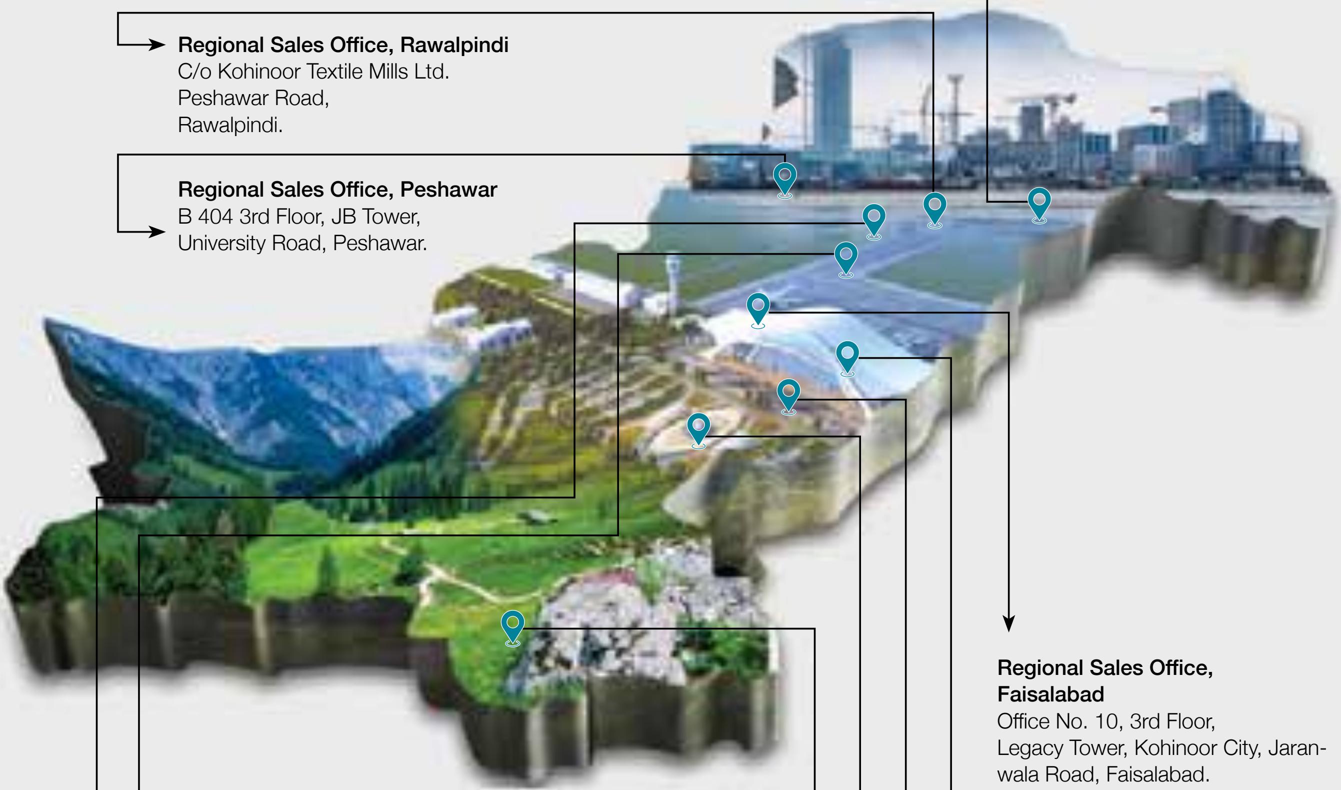
GEOGRAPHICAL PRESENCE

Head Office
42 - Lawrence Road, Lahore

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

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

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



Regional Sales Office, Faisalabad
Office No. 10, 3rd Floor,
Legacy Tower, Kohinoor City, Jaranwala Road, Faisalabad.

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

Regional Sales Office, Multan
Office No. 708, 7th Floor, The United Mall, Abdali Road, Multan.

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

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

Plant
Iskanderabad Distt: Mianwali.

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

PRINCIPAL BUSINESS ACTIVITIES

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

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

LEADING EDGE INNOVATIVE INITIATIVES

Today with a current clinker production capacity of 26,000 tons, per day we stand as the largest single cement manufacturing unit at single site in Pakistan. Our production plants are powered by cutting edge technology that helps us dominate local & International markets.

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

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

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

MLCFL has a team of 1,808 professionals and highly skilled workers that make us what we are today. The Company enriches and nurtures its employees by capitalizing and promoting their independent individuality, personality and competence to reach greater heights of logic, reasoning, professionalism and emotional grooming. Active Management Trainee Officer, trainee and internship programs and employing fresh graduates are all insightful initiatives taken by the Company to fully grasp and appreciate their fresh ideas and perspective towards key business issues for an overall innovative outcome.

NATURALLY ENRICHED

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

OUR PRODUCTS
AND MARKETS

OUR PRODUCTS

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

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

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

OUR MARKETS

Our key market consists of all the regions of Pakistan which contributed 97.48 % of our total sales volume during current financial year. We operate in local market through direct orders, distributors, dealers and retailers. Our products are considered to be a premium brand and first choice by our customers. Our Export team consists of seasoned and competent personnel who are persistently exploring new markets and avenues to bolster sales margins. Having a global footprint is imperative if a Company seeks to grow to its utmost potential. Despite facing massive competition in the international arena from technologically advanced nations, the Company persevered and contracted favourable export deals in various markets. During the year, export sales quantity constituted 2.52% of total sales. The Company sold its products to the following countries:

- Afghanistan
- Maldives
- Oman
- Qatar
- Sri Lanka
- South Africa
- United Arab Emirates
- Yemen
- Tanzania

COMPANY INFORMATION

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

Executive Directors
Mr. Sohail Sadiq .... Finance
Mr. Yahya Hamid .... Marketing
Mr. Tariq Ahmed Mir .... Technical

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

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

Chief Financial Officer
Syed Mohsin Raza Naqvi

Company Secretary
Mr. Muhammad Ashraf

Chief Internal Auditor
Mr. Zeeshan Malik Bhutta

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

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

Legal Adviser
Mr. Abdul Rehman Qureshi - Advocate High Court

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

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

Call Center (24/7)
0800-41111

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

Company Website:
www.kmlg.com

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

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

VISION & MISSION STATEMENT

OUR VISION

Pioneering a greener future through technology, value chain, and a people centric-approach.

OUR MISSION

Produce top-tier building solutions, minimizing environmental impact, emphasizing on supply chain and energy efficiencies while investing in the development of our human capital.

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.

01 CROSS FUNCTIONALITY

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

02 COLLECTIVE WISDOM

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

03 CREATIVE THOUGHT PROCESS

Out of the box ideas.

04 EMPATHY

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

05 INTEGRITY

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


THE SATISFACTION
OF OUR CUSTOMERS
IS OUR
GREATEST
ACHIEVEMENT
MAPLE LEAF CEMENT
SOLID

CORPORATE STRATEGY

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

CULTURE

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

CODE OF BUSINESS CONDUCT AND ETHICAL PRINCIPLES

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

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

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

ETHICAL PRINCIPLES

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

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

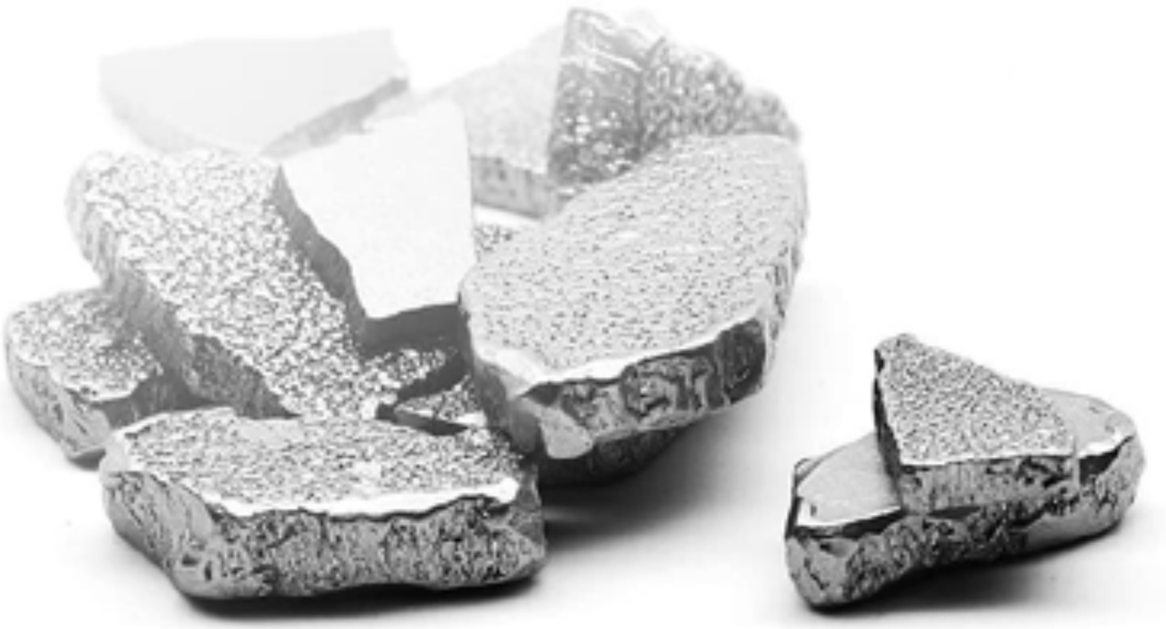
3. Directors and employees are not allowed to accept any favours or kickbacks from any organization dealing with the Company.

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

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

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

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



HISTORY OF MAPLE

1956

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

1967

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

1974

Under the WPIDC Transfer of Projects and the Companies Act, 1973, the management of two-companies namely, MLCFL and WCIL were transferred to the newly established State Cement Corporation of Pakistan (SCCP).

1983

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

1986

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

1992

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

1994

The Company was listed on all Stock Exchanges in Pakistan.

1998

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

2000

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

2004

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

2005

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

2006

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

2007

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

2008

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

2011

The Company successfully started Waste Heat Recovery Boiler Plant.

2012

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

2013

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

2014

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

2015

2015 The Company recorded the highest ever turnover of PKR 30,720 million as well as profit after tax of PKR 3,454 million. The Company reduced its debt burden by 46% as compared with last year.

2016

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

2017

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

2018

The Company crossed Rs. 25 billion Net Sales Revenue benchmark stemming from a record 18.06% growth in local dispatches. 40 MW coal-fired power project, installed and operated by wholly-owned subsidiary Maple Leaf Power Limited, also started commercial production. Moreover, 12.5% Right issue amounting Rs. 4.3 billion to partially finance new line of grey cement was successfully subscribed.

2019

The Company has reached a new milestone of Rs.26 billion Sales Revenue. Also, a new production line having capacity of 7,300 tpd of grey clinker production, a brown field expansion at the Company's existing site at Iskandarabad has started its commercial operations. As a result of this expansion, total grey clinker capacity has increased to 14,000 tpd.

2020

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

2021

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

2022

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

2023

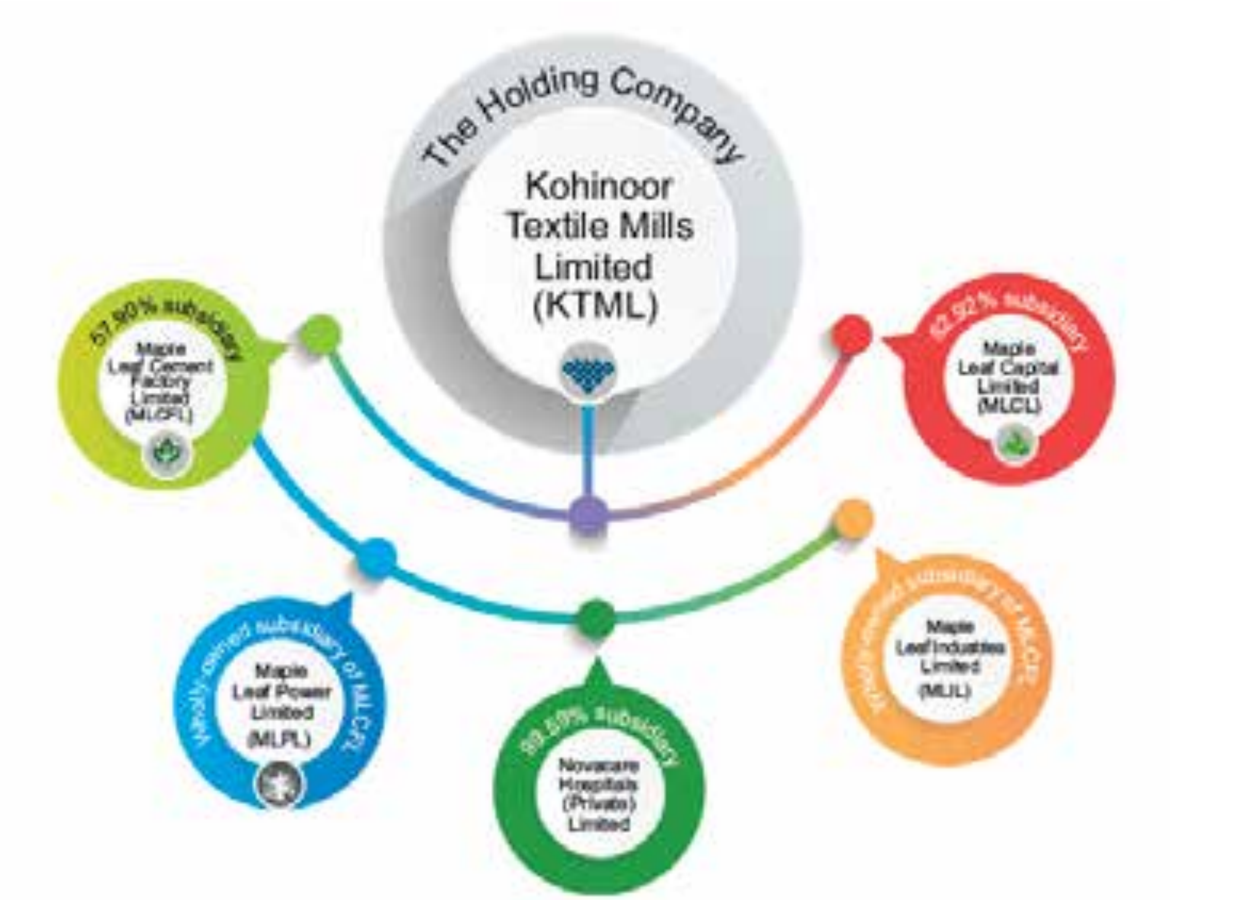
The Company has achieved highest sales of Rs. 62 billion and highest ever operating profit of Rs. 12 billion. Further, the company has installed new Line-4 having capacity of 7,000 metric tons per day.

2024

The Company has achieved highest ever profit after tax of Rs. 6.9 billion. The Company has capitalized Wall Putty Plant during the year. The Company has also installed 7.5 MW solar plant. The Company has completed buy back of 25M shares during the year.

COMPANY PROFILE
AND GROUP STRUCTURE

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



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

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

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

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

Maple Leaf Industries Limited ("MLIL") is a public company limited by shares incorporated in Pakistan on September 21, 2022, under the Companies Act, 2017. The registered office of MLIL is located at 42-Lawrence Road, Lahore, Pakistan. As of the reporting date, MLIL has not commenced its commercial operations.

MLIL was incorporated with the primary objective of setting up a cement manufacturing facility in Special Economic Zone in Mianwali, Punjab. However, the Government of Pakistan did not allow for import of machinery for cement manufacturing line and consequently the Board of Directors of MLIL has decided to initiate the winding-up process of the Company as at March 31, 2024. MLIL does not have any other commercial operations, activities or employees.

Novacare Hospitals (Private) Limited ("Novacare") was established in Pakistan on March 21, 2023, as a private company limited by shares under the Companies Act, 2017, by Andalus Holdings (ADGM) Limited ("Andalus") through its representatives Mr. Faraz Minai and Mr. Ghalib Hafiz. The Holding Company, along with any of its affiliates, acts as an investor in Novacare according to the term sheet signed on May 10, 2023. Currently, the Holding Company holds 1,200,000 Class B ordinary shares valued at Rs 100 each. These shares come with both voting and dividend rights and will be converted into Class A ordinary shares on the 7th anniversary of the Holding Company's investment in Novacare. According to the term sheet, the Holding Company cannot sell, transfer, or encumber these shares without Andalus's prior consent. Additionally, the Holding Company is prohibited from directly or indirectly competing with Novacare, which includes holding more than 29% of equity capital or voting rights in any business operating in the healthcare sector. The Holding Company's shareholding in Novacare will not drop below 66.66% at any time.

VALUE CHAIN ANALYSIS

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

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

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

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

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

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

OUR COMMITMENT TO QUALITY IS UNWAVERING

MAPLE LEAF CEMENT'S PROMISE

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.

MAPLE LEAF CEMENT

INPUTS

Financial Capital (Rs. in Million)
57,844 In Equity
100,344 Total Assets
13,799 Long Term Loans

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

Intellectual Capital
Enterprise Resource Management (ERP) software

Human Capital
1,879 number of persons employed

Social and Relationship Capital
Distributor and Dealer Network
Financial Institutions

Natural Capital (Rs. In Million)
3,884 Raw material Consumed
26,619 Fuel and Power Consumed

OUTPUT

Clinker produced (M.Tons)
3,625,857

Cement produced (M.Tons)
4,051,726

Electric power generated (Units)
257,896 MWH

OUTCOMES

Financial Capital
Rs. 26,510million contribution to national exchequer
Rs 38 share price at year end
Rs 66,452 Million in Net Sales

Manufacturing Capital
Substantial Grey market share
>90% white market share

Human Capital
Rs 3,293 million salaries and wages paid

Social and Relationship
Rs 53 million donation made

Capital
ISO 45001 - Occupational Health & safety certification
Painters and masons trained

Natural Capital
Over 162,700 trees planted in last 6 years
ISO 14001 -Environmental management system certification
Air emission monitoring and control

* Based on Consolidated figures.


QUALITY SUPERVISOR
"NOT JUST SKILL BUT EXPERIENCE TOO"

KEY ELEMENTS OF THE BUSINESS MODEL

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

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

SIGNIFICANT FACTORS AFFECTING EXTERNAL ENVIRONMENT AND MLCFL'S RESPONSE

External Component	Factors	Organizational Response
Political	• The decline in GDP growth, significant cut in PSDP and bleak economic situation. • Prolonged political unrest badly impacting the performance of Pakistan Stock Exchange (PSX).	• Management proactively plans for different demand scenarios with the help of budgeting, forecasts and projections. • Exploring new export markets to efficiently utilize production capacities in response to reduction in sales volumetric growth in local market. • Regular market analysis by senior management and the Board. • Conducting corporate briefings and roadshows, both at national and international level, to mitigate the impact of government policies and actions on the market capitalization of the company. It further helped increase and sustain foreign shareholding in the total capital structure of the company.
Economical	• Price hike in major input costs especially fuel, power and packing materials. • Devaluation of local currency. • Inflation. • Inconsistent economic policies	• Usage of coal fired power project has resulted in a handsome decline in the overall power cost pool, which led to a reduction in per ton power cost. • Installation of renewable energy i.e. solar power projects of 12.5 MW. • Installation and commercial production of waste heat recovery Coal fire project at Line-4. • The Company met price hikes in input costs by; a) Efficient procurement of coal and pet coke on account of better negotiation. b) Transportation cost, being a major component of overall overhead cost, is curtailed by transportation agreement with Pakistan Railways. c) Effective inventory management by meticulously reviewing inventory-holding periods. d) Cost reduction initiatives to control production and non -production related fixed costs.

External Component	Factors	Organizational Response
Social	• Stakeholders' inclination towards CSR compliant organizations. • Better retention in organizations offering affordable health and educational facilities. • Attitude change towards welfare of public at large.	• Ensuring compliance with all requirements of Corporate Social Responsibility (CSR). • The Company's focus to report performance based on Triple Bottom Line Reporting Framework. • The Company built a state of the art hospital at its plant site in collaboration with Al-Shifa Islamabad to provide health facilities to employees and general public. Further, the Company contributed to educational facilities for public at large "Al Aleem medical college in Ghulab Devi Educational Complex. • Company regularly contributes a handsome amount of donation towards hospitals, schools, mosques and sports centres.
Technological	• Technical obsolescence of production facilities. • Continuous development of information technology infrastructures and Management Information Systems (MIS) software. • Communication infrastructure.	• Company has the most novel European plant from FLSmidth to avoid any risk of technical obsolescence. Additionally, company is in the process of adding a state-of-the art new grey cement line. • Company continuously invests in the robust hardware and software for system up-gradation and MIS. Recently company has managed ERP and EAM modules for meeting latest reporting needs. • Company has developed a highly interactive Supply Chain Management Software that has been designed to track shipments and create online orders. • The Company has ensured the provision of latest Microsoft outlook software to meet communication needs of all company personnel internally and with all external stakeholder groups.

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

EFFECT OF SEASONALITY ON BUSINESS

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

LEGITIMATE NEEDS, INTEREST OF KEY STAKEHOLDERS AND INDUSTRY TRENDS

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

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

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

SWOT
ANALYSIS

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

STRENGTHS

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

WEAKNESSES

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

OPPORTUNITIES

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

THREATS

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


BUILDING THE
FUTURE....
RESTORING
THE PAST

CUSTOMER LANDSCAPE AND MARKET POSITIONING

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

THREAT OF NEW COMPETITION

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

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

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

THREAT FROM SUBSTITUTE PRODUCTS

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

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

BARGAINING POWER OF CUSTOMERS

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

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

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

BARGAINING POWER OF SUPPLIERS

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

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

INTENSITY OF COMPETITIVE RIVALRY

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

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

LEGISLATIVE AND REGULATORY ENVIRONMENT IN WHICH THE COMPANY OPERATES

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

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

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

POLITICAL ENVIRONMENT AND IMPACT OF OTHER COUNTRIES ON THE COMPANY

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

SIGNIFICANT CHANGES FROM PRIOR YEARS

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

CALENDAR OF CORPORATE EVENTS

JULY 2023 - JUNE 2024

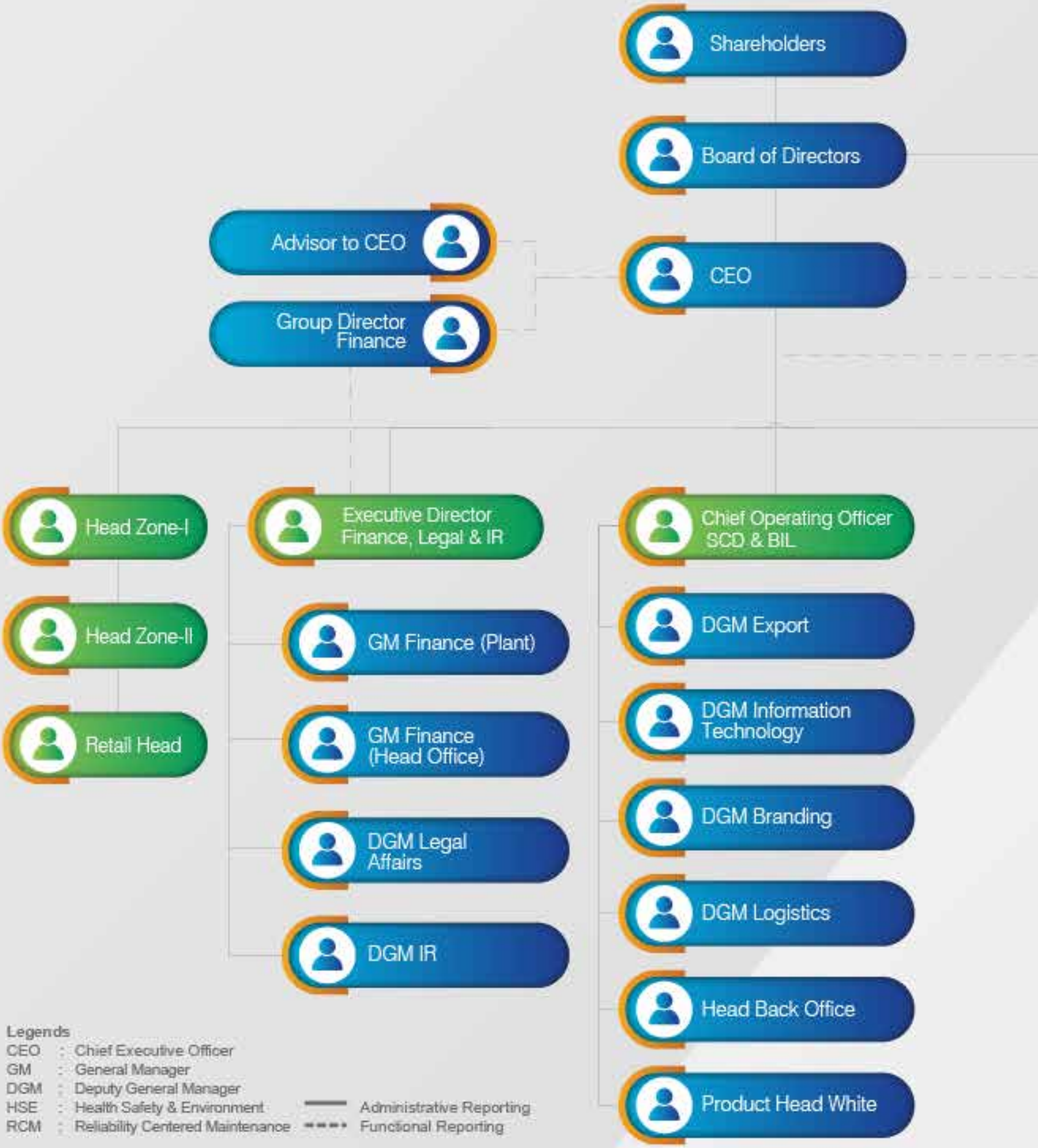
No significant events occurred after the reporting date which needs to be disclosed.

CALENDAR OF OTHER NOTABLE EVENTS

JULY 2023 - JUNE 2024

- **11 Jul 2023** – Mango Fest
- **14 AUG 2023** – Azadi Celebration
- **09 SEP 2023** – E-Gaming Competition
- **29 SEP 2023** – Milad-un-nabi
- **25 DEC 2023** – Christmas celebration party
- **01 MAR 2024** – Employee Appreciation Day
- **08 MAR 2024** – Women's Day
- **09 APR 2024** – Chand Rat - Eid-ul-Fitar
- **15 JUN 2024** – Father's Day

ORGANIZATION
CHART




Board Committees
Audit Committee
Human Resource & Remuneration Committee
GM Internal Audit & Systems
Executive Director Technical
GM Electrical
GM Mechanical
GM Process & Admin
GM RCM & HSE
DGM Electric, PG&D
Director Special Assignments
Head HR
Functional Teams
Team HR Strategy
Team Energy
Team HSE
Team Improvement
Team Project Monitoring
Team RCM

STATEMENT OF OVERALL STRATEGIC OBJECTIVES 2024-2025

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.

INNOVATION IS OUR DRIVING FORCE

MANAGEMENT'S OBJECTIVES AND STRATEGIES

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

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

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

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

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

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

ALLOCATION PLAN OF ENTITY'S SIGNIFICANT RESOURCES

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

HUMAN RESOURCES

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

FINANCIAL CAPITAL MANAGEMENT

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

STRATEGY TO OVERCOME LIQUIDITY RISK

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

KEY RESOURCES AND CAPABILITIES
PROVIDING SUSTAINABLE ADVANTAGE

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

Value created by the business for stakeholders using resources and capabilities

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

EFFECT OF TECHNOLOGICAL CHANGE, SOCIETAL ISSUES AND ENVIRONMENTAL CHALLENGES

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

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

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

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

PROCESS FOR MONITORING CULTURE, INTEGRITY AND ETHICAL ISSUES

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

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

KEY PERFORMANCE
INDICATORS (KPIs)

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

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

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

SIGNIFICANT PLANS AND DECISIONS DURING THE YEAR

The Company has capitalized Wall Putty Plant during the year. The Company has also installed 7.5 MW solar plant. The Company has completed buy back of 25M shares during the year.The Company has adopted the strategy to utilize maximum cash profits with minimal reliance on debt. Moreover, in order to reduce the higher financial costs, the Company has availed Long Term Finance Facilities (LTFF) and Temporary Economic Refinance Facilities (TERF) for its capex projects.

MLCF is expanding its business portfolio by venturing into the healthcare industry with the creation of Novacare Hospitals (Pvt.) Ltd. This initiative aims to deliver top-tier medical services to the community, reflecting MLCF's commitment to societal well-being.

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

SIGNIFICANT CHANGES FROM PRIOR YEARS

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

RISKS AND OPPORTUNITIES

RISK MANAGEMENT FRAMEWORK

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

A. STRATEGY FORMULATION

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

B. KEY RISKS AND OPPORTUNITIES OF CAPITALS

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

C. RISK ASSESSMENT

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

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

D. RISK MANAGEMENT METHODOLOGY

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

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

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

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

E. RISK AND COUNTER MEASURES STRATEGY MATRIX

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

E. RISK AND COUNTER MEASURES STRATEGY MATRIX

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

MAPLE LEAF CEMENT

WE BUILD STRUCTURES THAT STAND THE TEST OF TIME

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

F. OPPORTUNITY ANALYSIS

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

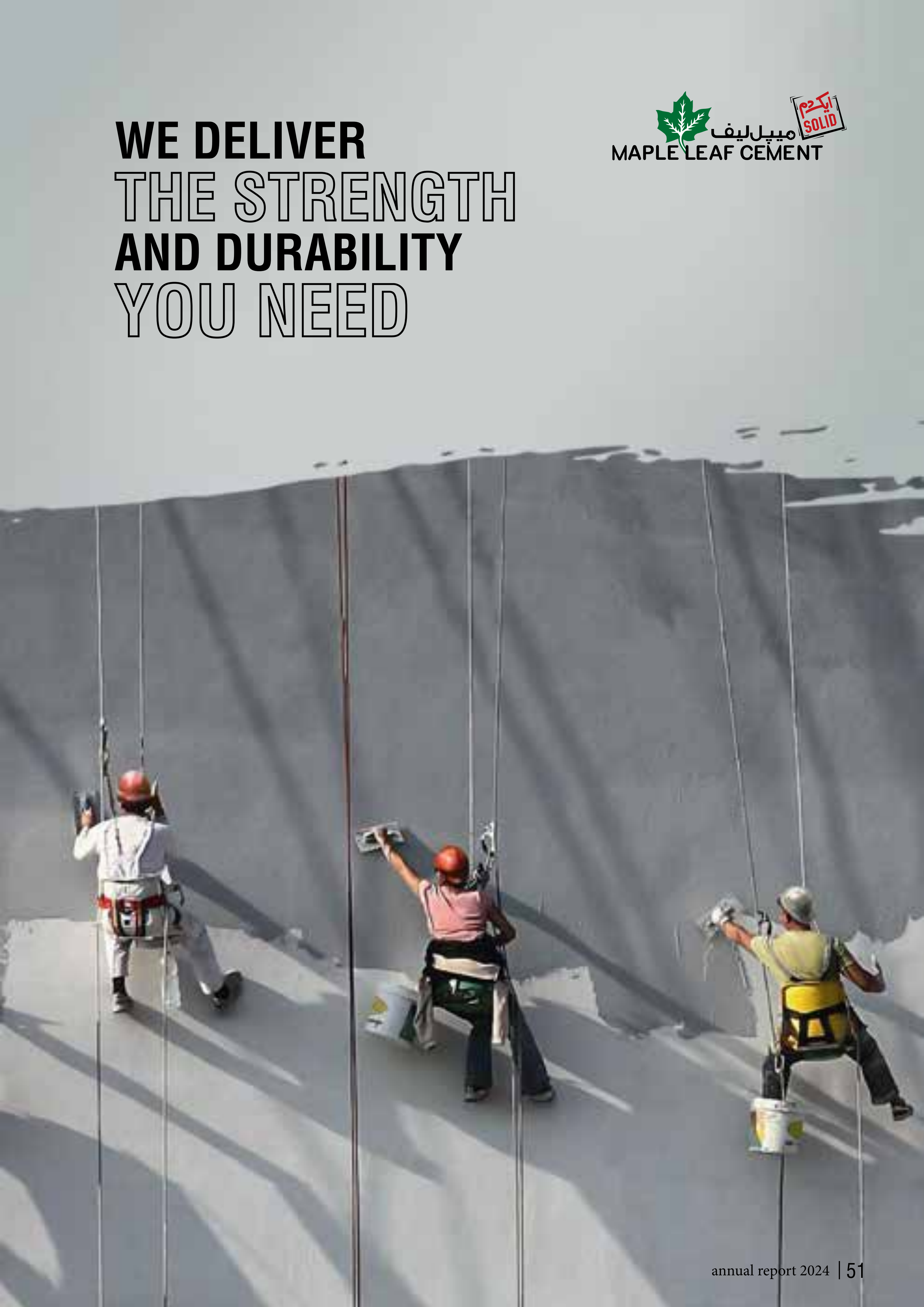
Key opportunity	Impact area	Strategy to materialize
Resumption of CPEC projects and construction of new dams. **Source: External**	Social, Relationship Capital and Financial Capital.	The Company has enhanced its production capacity. Additionally, the company has one of the largest, most active marketing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

G. Strategy for Supply Chain Risk Management.

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

The Supply chain Risks faced during the Financial Year 2023-24

Supply Chain Risk	Risk Involved	Mitigating Strategy
Environmental Risk	• Flood in the year 2023 caused massive supply chain disruption at two levels • End Consumer: Due to the flood, the construction stopped at many areas of South Punjab, Sindh and KPK • Distribution: The transportation stopped throughout the region causing issue in inbound logistics and distribution network.	• Maple Leaf Cement has raised voice on Relevant platforms • Maple Leaf has diversified the sales to the central Punjab region, which is unaffected by the flood.
Social and Governance Risk	• Political Instability increased in the year after the change in government. Pakistan is vulnerable to social and governance risk more than ever. • Maximum Axle load limit by Government. • Transportation: The out bound logistics are facing challenges due to constant road blocks and protests.	• Maple leaf has made its distribution network stronger. • Maple Leaf Cement Factory Limited has tackle the issue of Axle load limit by increasing transport vehicles.


WE DELIVER
THE STRENGTH
AND DURABILITY
YOU NEED
ميپل ليف
MAPLE LEAF CEMENT
ایکدم
SOLID

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 64th Annual General Meeting of the members of Maple Leaf Cement Factory Limited (the "Company") will be held on Monday, October 28, 2024 at 10:00 AM at 42-Lawrence Road, Lahore, the Registered Office of the Company, to transact the following business: -

ORDINARY BUSINESS:

28 OCTOBER 10:00 am

1) To receive, consider and adopt the audited accounts of the Company including consolidated financial statements for the year ended June 30, 2024 together with the Chairman's Review, Directors' and Auditors' Reports thereon.

2) To appoint Auditors for the year ending on June 30, 2025 and fix their remuneration. The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, the retiring auditors who being eligible have offered themselves for re-appointment.

SPECIAL BUSINESS:

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

   "**Resolved** by way of special resolution that consent and approval of Maple Leaf Cement Factory Limited (the "Company") be and is hereby accorded under Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans/advances from time to time to Kohinoor Textile Mills Limited, the holding company, upto an aggregate sum of Rs. 1,000 million (Rupees one thousand million only) for a period of one year commencing November 01, 2024 to October 31, 2025 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 19, 2023, by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,000 million which is valid till October 31, 2024.

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

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

   "**Resolved** by way of special resolution that consent and approval of Maple Leaf Cement Factory Limited (the "Company") be and is hereby accorded under Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans / advances from time to time to Maple Leaf Capital Limited, an associated company, upto an aggregate sum of Rs. 1,000 million (Rupees one thousand million only) for a period of one year commencing November 01, 2024 to October 31, 2025 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 19, 2023, by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,000 million which is valid till October 31, 2024.

   Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the associated company but not limited to filing

of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."

5) To ratify and approve transactions conducted with the Related Parties for the year ended June 30, 2024 by passing the following special resolution with or without modification: -

"Resolved that, the transactions conducted with the Related Parties as disclosed in the note 46 of the unconsolidated financial statements for the year ended June 30, 2024 and specified in the Statement of Material Information under Section 134(3) be and are hereby ratified, approved and confirmed."

6) To authorize the Board of Directors of the Company to approve transactions with the related parties for the financial year ending on June 30, 2025 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, 2025.

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

BY ORDER OF THE BOARD

Lahore:
October 07, 2024

(Muhammad Ashraf)
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 22, 2024 to October 28, 2024 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Limited, 5-C, LDA Flats, Lawrence Road, Lahore, at the close of business on October 21, 2024 will be considered in time to determine voting rights of the shareholders for attending the meeting.

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

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

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

5. The Securities and Exchange Commission of Pakistan ("SECP") vide Circular No. 4 of 2021 dated February 15, 2021, has advised to provide participation of the members through electronic means. The members can attend the Annual General Meeting via video link using smart phones / tablets. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides) / passport, attested copy of Board Resolution/power of attorney (in case of corporate shareholders) through email at muhammad.ashraf@kmlg.com by October 25, 2024:-

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

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

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

8. The Members, who desire for receiving the annual audited financial statements and AGM Notice through e-mail, are requested to send their updated e-mail addresses to Share Registrar of the Company for circulation/ dissemination of the annual audited financial statements. The audited financial statements for the year ended June 30, 2024 are available on website of the Company. However, hard copy of Annual Report will be provided free of cost on written request of the shareholder on Standard Request Form available on website www.kmlg.com.

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

10. Individual Members who have not yet submitted a copy of their valid Computerized Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, Vision Consulting Limited, 5-C, LDA Flats, Lawrence Road, Lahore. Corporate Members are requested to provide their National Tax Number (NTN) and mention the folio number and name of your entity thereon while sending the copies to the Share Registrar of the Company. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued thereunder;

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

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

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

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

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

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2024.

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

Kohinoor Textile Mills Limited ("KTML"), the holding company, having its Registered Office at 42-Lawrence Road, Lahore, is manufacturer of yarn and cloth, processing and stitching the cloth and trade of textile products. The spinning production facilities comprise 180,144 Ring Spindles; 3,648 Open-end Rotors and 768 MVS Spindles capable of producing a wide range of yarn counts using cotton and synthetic fibres. The weaving facilities at Raiwind comprise 384 looms capable of weaving wide range of greige fabrics. The processing facilities at the Rawalpindi unit are capable of dyeing and printing fabrics intended 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 10, 2024 has approved Rs. 1,000 million as loans / advances, being a reciprocal facility, to KTML on the basis of satisfactory profit trend of KTML subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to KTML in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

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

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

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

(A) Regarding associated company or associated undertaking: -

Ref. No.	Requirement	Information		
(i)	Name of associated company or associated undertaking;	Kohinoor Textile Mills Limited (the "KTML")		
(ii)	Basis of relationship;	KTML is a holding company of Maple Leaf Cement Factory Limited (the "Company").		
(iii)	Earnings per share for the last three years;		**(Rupees)**	
		Year	**Basic**	**Diluted**
		30.06.2022	15.84	15.84
		30.06.2023	8.05	8.05
		30.06.2024	8.07	8.07
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2024 With revaluation surplus Rs. 108.55 Without revaluation surplus Rs. 86.41		
(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 2024, the financial position of KTML is as under: -		
		Particulars	**Amount Rupees (000)**	
		Paid up capital	2,692,994	
		Reserves	26,539,562	
		Total Equity	29,232,556	
		Current liabilities	15,036,294	
		Current assets	17,482,569	
		Revenue	58,174,952	
		Gross Profit	9,287,331	
		Operating Profit	6,542,727	
		Net Profit	2,199,162	
		Earnings per share (Rs.)	8.07	

(B) General Disclosures: -

<table>
<tr><th>Ref. No.</th><th>Requirement</th><th colspan="2">Information</th></tr>
<tr><td>(i)</td><td>Maximum amount of investment to be made;</td><td colspan="2">Rs. 1,000 million (Rupees one thousand million only).</td></tr>
<tr><td>(ii)</td><td>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;</td><td colspan="2">Purpose: To earn income on the loans and/or advances to be provided to KTML from time to time for working capital requirements of KTML.

Benefits: The Company will receive markup at the rate of one percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit the Company's cash flow by earning profit on idle funds.

Period: For a period of one year from November 01, 2024 to October 31, 2025.</td></tr>
<tr><td rowspan="2">(iii)</td><td>Source of funds to be utilized for investment and</td><td colspan="2">Loan and/or advance will be given out of own funds of the Company.</td></tr>
<tr><td>where the investment is intended to be made using borrowed funds, -
(I) Justification for investment through borrowings;
(II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and
(III) Cost benefit analysis;</td><td colspan="2">N/A</td></tr>
<tr><td rowspan="6">(iv)</td><td rowspan="6">Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;</td><td>Nature</td><td>Loan / advance</td></tr>
<tr><td>Purpose</td><td>To earn mark-up / profit on loan / advance being provided to KTML which will augment the Company's cash flow</td></tr>
<tr><td>Period</td><td>One Year</td></tr>
<tr><td>Rate of Mark-up</td><td>One percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.</td></tr>
<tr><td>Repayment</td><td>Principal plus mark-up / profit upto October 31, 2025</td></tr>
<tr><td>Penalty charges</td><td>@ 3-months KIBOR plus one percent in addition to the outstanding amount(s).</td></tr>
</table>

Ref. No.	Requirement	Information
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Investing Company i.e. the Company is a subsidiary company of KTML and Eight Directors including CEO are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	A similar nature of loan/advance facility of Rs.1,000 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 19, 2023 which is valid till October 31, 2024. There is no impairment and/or write off against the above facility as the facility request was not made by the investee company i.e. KTML.
(vii)	Any other important details necessary for the members to understand the transaction;	N/A

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

Ref. No.	Requirement	Information
(i)	Category-wise amount of investment;	Short term loan for working capital requirement for a period of one year as dilated in preamble.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of the Company is 18.65% for the year ended June 30, 2024.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from KTML at one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since KTML is a holding company of the Company.

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, 2024 to October 31, 2025 (both days inclusive). KTML will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2025.

Disclosure under Regulation 4(1):

KTML, an associated company, is a member of the Company. Its Directors/Sponsors are also the Directors / members of the Company and are interested to the extent of their directorship/shareholding as under: -

Name	%age of Shareholding in KTML	%age of Shareholding in the Company
Mr. Tariq Sayeed Saigol	4.7118	0.0031
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	11.7117	0.0172
Mr. Taufique Sayeed Saigol	16.5719	0.0015
Mr. Sayeed Tariq Saigol	0.1430	0.0010
Mr. Waleed Tariq Saigol	0.0124	0.0011
Mr. Danial Taufique Saigol	0.0011	0.0005
Ms. Jahanara Saigol	0.0009	0.0002
Mr. Zulfikar Monnoo	0.0011	0.0003
Kohinoor Textile Mills Limited	-	57.8961

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

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

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

The Board of Directors of the Company in their meeting held on September 10, 2024 has approved Rs. 1,000 million as loans / advances to MLCL on the basis of financial results of MLCL subject to approval of the members. The Company shall extend the facility of loans/ advances from time to time for working capital requirements to MLCL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

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

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

(A)Regarding associated company or associated undertaking: -

<table>
<tr><th>Ref. No.</th><th>Requirement</th><th>Information</th></tr>
<tr><td>(i)</td><td>Name of associated company or associated undertaking;</td><td>Maple Leaf Capital Limited
(the “MLCL”)</td></tr>
<tr><td>(ii)</td><td>Basis of relationship;</td><td>MLCL is an associated company of Maple Leaf Cement Factory Limited (the “Company”) by virtue of common directorship.</td></tr>
<tr><td>(iii)</td><td>Earnings per share for the last three years;</td><td><table>
<tr><th></th><th colspan="2">(Rupees)</th></tr>
<tr><th>Year</th><th>Basic</th><th>Diluted</th></tr>
<tr><td>30.06.2022</td><td>(15.65)</td><td>(15.65)</td></tr>
<tr><td>30.06.2023</td><td>1.91</td><td>1.91</td></tr>
<tr><td>30.06.2024</td><td>19.81</td><td>19.81</td></tr>
</table></td></tr>
<tr><td>(iv)</td><td>Break-up value per share, based on latest audited financial statements;</td><td>As on June 30, 2024 is Rs. 34.51</td></tr>
<tr><td>(v)</td><td>Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;</td><td>Based on the audited financial statements for the financial year ended 30 June 2024, the financial position of MLCL is as under: -<table>
<tr><th>Particulars</th><th>Amount Rupees (000)</th></tr>
<tr><td>Paid up share capital</td><td>3,015,000</td></tr>
<tr><td>Reserves</td><td>7,389,592</td></tr>
<tr><td>Total equity</td><td>10,404,592</td></tr>
<tr><td>Current liabilities</td><td>4,163,530</td></tr>
<tr><td>Current assets</td><td>15,965,253</td></tr>
<tr><td>Revenue</td><td>9,183,069</td></tr>
<tr><td>Profit from operations</td><td>8,805,328</td></tr>
<tr><td>Profit after taxation</td><td>5,971,794</td></tr>
<tr><td>Earnings Per Share Rs.</td><td>19.81</td></tr>
</table></td></tr>
</table>

(B) General Disclosures: -

<table>
<tr><th>Ref. No.</th><th>Requirement</th><th colspan="2">Information</th></tr>
<tr><td>(i)</td><td>Maximum amount of investment to be made;</td><td colspan="2">Rs. 1,000 million (Rupees one thousand million only).</td></tr>
<tr><td>(ii)</td><td>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;</td><td colspan="2">Purpose: To earn income on the loans and/or advances to be provided to MLCL from time to time for working capital requirements of MLCL.

Benefits: The Company will receive markup at the rate of one percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit the Company's cash flow by earning profit on idle funds.

Period: For a period of one year from November 01, 2024 to October 31, 2025.</td></tr>
<tr><td rowspan="2">(iii)</td><td>Source of funds to be utilized for investment and</td><td colspan="2">Loan and/or advance will be given out of own funds of the Company.</td></tr>
<tr><td>where the investment is intended to be made using borrowed funds, -
(I) Justification for investment through borrowings;
(II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and
(III) Cost benefit analysis;</td><td colspan="2">N/A</td></tr>
<tr><td rowspan="6">(iv)</td><td rowspan="6">Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;</td><td>Nature</td><td>Loan / advance</td></tr>
<tr><td>Purpose</td><td>To earn mark-up / profit on loan / advance being provided to MLCL which will augment the Company's cash flow.</td></tr>
<tr><td>Period</td><td>One Year</td></tr>
<tr><td>Rate of Mark-up</td><td>One percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.</td></tr>
<tr><td>Repayment</td><td>Principal plus mark-up/ profit upto October 31, 2025</td></tr>
<tr><td>Penalty charges</td><td>@ 3-months KIBOR plus one percent in addition to the outstanding amount(s).</td></tr>
</table>

Ref. No.	Requirement	Information
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Investing Company i.e. the Company is an associated company of MLCL and Six Directors are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	A similar nature of loan/advance facility of Rs.1,000 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 19, 2023 which is valid till October 31, 2024. There is no impairment and/or write off against the above facility.
(vii)	Any other important details necessary for the members to understand the transaction;	N/A

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

Ref. No.	Requirement	Information
(i)	Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as dilated in preamble.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of the Company is 18.65% for the year ended June 30, 2024.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from MLCL at one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since MLCL is an associated company of the Company.

Ref. No.	Requirement	Information
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of one year from November 01, 2024 to October 31, 2025 (both days inclusive). MLCL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2025.

Disclosure under Regulation 4(1):

MLCL, an associated company, is a member of the Company. Its Directors/Sponsors are also the Directors / members of the Company and are interested to the extent of their directorship/shareholding as under: -

Name	%age of Shareholding in MLCL	%age of Shareholding in the Company
Mr. Tariq Sayeed Saigol	5.0249	0.0031
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	3.3167	0.0172
Mr. Taufique Sayeed Saigol	8.3748	0.0015
Mr. Sayeed Tariq Saigol	-	0.0010
Mr. Waleed Tariq Saigol	0.3648	0.0011
Mr. Danial Taufique Saigol	-	0.0005
Ms. Jahanara Saigol	-	0.0002
Kohinoor Textile Mills Limited	82.9187	57.8961
Maple Leaf Capital Limited	-	1.1480

Disclosure under Regulation 4(2):

Name of Investee Company	Kohinoor Textile Mills Limited	Maple Leaf Capital Limited
Total Investment Approved:	Loan / advance upto Rs. 1,000 million was approved by members in AGM held on October 19, 2023 for a period of one (01) year.	Loan / advance upto Rs. 1,000 million was approved by members in AGM held on October 19, 2023 for a period of one (01) year.
Amount of Investment Made to date:	Investment has not been made yet to date.	Investment of Rs. 500 million was made to date.
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	The Company will provide funds to KTML from time to time as per working capital requirements to KTML upon request.	The Company will provide funds to MLCL from time to time as per working capital requirements to MLCL upon request.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval of loan/ advances of Rs. 1,000 million, as per financial statements for the year ended June 30, 2023, the basic earnings per share was Rs.8.05 and break-up value per share (without surplus) was Rs.76.82. As per latest financial statements for the year ended June 30, 2024, the basic earnings per share is Rs.8.07 and breakup value per share (without surplus) is Rs.86.41.	At the time of approval of loan/ advances of Rs. 1,000 million, as per financial statements for the period ended June 30, 2023, the basic earnings per share was Rs.1.91 and breakup value per share was Rs. 14.67. As per latest financial statements for the year ended June 30, 2024, the basic earnings per share is Rs.19.81 and breakup value per share is Rs. 34.51.

AGENDA ITEM NO. 5 OF THE NOTICE – RATIFICATION AND APPROVAL OF THE RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED JUNE 30, 2024:

Transactions conducted with the related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested due to their common directorships and therefore these transactions are being placed for the approval by shareholders in the Annual General Meeting. In last Annual General Meeting of the Company, in order to promote transparent business practices, the shareholders had authorized the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ended June 30, 2024 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in the next annual general meeting for their formal approval/ratification. Accordingly, these transactions are being placed before the shareholders in this meeting for their formal approval/ ratification.

All transactions with related parties to be ratified have been disclosed in the note 46 to the unconsolidated financial statements for the year ended June 30, 2024. Party-wise details of such related party transactions are given below: -

	Name of Parties	Relationship	Transactions	2024	2023
				(Rupees in thousand)	
a)	Kohinoor Textile Mills Limited	Holding Company	Sale of goods	2,419	2,142
			Purchase of fixed assets	-	6,022
			Sale of spares	11,792	-
			Expenses paid by related party on behalf of the Company	38,324	36,489
b)	Maple Leaf Power Limited	Subsidiary Company	Sale of coal to Subsidiary Company	6,180,773	5,035,036
			Long term loan obtained	2,500,000	-
			Rent charged	479	436
			Purchase of electricity (inclusive of taxes)	8,841,940	7,142,166
			Payments made by related party on behalf of the Company	26,101	5,011
			Markup paid on long term loan	609,021	287,958
			Expenses paid on the behalf of related party.	134,831	157,356
			Scrap purchases	32,943	-
c)	Maple Leaf Industries Limited	Subsidiary Company	Investment in subsidiary	-	10,000
			Expenses paid on the behalf of related party	1,865	-
d)	Novacare Hospitals (Private) Limited	Subsidiary Company	Advance paid against issue of shares	1,172,000	-
e)	Maple Leaf Capital Limited	Common Directorship	Loan provided during the year	500,000	-
			Loan recovered during the year	500,000	-
			Markup received on loan	11,409	-
f)	Key management personnel	Key management personnel	Remuneration and other benefits	622,150	456,046
g)	Employee benefits				
	Gratuity	Post-employment benefit plan	Expense charged in respect of net benefit plan	22,861	41,171
	Provident Fund Trust	Post-employment benefit plan	Expense charged in respect of provident fund	306,812	281,503

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. 6 OF THE NOTICE – AUTHORIZATION FOR THE BOARD OF DIRECTORS TO APPROVE THE RELATED PARTY TRANSACTIONS DURING THE YEAR ENDING ON JUNE 30, 2025:

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2025 as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested due to their common directorships in the subsidiary/associated companies. In order to promote transparent business practices, the shareholders are required to authorize the Board of Directors to approve transactions with the related parties from time-to-time and on case to case basis for the year ending on June 30, 2025, 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 30 June 2024 to our esteemed shareholders. Throughout the 2023-24 financial year, we have regularly communicated key performance aspects of your Company. Encouraged by our positive outlook, the Management is committed to maintaining satisfactory performance through strategic guidance from the Board.

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, we have implemented a mechanism for the annual evaluation of performance of the Board of Directors. This evaluation aims to internally assess the effectiveness of the Board and its Committees, ensuring that Management operates as a cohesive team dedicated to the Company's success. Strategic goals for the coming year have been established and the Board's effectiveness is measured against these objectives. I am pleased to report that the Board's self-evaluation for 2024 has met our performance criteria and remains satisfactory, adhering to recognised standards of corporate governance.

Board Composition:

The Board's composition reflects a balanced mix of executive and non-executive Directors, including independent Directors. Collectively, the Board possesses the necessary skills, core competencies and industry knowledge to lead the Company effectively. Each Board member contributes their business judgment to key decisions.

Vision & Mission Statements:

Board members uphold the ethical and professional standards outlined in our Vision & Mission Statements. These principles are integral to achieving our Company's objectives.

Strategic Decision Making:

Our corporate strategy and objectives align with the Board's strategic vision. This vision guides our annual business plan and outlines projected plans for the next five years. The Management is focused on utilizing available resources, modernizing production facilities and expanding operations to ensure continued growth and improved financial performance.

Diligence:

The Board rigorously reviews the quality and appropriateness of the Company's financial statements, reporting practices, accounting policies, corporate objectives, budgets and other reports. Board meetings are held regularly, with agendas and supporting documents circulated well in advance.

Adequate Governance:

The Board has established a Code of Conduct that outlines expected behaviors, supported by comprehensive policies and procedures. We have implemented robust controls and systems to ensure adherence to best practices in corporate governance. Upholding high standards of honesty and integrity is fundamental to our business success.

Presentations:

In discussing and approving financial statements, the Board receives detailed presentations that offer critical and strategic analysis of all functional areas. We benchmark against industry peers to provide objective evaluations of the Company's goals and financial performance. This approach allows the Board to offer informed guidance and oversight based on thorough discussions.

Thank you for your continued support and confidence in the Company.

Lahore:
September 10, 2024

Tariq Sayeed Saigol
Chairman

WE'RE COMMITTED TO STAYING AHEAD OF THE CURVE

DIRECTORS' REPORT
TO THE SHAREHOLDERS

In compliance with Section 227 of the Companies Act, 2017, the Directors of your Company have pleasure to present standalone and consolidated audited financial statements for the year ended 30th June 2024.

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

Consolidated financial highlights of the Company including its wholly-owned subsidiaries i.e. Maple Leaf Power Limited (MLPL) and Maple Leaf Industries Limited (MLIL) along with its subsidiary Novacare Hospitals (Private) Limited (NHPL) are as follows: -

Maple Leaf Cement Factory Limited - Consolidated:

	Year Ended			
	July to June		Variance	
	2024	2023	Amount	%age
	(Rupees in thousand)			
Net Sales Revenue	66,452,348	62,075,259	4,377,089	7.05%
Gross Profit	22,430,465	19,363,142	3,067,323	15.84%
Operating Profit	14,341,191	13,074,467	1,266,724	9.69%
Finance Cost	3,535,084	2,380,827	1,154,257	48.48%
Profit Before Taxation	10,806,107	10,693,640	112,467	1.05%
Taxation	3,886,330	4,922,878	(1,036,548)	-21.06%
Profit After Taxation	6,919,777	5,770,762	1,149,015	19.91%
Earnings Per Share (Rs.)	6.51	5.38	1.13	21.00%

Unconsolidated financial highlights of the Company are as follows:

	Year Ended			
	July to June		Variance	
	2024	2023	Amount	%age
	(Rupees in thousand)			
Net Sales Revenue	66,452,348	62,075,259	4,377,089	7.05%
Gross Profit	20,964,284	18,173,353	2,790,931	15.36%
Operating Profit	13,069,734	12,001,415	1,068,319	8.90%
Finance Cost	4,138,286	2,750,748	1,387,538	50.44%
Profit Before Taxation	8,931,448	9,250,667	(319,219)	-3.45%
Taxation	3,658,921	4,758,998	(1,100,077)	-23.12%
Profit After Taxation	5,272,527	4,491,669	780,858	17.38%
Earnings Per Share (Rs.)	4.98	4.18	0.80	19.14%

During the financial year 2023-24, production and dispatches decreased in comparison to last year's performance, as evident from the data shown below:

	July to June		Variance	
	2024	2023	Change	%age
	--------------------M.Tons---------------			
Production				
Clinker Production	3,625,857	3,928,830	(302,973)	-7.71%
Cement Production	4,051,726	4,253,451	(201,725)	-4.74%
Sales				
Domestic	3,890,955	4,143,452	(252,497)	-6.09%
Exports	177,263	129,992	47,271	36.36%
	4,068,218	**4,273,444**	**(205,226)**	**-4.80%**

Total cement sales volume of 4,068,218 tons depicts a decrease of 4.80% over 4,273,444 tons sold during last year. The domestic sales volume declined to 3,890,955 tons registering a decrease of 6.09% but exports sales volume up from 129,992 to 177,263 tons, increased by 36.36% from last financial year.

During the year 2023-24, the Company recorded net consolidated sales of Rs. 66,452 million against Rs. 62,075 million in the previous year. The top line of the Company increased by 7.05% mainly due to an improvement in selling prices in the local market. Increase in selling prices is mainly due to high inflationary impact on input costs especially fuel, power, raw material, packing material, increased duties and interest cost. Growth in construction sector was slower than expected due to lackluster implementation of large-scale projects and decline in expected demand in housing sector mainly on account of higher taxes thereon.

The Company's export volume increased by 36.36% to reach 177,263 metric tons from 129,992 metric tons in previous year. Despite this increase in export sales compared to the last year, exports have not increased much since the American exit from Afghanistan. Cement exports to the rest of the world were not possible due to high production costs in Pakistan in comparison to global markets, as well as increased shipping costs which hampered competitiveness in regional markets.

Global coal prices fell during the 4th quarters of the financial year due to demand constraints on account of global recession and are currently fairly comparable to locally available Afghan origin coal. Further, during the year, the Company relied more on Local coal and other available fuels.

The Company's management launched cost-cutting initiatives and implemented numerous schemes in all areas, including the use of alternative fuels and optimizing plant operations with a specific focus on reducing fixed costs.

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

Due to the aforementioned factors influencing production costs, the Company achieved consolidated gross profit of Rs. 22,430 million during the year, a 15.84% increase from Rs. 19,363 million in the last year.

The Company recorded consolidated pre-tax profit of Rs. 10,806 million for the financial year 2023-24, a 1.05% increase from Rs. 10,694 million in the last year. Consolidated taxation amounted to Rs.3,886 million for the reporting year as compared to consolidated tax charge of Rs. 4,923 million in the corresponding year. Taxation was higher in previous year mainly due to one-time impact of deferred tax provision on account of imposition of Super Tax @10% by the Federal Government through Finance Act, 2023 on the earnings of financial year ended 30 June 2023.

Profits earned from Maple Leaf Power Limited (MLPL), a wholly owned subsidiary of the Company, established to install and operate 40 MW imported coal-fired captive power plant are exempt from charge of income tax. However, partial tax charge pertains to other income. MLPL has earned net profit of Rs. 1,765 million during the financial year 2023-24. During the year, MLPL has installed solar power plant with capacity of 7.5 MW which has added in further favorable contributions towards margins of the Company. MLPL operations have favorably 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 19.91% at a profit of Rs. 6,920 million against consolidated profit of Rs. 5,771 million in the bottom line for corresponding year.

The State Bank of Pakistan (SBP) reviewed the monetary policy rate numerous times throughout the year and it remained unchanged for first eleven months of the year that resulted in higher finance cost during the year despite the fact that the Company has also made some early repayments of its long-term loans. However, in June 2024 monetary policy rate was reduced by 150 bps from 22% to 20.50% on account of positive economic recovery and reduction in high inflation rates. The Company expects that monetary policy rate will further decrease in coming years which will ease out the burden of finance cost for the Company and will result in better bottom lines.

DIVIDEND

It was decided to pass over dividend for the year ended June 30, 2024 as the Company has utilized its cash generated from operations to reduce its debt, made investment in health care facilities by starting the new project of Novacare Hospitals (Private) Limited (NHPL) and investment in Agritech Limited (AGL). Further, due to high interest rates, the Company has prepaid some portion of its

long-term financing. This will give the Company fiscal space to cope with the continuous increase in input costs and other inflationary factors. Overall improved economic and cement dispatches will favorably impact prospects of dividend payments in future.

ADEQUACY OF INTERNAL CONTROL

The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal financial controls for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The independent Internal Audit function of the Company regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on quarterly basis.

MANAGEMENT'S RESPONSIBILITY TOWARDS PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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

ROLE OF THE BOARD AND ITS MEMBERS TO ADDRESS SUSTAINABILITY RISKS AND OPPORTUNITIES

The Board is responsible for governance and oversight of sustainability risks and opportunities, which includes the environmental, social and governance considerations, within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value.

The Board ensures that policies to promote Diversity, Equity and Inclusion (DE&I) are in place to encourage gender mainstreaming, gender equality and the participation of women on the Board, management and workforce of the Company.

AUDITORS

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

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

DEFAULT OF PAYMENTS, DEBT/LOAN, TAXES AND LEVIES

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

FUTURE OUTLOOK

Going forward, cement demand in the domestic market may further record a decline. The Cement sector is facing a rather precarious situation wherein multiple risks in the shape of major factors including increase in Federal Excise Duty from Rs. 2,000/ton to Rs.4,000/ton, hefty increase in royalty on raw materials by provincial government, high inflation which also effects purchasing power of the public and aggressive taxation measures are affecting its profitability. These factors have grievous impact on cement manufacturers margins.

However, the Company has a continuous focus on reducing its costs and to positively contribute towards the environment by exploring more alternative fuels and increasing its reliance on these environment friendly biomass fuels instead of conventional coal.

Further, the expected reduction in monetary policy rates by State Bank of Pakistan in coming years will contribute positively towards reduction in finance cost of the Company and will provide opportunity for the Company to raise further capital, in case it is required, to invest in existing manufacturing facilities or for diversifications.

The Company is looking forward to enter into fertilizer industry to make its investment portfolio more diversified. The Company has already started investing in Agritech Limited which is a key manufacturer of Urea and Phosphate fertilizers.

Further, the Company has a vision to make investment in health sector to provide state of the art health facilities in Pakistan which has always been a key issue of the masses. For this purpose, the Company has started investing in its subsidiary i.e. Novacare Hospitals (Private) Limited (NHPL). NHPL will build its first hospital in Islamabad for which the land has already been acquired and further progress on the project is being made.

BUSINESS RATIONALE OF CAPITAL EXPENDITURE / ONGOING EXPANSIONS OF THE COMPANY

The Company is investing in sustainability and renewable energy with installation of solar energy projects at its plant site. The Company has installed solar power plants of 7.5 MW during the year in addition to the existing capacity of 12.5 MW to provide power to the cement production lines through a total of 20 MW of solar power.

SUBSEQUENT EVENTS

There has been no considerable subsequent events after the closing of Financial Year 2023-24.

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.

BUY BACK OF SHARES

In pursuance of Section 88 of the Companies Act, 2017, the Company has purchased an aggregate of 25,783,624 issued and paid up ordinary shares during the purchase period for cancellation purpose, representing 2.40% of the issued ordinary and paid up share capital of the Company at the spot / current share price(s) prevailing during the purchase period from October 27, 2023 to April 15, 2024 through Pakistan Stock Exchange Limited, out of approved quantum of the purchase/buy-back of 100 Million ordinary shares of the Company in the Annual General Meeting held on October 19, 2023. The shares so bought were subsequently cancelled on April 24, 2024. This will result in increase in earnings per share and break-up value per share of the Company.

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

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

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

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

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

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

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

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

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

PRINCIPAL RISKS, CHALLENGES AND UNCERTAINTIES

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

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

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

iii. High interest rates.

iv. High fuel rates.

v. Overall inflationary increase in operational expenses.

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

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

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

APPROPRIATIONS

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

DESCRIPTION	2024	2023
	-----Rs. in '000'-------	
Profit After tax	5,272,527	4,491,665
Dividend	-	-
Balance Transferred to Retained Earnings	5,272,527	4,491,665

LEADERSHIP STRUCTURE

COMPOSITION OF THE BOARD OF DIRECTORS & COMMITTEES:

Total Number of Directors:

a) Male 8
b) Female 1

Composition:

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

DIRECTORS AND BOARD MEETINGS

During the year under review, four meetings of the Board of Directors were held in Pakistan and no Board meeting was held outside Pakistan. No casual vacancy occurred in the Board during the year. The attendance of each Director was as under.

CATEGORY	NAME	MEETINGS ATTENDED
Independent Directors	Mr. Shafiq Ahmed Khan Mr. Zulfikar Monnoo	3 4
Other Non-Executive Directors	Mr. Tariq Sayeed Saigol - *Chairman* Mr. Taufique Sayeed Saigol Mr. Waleed Tariq Saigol Mr. Danial Taufique Saigol	4 4 4 4
Executive Directors	Mr. Sayeed Tariq Saigol *Chief Executive Officer* Syed Mohsin Raza Naqvi	4 4
Female Director *Non-Executive Director*	Ms. Jahanara Saigol	3

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

AUDIT COMMITTEE

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

NAME	DESIGNATION	MEETINGS ATTENDED
Mr. Shafiq Ahmed Khan	Chairman (Independent Director)	3
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 Members who could not attend the Audit Committee Meetings.

Mr. Shafiq Ahmed Khan, the Chairman of Audit Committee attended the last AGM held on October 19, 2023.

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

One meeting of Human Resource & Remuneration Committee was held on July 25, 2023 and Mr. Zulfikar Monnoo did not attend the meeting. However, leave of absence was granted to him.

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

DIRECTORS' REMUNERATION

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

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

The details of the remuneration paid to the Directors including Chairman and Chief Executive of the Company is disclosed in Note 47 of the Standalone Financial Statements.

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at June 30, 2024 is annexed.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Syed Mohsin Raza Naqvi
Director

Sayeed Tariq Saigol
Chief Executive Officer

Lahore: September 10, 2024

STATEMENT OF COMPLIANCE

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

Name of Company:	**Maple Leaf Cement Factory Limited**
Year Ended:	**June 30, 2024**

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

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

Male:	8
Female:	1

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

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

   Determination of number of independent Directors comes to 2.66 (rounded to 2) which is based on Eight Elected Directors of the previous Board, at the time of election of directors, excluding CEO who is considered as deemed director, since CEO is to be appointed under Section 187 of the Companies Act, 2017 (the "Act") by the newly elected Board within a period of fourteen days from the date of election under Section 159, therefore, can be excluded from the calculation of independent director. The fraction contrived in one-third number is not rounded up as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted;

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

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

5. The Board has developed a revised 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;

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

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

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

9. Three Directors Messrs Danial Taufique Saigol, Syed Mohsin Raza Naqvi and Zulfikar Monnoo have obtained certificate for Directors' Training Program and Five Directors Messrs Tariq Sayeed Saigol, Taufique Sayeed Saigol, Sayeed Tariq Saigol, Waleed Tariq Saigol and Shafiq Ahmed Khan are exempt from this due to 14 years of education and 15 years of experience on the Boards of listed companies.

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

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

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

a) Audit Committee

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

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

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

MEETINGS	FREQUENCY
Audit Committee	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;

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; and

19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below: -

Sr.	Requirement	Explanation for Non-Compliance	Reg. No.
1	**Representation of Minority Shareholders:** The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	At the time of election of Directors, no one as per procedure intended to contest election as director representing minority shareholders.	5
2	**Responsibilities of the Board and its members:** Adoption of the corporate governance practices.	On June 12, 2024, the Securities and Exchange Commission of Pakistan amended Regulation 10 and introduced Regulation 10A in the Regulations. These changes require the Board to approve an anti-harassment policy for protection against harassment at the workplace and oversee sustainability risks and opportunities, including setting the Company's sustainability strategies and targets and policies to promote diversity, equity and inclusion (DE&I). The management is currently reviewing these amendments and will ensure compliance in due course.	10A, 10(4)(xvi) & 35(1)(vii)
3	**Directors' Orientation:** Acquainting the directors with the CCG Regulations, other applicable laws, their duties and responsibilities.	All the Directors are highly qualified and experienced and the Company will arrange their orientation within a couple of years.	18
4	**Directors' Training:**	Ms. Jahanara would obtain DTP certification in due course. The Company has planned to arrange Directors' Training Program certification for female executive and head of department over the next few years.	19(2) & 19(3)
5	**Constitution of Nomination & Risk Management Committees:**	Currently, the Board has not yet established a separate Nomination Committee (NC). Further, the Board has not constituted a Risk Management Committee (RMC) and senior officers of the Company perform the requisite functions. However, the Board would consider to constitute NC & RMC in due course.	29(1) & 30(1)

Sr.	Requirement	Explanation for Non-Compliance	Reg. No.
6	**Performance appraisal of the head of internal audit:**	The Head of internal audit does functionally report to the Audit Committee and administratively to the CEO; however, it is pertinent to mention that any performance appraisals as well as increments/detriments in his remuneration package are solely vested with the CEO instead of the same in conjunction with the Chairman, Audit Committee; this is evident as per his appointment resolution. The appointment of the Head of Internal Audit is made by the Board and the powers for appraisal have been vested with the CEO by the Board which are subject to Company's policies for remuneration and appraisals.	31(2) & 20
7	**Disclosure of significant policies on website:**	The policies namely, communication and disclosure, code of conduct for members of Board of Directors, Senior Management and other employees, risk management and internal control exist in the Company's record and shall be uploaded on the Company's website in due course.	35(1)

Lahore: September 10, 2024

TARIQ SAYEED SAIGOL
CHAIRMAN

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF MAPLE LEAF CEMENT FACTORY LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Maple Leaf Cement Factory Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

A. F. Ferguson & Co.
Chartered Accountants
Place: Lahore

Date: September 23, 2024

UDIN: CR202410070fLqwpAvHZ

A. F. FERGUSON & Co., Chartered Accountants, A Member Firm of the PwC network
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Karachi Lahore Islamabad

BRIEF PROFILE OF DIRECTORS

MR. TARIQ SAYEED SAIGOL
(CHAIRMAN / DIRECTOR)

OTHER ENGAGEMENTS

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

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

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

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

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

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

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

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

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

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

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR — Maple Leaf Power Limited

DIRECTOR — Kohinoor Textile Mills Limited; Maple Leaf Capital Limited; Novacare Hospitals (Private) Limited

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

MR. TAUFIQUE SAYEED SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR — Kohinoor Textile Mills Limited

CHAIRMAN / DIRECTOR — Maple Leaf Capital Limited

DIRECTOR — Maple Leaf Power Limited; Novacare Hospitals (Private) Limited

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

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

BRIEF PROFILE
OF DIRECTORS

MR. WALEED TARIQ SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR — Maple Leaf Capital Limited

DIRECTOR — Kohinoor Textile Mills Limited
Maple Leaf Power Limited
Novacare Hospitals (Private) Limited

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

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

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

MR. DANIAL TAUFIQUE SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR — Kohinoor Textile Mills Limited
Maple Leaf Capital Limited
Maple Leaf Power Limited

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

MS. JAHANARA SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
- Kohinoor Textile Mills Limited
- Maple Leaf Capital Limited

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

MR. SHAFIQ AHMED KHAN
(INDEPENDENT DIRECTOR)

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

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

BRIEF PROFILE OF DIRECTORS

MR. ZULFIKAR MONNOO
(INDEPENDENT DIRECTOR)

OTHER ENGAGEMENTS

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

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

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

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

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

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

OTHER ENGAGEMENTS

DIRECTOR / CHIEF FINANCIAL OFFICER	Kohinoor Textile Mills Limited Maple Leaf Capital Limited Maple Leaf Power Limited
DIRECTOR	Agritech Limited Novacare Hospitals (Private) Limited

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

He is currently Board member of Maple Leaf Cement Factory Limited, Kohinoor Textile Mills Limited, Maple Leaf Capital Limited, Maple Leaf Power Limited, Agritech Limited and Novacare Hospitals (Private) Limited and certified Director from Pakistan Institute of Corporate Governance.

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

DIVERSITY IN THE BOARD

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

MATTERS DECIDED AND DELEGATED BY BOARD OF DIRECTORS

Matters Decided by the Board of Directors

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

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

Matters Delegated to the Management

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

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

ANNUAL EVALUATION OF BOARD PERFORMANCE

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

i. Adequate Board composition.

ii. Satisfactory processes and procedures for Board meetings.

iii. The Board sets objectives and formulates an overall corporate strategy.

iv. The Board has set up adequate number of its committees.

v. Each Director has adequate knowledge of economic and business environment in which the company operates.

vi. Each Board member contributes towards effective and robust oversight.

vii. The Board has established a sound internal control system and regularly reviews it.

viii. The Board reviews the Company's significant accounting policies according to the adequate financial reporting regulatory framework.

ix. The Board considers the quality and appropriateness of financial accounting and reporting and the transparency of disclosures.

Evaluation Criteria of Board Performance

Following is the main criteria:

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

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

PERFORMANCE REVIEW OF BOARD COMMITTEES

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

UNRESERVED COMPLIANCE OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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

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

CEO PERFORMANCE REVIEW

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

FORMAL ORIENTATION TRAINING PROGRAM FOR DIRECTORS

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

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

CREDIBILITY OF INTERNAL CONTROLS AND SYSTEMS

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

The Company obtains external assurance from:

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

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

IMPLEMENTATION OF GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENT

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

Following additional governance practices implemented by the management include:

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

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

POLICY ON DIVERSITY

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

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

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

Disclosure of interest in significant contracts and arrangement by directors

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

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

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

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

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

FOREIGN DIRECTOR

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

HUMAN RESOURCE MANAGEMENT

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

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

Succession Planning

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

Merit Based Recruitment

Maple Leaf Cement Factory Limited consistently conducts recruitment on a merit-based system. When a vacancy arises, the department head assesses the required competencies and knowledge for the role. This information is then shared with the HR department to create the job advertisement. The vacancy is subsequently advertised, and qualified candidates are shortlisted for interviews. Following the interview process, only the most suitable candidate is selected for the position.

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 (17th November 2023)

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

INVESTORS' GRIEVANCES POLICY

The Company believes that Investor services is a vital element for sustained business growth and we want to ensure that our Investors receive exemplary service across different touch points of the Company. Prompt and efficient service is essential to retain existing relationships and therefore, Investor satisfaction becomes critical to the Company. Investor queries and complaints constitute an important voice of Investor, and this policy details grievance handling through a structured grievance framework.

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

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

WHISTLE BLOWING POLICY

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

Highlights of the policy are as follows:

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

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

SAFETY OF RECORD

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

- To ensure that the Company's records are created, managed, retained, and disposed of in an effective and efficient manner;
- To facilitate the efficient management of the Company's records through the development of a coordinated Records Management Program;

- To ensure preservation of the Company's records of permanent value to support both protection of privacy and freedom of information services throughout the Company to promote collegiality and knowledge sharing;
- Information will be held only as long as required and disposed of in accordance with the record retention policy and retention schedules; and
- Records and information are owned by the Company, not by the individual or team.

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

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

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

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

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

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

CONFLICT OF INTEREST MANAGEMENT POLICY

Policy Statement

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

Management of Conflict of Interest:

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

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

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

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

Approved Training Organization – ICAP & ICAEW

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

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

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

Social Responsibility Policy:

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

Environmental Responsibility Policy

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

Policy on Corporate Social Responsibility

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

Award 2022" demonstrating management's firm philanthropist attitude towards social welfare of the society at large through charitable contributions and compliance with CSR objectives.

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

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

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

RELATED PARTY TRANSACTIONS

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

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

TRANSACTION / TRADE OF COMPANY'S SHARES

The Board has reviewed the threshold for disclosure of interest by executives holding of Company's shares which includes Chief Executive Officer, Chief Financial Officer, Executive Director (Finance), General Manager (Finance), Head of Internal Audit and Company Secretary. None of the Directors, CEO, CFO, 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.

(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.


"WE STRIVE
TO EXCEED OUR
CUSTOMERS'
EXPECTATIONS IN
EVERY WAY..."

CROSS-FUNCTIONAL TEAMS

Team Energy

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

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

Number of Meetings Held – 52

Team Improvement

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

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

Number of Meetings Held –52

Team Reliability Centered Maintenance

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

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

Number of Meetings Held – 52

Team Culture Development

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

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

Number of Meetings Held -12

REPORT OF THE AUDIT COMMITTEE

The Audit Committee comprises of two Independent Directors and two Non-Executive Directors. The Chief Financial Officer, the Chief Internal Auditor and the external auditors attend the Audit Committee meetings as provided in Listed Companies (Code of Corporate Governance) Regulations, 2019. Four meetings of the Audit Committee were held during the year 2023-2024. Based on reviews and discussions in these meetings, the Audit Committee reports that:

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

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

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

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

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

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

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

8. Company's internal audit function is headed

by a Chartered Accountant with a team of professionals who are suitably qualified and experienced and well aware of the Company's policies and procedures.

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

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

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

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

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

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

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

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

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

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

19. Appointment of external auditors and fixing of their audit fee was reviewed and the Audit Committee following this review recommended to the Board of Directors re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, as external auditors for the year 2024-2025.

On behalf of the Audit Committee

(Shafiq Ahmed Khan)
Chairman, Audit Committee
September 10, 2024

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

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

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

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

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

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

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

CHAIRMAN'S SIGNIFICANT COMMITMENTS

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

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


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CORPORATE SUSTAINABILITY

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

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

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

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

Board's statement of Adoption of best CSR practices

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

- **Environmental Safety:**

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

- **Social Responsibility:**

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

- **Governance Excellence**:

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

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

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

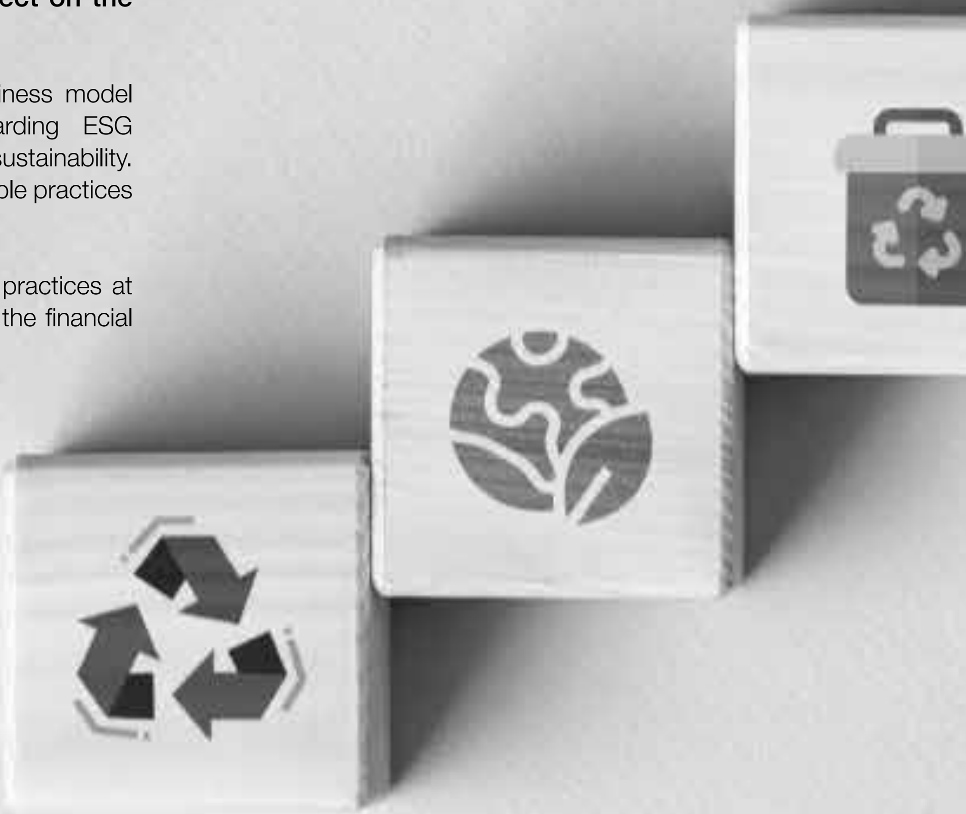
The following are the major sustainable practices at Maple Leaf Cements and their effect on the financial performance of the company.

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

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

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

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



Maple Leaf's alignment with Sustainable Development Goals

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

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

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

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

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

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

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

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

Sustainability and Supply Chain:

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

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

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

SOCIAL PERFORMANCE

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

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

HUMAN RESOURCE ACCOUNTING

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

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

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

Employee Satisfaction:

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

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

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

Employee Engagement, Training And Skills Development Activities:

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


MAPLE LEAF CEMENT
MAPLE
SPORTS


CEMENT
MAPLE
SPOR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MAPLE LEAF CEMENT


MAPLE LOUNGE


سج گیا ساڈا دیسی ویڑا

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

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

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

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


MANGO FEAST
MANGO FEAST


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

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

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

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

Rural Development Program

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

Industrial Relations

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

HEALTH AND SAFETY

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

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

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

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

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

Keeping in view the occupational health of

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

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

Maple Leaf and Al-Shifa International

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

Measures for Consumer Safety


Mian M. Sayeed Saigol HQA
Tariq & Taufique Saigol

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

Business Ethics & Anticorruption Measures

The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Employees are encouraged to report any deal that may be supported by kickbacks.

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

QUALITY MANAGEMENT SYSTEM

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

Procedures Adopted for Quality Assurance:

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

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

COMMUNITIES AND WELFARE

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

For community investment and welfare, the Company acknowledges its responsibility towards society and performs its duty by providing financial assistance to projects for society development by various

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

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

Master Mistri Program

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

Education

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

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

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

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

Jungle Mein Mangal - Vehicle Parking Space (Vps)

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

Best Corporate Report Award

The Company keeping alive the tradition of winning the Best Corporate Report award in Cement Category jointly presented by ICAP and ICMAP and has won 4TH position award for the year 2022. This award was presented to MLCFL management on October 12, 2023. 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. 26,510 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$ 7.8 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 2022 to celebrate with the Christian community on their joyous occasion.
- Civil defence week was held for training of staff.
- The Company has always concerned itself with the safety of the general public. To that end, it aided in the setup of a speed monitoring system for the police force and assisted in the promotion and execution of a road safety campaign. It has also distributed safety helmets to the general public at Mianwali.
- In recognition of the efforts of the police force, The Company has constructed a Yadgar-e Shuhada Monument and Rest Houses at Mianwali Police lines.
- The Company has also facilitated in the development, renovation and beautification of Mianwali city. A number of bus stands and city monuments were constructed.
- For recreational purposes of the locals, a cricket ground was revamped. In addition, a football ground was rehabilitated and a number of aviaries constructed at Kashmir Park, Mianwali. Housing birds of all kinds, aviaries allow large open spaces for the birds to live in safety.

ENVIRONMENTAL PERFORMANCE

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

As a result of energy crisis in the country and environmental impacts of fossil fuel, MLCFL management has further installed 7.5MW solar power plant in adition to ints previous 12.5MW of Solar PV Systems for a cleaner and sustainable plant operations. This effort is another renewable energy source apart from Waste Heat Recovery.

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

with Best Performance Award in 2022.

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

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

Material Usage:

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

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

Energy:

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

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

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

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

Tackling Air Emissions:

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

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

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

Effluents and waste:

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

Plantation drive:

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

Improving Biodiversity through Quarry Rehabilitation

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

Water Management:

Water scarcity is an issue faced by communities globally. Amid rising population, climate change, lowering of ground water table and an archaic distribution system, Pakistan is drastically vulnerable, with the threat of a water crisis. Businesses in Pakistan have an added responsibility to have an efficient water management system and policies in place. At MLCF, water management is an integral part of our sustainability approach. Although, manufacturing of cement is a relatively dry process; nevertheless, water is still used for cooling down clinker. The water used in the process coverts into steam that is reused to create electricity by using waste heat recovery plant.

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

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

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

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

Water management is not only applied at our plant site, but also at our head office. Installation of sensor taps in replacement to traditional basin taps adds to the list of efforts made by the Company for efficient water management. A traditional basin taps pours 10-15 liters of water per minute while sensor taps pour no more than 6 liters. The fact that there is a self-closing mechanism on the taps ensures that there is no sink overflow and cuts off the water supply based on sensor proximity, hence saving up water. This has been a useful investment especially during the COVID times as it helped avoid cross-contamination through touchless features and minimal contact.

Go Green

The Company for maintaining a healthy and green environment, celebrated the "World Environment Day" in coordination with District Officer Environment Mianwali along with other community stakeholders on June 3rd, 2021. The main aim of celebrating World Environment Day was to demonstrate the continual efforts and commitment of the Company's Management for the healthy working environment and awareness of people through the Environment Walk and Seminar in pursuance of the community investment and welfare schemes. In pursuance of the green vision and commitment of management of the Company for maintaining healthy and green environment, "Earth Day '' was carried out at Maple Leaf Cement Factory Limited Iskanderabad, Mianwali on 22nd April, 2021. The main aim of the ceremony was to demonstrate the continual efforts and commitment of the Company's Management for the healthy working environment for its workers as well as for the people in the neighbourhood of the Company.

Environmental Initiatives by Focusing on 3R's:

At Maple Leaf Cement Company, we believe that sustainability is not just a buzzword; it's a fundamental responsibility. As a leading player in the cement industry, we are committed to minimizing our environmental impact and contributing to a healthier planet. To achieve this goal, we have adopted a comprehensive approach that focuses on the 3 R's: Reduce, Reuse, and Recycle.

Reduce	Reuse	Recycle
We have invested heavily in energy-efficient technologies and practices to reduce our energy consumption. This includes upgrading our equipment like installation of Line-IV, optimizing our production processes, and exploring renewable energy sources. We are continuously working to optimize our raw material usage. By carefully selecting and processing materials, we aim to minimize waste and reduce our reliance on natural resources.	We have implemented advanced wastewater treatment systems to recover and reuse valuable resources like water and chemicals. This helps to conserve resources and reduce our environmental footprint. We are actively exploring opportunities to reuse byproducts generated during the cement manufacturing process. These byproducts can be used in other industries or incorporated into cement products, reducing waste and creating value.	We are investing in technologies to recover and recycle valuable materials from waste streams. This includes recycling packaging materials, recovering metals, and exploring opportunities to reuse waste-derived fuels.

Role of Board and its Members to address Sustainability Risks and Oppertunities

The Board of Directors plays a vital role in ensuring the organization's adherence to social, environmental, and governance (ESG) standards. They are responsible for establishing policies and practices that promote sustainable and ethical business operations. This includes overseeing the organization's environmental impact, addressing social responsibility initiatives, and ensuring transparent governance practices. By prioritizing ESG factors, the board helps to build trust with stakeholders, mitigate risks, and contribute to a more sustainable future.

The Board of Directors plays a crucial role in promoting diversity, gender equality, and the participation of women on the board. By ensuring a diverse and inclusive board composition, organizations can benefit from a wider range of perspectives, better decision-making, and improved risk management. This also contributes to a more equitable and inclusive corporate culture. The board is responsible for implementing policies and practices that support diversity and gender equality, such as establishing quotas or targets for female board representation and fostering a culture of inclusion.

The Board of Directors plays a critical role in identifying and addressing emerging risks and opportunities within the cement sector. This includes staying abreast of industry trends, regulatory changes, technological advancements, and economic fluctuations. By proactively assessing these factors, the board can help the organization to develop strategies that mitigate risks and capitalize on opportunities. This may involve investing in research and development, exploring new markets, and adopting sustainable practices to meet evolving customer demands and environmental regulations.

MLCF is equipped with state-of-the-art monitoring equipment, including the TESTO 350, Mini-Sampler, and Air Pointer, to conduct bi weekly stack emission measurements. Additionally, we maintain continuous ambient air monitoring and operate an EPA-approved laboratory to support emission monitoring and compliance. A detailed monthly report is generated to summarize our findings.

SUSTAINABILITY RELATED RISK AND OPPORTUNITIES

Our risk and strategy approach prioritizes the most critical sustainability issues facing our business. By evaluating our overall risk exposure, we can make informed decisions and seize opportunities that emerge from these challenges.

Risks or Opportunities	Innovation Initiatives
The demand for cement is influenced by economic growth, construction activity, and government policies. Economic downturns or changes in government priorities can lead to fluctuations in demand, impacting cement sales. The Pakistani cement industry is highly competitive, with numerous players vying for market share. Intense competition can lead to price pressures, margin erosion.	The MLCF has explored opportunities to diversify its customer base beyond the construction sector. This involves expanding into related areas like infrastructure development, or export markets. To differentiate themselves in a competitive market, MLCF focus on developing high-quality products with unique features or improved performance.
Cement production is energy-intensive, and rising energy prices can significantly impact production costs. This can reduce profitability and make it difficult for cement manufacturers to remain competitive.	MLCF has make the use of Alternate fuels, such as rice husk, Sesame seeds and canola husk as a substitute for traditional fossil fuels. MLCF also integrate renewable energy sources, like solar power into the production process to reduce reliance on fossil fuels.
The cement industry is constantly evolving, and failure to adopt new technologies can make companies less competitive and more vulnerable to risks.	Our commitment to technological innovation has led us to adopt the latest advancements in cement manufacturing. Last year, we expanded our production capacity by adding a cutting-edge fuel efficient dry process plant, powered by FLSmidth technology. A global leader in cement production solutions, FLSmidth is renowned for its state of the art equipment and expertise, ensuring we maintain our position at the forefront of the industry.
The cement sector is heavily regulated to address environmental concerns such as air pollution, water pollution, and waste generation. Stricter environmental regulations can make it more difficult for cement manufacturers to compete in both domestic and international markets. Companies that are unable to meet the regulatory requirements may face fines or penalties, or even be forced to shut down.	To minimize our environmental impact, we've implemented stringent measures to control industrial effluents and promote a healthy environment for both our employees and the local community. Our state-of-the-art equipment and annual tree planting initiatives demonstrate our commitment to sustainability. In recognition of these efforts, we were awarded ISO 14001 certification in May 2021, validating our adherence to rigorous environmental standards.

Disclosure About Four Pillar Core Content (Governance, Strategy, Risk Management, Metrics and Targets)

Corporate Governance

Our Board is committed to fostering a sustainable business environment by integrating ESG principles into our core strategy. By setting clear goals, monitoring progress, and aligning with stakeholder expectations, we ensure that sustainability is a driving force behind our operations. Our strategic oversight ensures continuous improvement, technological advancement, and transparent reporting of ESG risks and opportunities, positioning us for long-term sustainable growth.

Sustainability Strategy

As a leading cement company, we are committed to sustainability. Our strategy focuses on minimizing our environmental footprint while maximizing our positive impact on society. We are actively working to reduce greenhouse gas emissions through the adoption of alternative fuels, energy-efficient technologies, and process optimization. Additionally, we are investing in renewable energy sources to reduce our reliance on fossil fuels. We are also committed to responsible resource management, including water conservation and waste reduction. Our goal is to create a sustainable business model that benefits our stakeholders, the environment, and the communities we serve.

Risk Management

MLCF recognize that sustainability risks can pose significant challenges to our business. To mitigate these risks, we have implemented a robust risk management framework. This framework involves identifying potential sustainability risks, assessing their impact, and developing appropriate mitigation strategies. We continuously monitor and evaluate our risk management practices to ensure their effectiveness. By proactively addressing sustainability risks, we are able to protect our reputation, maintain our long-term viability, and contribute to a more sustainable future.

Targets and Metrics

Green House Gases Emission	The company is committed to environmental sustainability. It conducts regular environmental monitoring to ensure compliance with Natural Environmental Quality Standards. Equipped with advanced FLSmidth A/S cement manufacturing technology and world-class dust collection systems, the company minimizes its environmental impact. Additionally, it actively participates in tree plantation programs to promote a healthy and green environment, collaborating with local authorities.
Energy Consumption	MLCF has embraced sustainable energy practices by utilizing alternative fuels like rice husk, sesame seeds, and canola husk to replace traditional fossil fuels. Additionally, the company has integrated renewable energy sources, such as solar power, into its production process to reduce its reliance on fossil fuels.
Water Usage	The company has implemented several initiatives to promote water conservation and provide access to clean water. They have constructed a water supply scheme for nearby rural areas, installed sensor taps to reduce water wastage, and established a water filtration and treatment plant at their plant site. These efforts demonstrate their commitment to environmental sustainability and community well-being.
Diversity Policy	At MLCF, we foster a diverse and inclusive workplace that welcomes individuals from all walks of life. We value the unique perspectives and experiences that diversity brings to our team, recognizing that a collaborative environment is strengthened by a variety of ideas and backgrounds.
Training and Succession planning	At MLCF, we prioritize succession planning to ensure a strong leadership pipeline. We invest in our employees' development, providing opportunities for growth and advancement. Our rigorous succession planning process identifies and prepares high-potential individuals for future leadership roles. We seek employees who demonstrate a commitment to continuous improvement and have the potential to excel in challenging positions.

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

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

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

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

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

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

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

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

ISO 14001:2015

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

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

Achievement of ISO 45001:2018

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

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

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

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


Certificate of Approval
Maple Leaf Cement Factory Ltd


Certificate of Approval
Maple Leaf Cement Factory Ltd


SGS


SGS


CA
ICMA
Best Corporate Report 2022 Award
Maple Leaf Cement Factory Limited
Sector: Cement


SGS


ENVIRONMENT
HEALTH & SAFETY
Maple Leaf Cement Factory Limited


SOUTH ASIAN FEDERATION OF ACCOUNTANTS
Certificate of Merit


CERTIFICATE OF EXCELLENCE
15TH NFEH'S CORPORATE SOCIAL RESPONSIBILITY AWARDS 2023
MAPLE LEAF CEMENT FACTORY LIMITED

IT GOVERNANCE POLICY AND CYBERSECURITY

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

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

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

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

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

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

The salient features of IT security policy are as follows:

- Regulatory and legal requirement' compliant procedures e.g., record keeping, retention and retrieval etc.

- Restricting unauthorized access to ensure integrity of information.
- Integrity of information to be assured by protecting it from unauthorized modification, disclosure or interruption.
- Disaster recovery plan to have in place which is tested occasionally to ensure that the system and services are available within bear minimum time.
- Educating the employees about IT security policy and cybersecurity threats.
- Reporting all actual or suspected information security breaches to the internal audit for further investigation.
- Making rules for all employees who have the access and use companies IT assets and resources.

IT Governance and Cybersecurity Programs:

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

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

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

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

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

Risk Oversight and Cybersecurity:

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

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

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

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

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

Controls and procedures for early warning system:

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

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

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

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

Policies related to independent comprehensive security assessment.

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

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

Disaster recovery plan and contingency:

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

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

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

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

Cybersecurity insurance:

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

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

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

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

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

Efforts to mitigate Cybersecurity Risks:

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

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

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

FORWARD LOOKING STATEMENT

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

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

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

Sources of information used for projections of future revenue:

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

Assistance taken by any external consultant.

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

Financial Projections

The Company expects local dispatches to the market for the next financial year to reach higher levels as reported in 2023-24. 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	**2025**
	Rs. in Million
Sales – Net	69,324
Profit after taxation	7,965
Paid up share capital	10,476
EPS (Rupees)	7.52

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. In comparison, the Pakistan's economy performed better than anticipated hence, actual financial results deviated to a more favourable 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.66.45 billion Net Sales Revenue, an increase of 7.05% as compared to previous year, as market conditions grew favourable 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 working capital requirements.

Status of the projects in progress

The company is building the state of the art hospital for the benefit of society.

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

Status of the projects previously disclosed

The Company has capitalized Wall Putty Plant during the year. The Company has also installed 7.5 MW solar plant.

KEY SOURCES OF ESTIMATION UNCERTAINTY

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

KEY ESTIMATES AND ASSUMPTIONS

Key estimates and assumptions concerning the future include:

Impairment of financial assets

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

Estimating useful life of assets

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

Taxation

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

Employee benefit scheme

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

FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT

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

SUMMARY OF SIGNIFICANT / MATERIAL ASSETS OR IMMOVABLE PROPERTY

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

FUTURE RESEARCH AND DEVELOPMENT INITIATIVES:

MLCF is committed to expanding access to high-quality healthcare and has made a strategic investment in Novacare Hospitals (Pvt) Ltd. This investment aligns with our vision of providing advanced medical facilities to the community. By partnering with Novacare, we aim to enhance healthcare services, improve patient outcomes, and contribute to the overall well-being of the population. Novacare Hospitals (Pvt.) Limited will offer a comprehensive range of medical specialties. Our state-of-the-art facilities, coupled with experienced medical professionals and cutting-edge technology, will ensure that patients receive the best possible care. We believe this investment will significantly strengthen the healthcare infrastructure in the region and positively impact the lives of countless individuals.

POLICY AND PROCEDURES FOR STAKEHOLDERS' ENGAGEMENT

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

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

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

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

ENTITY'S SIGNIFICANT RELATIONSHIPS

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

POLICY TO SOLICIT AND UNDERSTAND VIEWS OF SHAREHOLDERS

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

INTERACTION WITH MAJOR SHAREHOLDERS

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

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

- Corporate Briefing Session (17th November 2023)

STEPS TO ENGAGE MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

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

INVESTORS' RELATIONS SECTION ON CORPORATE WEBSITE

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

ISSUES RAISED IN THE LAST ANNUAL GENERAL MEETING

No issue was raised by the valued shareholders in the last Annual General Meeting held on October 19, 2023 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.

CORPORATE BENEFITS TO SHAREHOLDERS

Last year, Maple Leaf Cement Factory Limited repurchased 25,783,624 of its shares for cancellation. This buyback increased the value of the remaining shares, enhancing shareholder equity. The appreciation in share value offers significant corporate benefits to shareholders, reflecting the company's commitment to delivering long-term value.

INTEGRATED REPORTING

BASIS OF PREPARATION AND PRESENTATION

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

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

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

Management acknowledges its responsibility of the integrity of this Report and have applied their collective mind and effort in its preparation and presentation. All information is internally reviewed by the command hierarchy, polished and improved at each step to reflect stark realities, remove errors and analytically report on future scenarios and where relevant, all information is presented in a format tied and linked to various capitals, stakeholder relationships and how the organization relates to it. Full efforts have been made to disclose all material information to its stakeholders unless Management is of the view that its disclosure would cause significant competitive harm, 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, 2017
- Code of Corporate Governance Regulations, 2019
- Core guidelines of the Integrated Reporting Framework issued by the IIRC

CEMENT IS A VITAL DRIVER OF ECONOMIC GROWTH

ECONOMIC
PERFORMANCE

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

ANALYSIS OF THE FINANCIAL AND NON-FINANCIAL PERFORMANCE

FINANCIAL INDICATORS:

Actual Results:

The Company's sale increased in current FY 2024 by 7.05% as compared to FY 2023. This increase in sales is a result of better average retention compared to previous year due to market conditions and passing on the effect of price increase in oil and other input costs. Profitability saw a massive rebound mainly due to increase in sales retentions. Annual Inflationary trend in production costs was averted to maximum possible extent by efficient buying of fuel and strict monitoring of fixed costs. Following are the main highlights:

	2024	2023
	(Rs. In Million)	
Net Sales	66,452	62,075
Net Profit/ (Loss)	6,920	5,770
Earnings/(Loss) per share (Rupee)	6.51	5.38

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	Budget
	2024	2024
	(Rs. In Million)	
Net Sales	66,452	62,756
Net Profit	6,920	5,501
Earnings per share (Rupee)	6.51	5.13

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 by increasing more reliance on alternate fuel and decreasing the use of coal and furnace oil.
    b. Lower power cost including decline in per ton KWH power consumption and by adding cheap source of energy.

3. Lowering weighted average cost of capital

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

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

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

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

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

Significant Change in Accounting policies, judgements, estimates and assumption

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

METHODS AND ASSUMPTIONS USED IN COMPILING INDICATORS

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

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

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

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

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

SHARE PRICE SENSITIVITY ANALYSIS

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

1) INCREASE IN DEMAND:

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

2) INCREASE IN VARIABLE COST:

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

3) INCREASE IN FIXED COST:

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

4) **CHANGE IN GOVERNMENT POLICIES:**

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

Sensitivity Analysis of Change in Market Capitalization

Share Price as of 30 June 2024	Rs. 38
Market Capitalization as of 30.06.2024	Rs. 39,807,379,104
Change in Share Price by	Change in Market Capitalization
+10%	Rs. 3,980,737,910
-10%	Rs. (3,980,737,910)

Reasons

Market capitalization is affected by political stability, economic conditions.

Segmental review and analysis of business performance

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

The Company is operating in two principal geographical areas in terms of continents and revenue from continuing operations from external customers based on geographical areas are Asia 99.93% and Africa .07%.

- The Standalone financial statements of the Company have been prepared on the basis of single reporting segment.
- Revenue from sale of cement represents 100% of gross sales of the Company. Sales during the year 2023-24 comprises 96.25% of grey cement and 3.75% of white cement. During the year, grey cement segment has shown significant growth in terms of prices. The Company operates in two principal geographical areas, Asia and Africa. The Company's main sole product is cement.

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

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

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

- Moreover, all assets of the Company as at June 30, 2024 are located in Pakistan.

HOW THE INDICATORS AND PERFORMANCE MEASURES HAVE CHANGED OVER THE PERIOD

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

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

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

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

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

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

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

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

HORIZONTAL ANALYSIS - UNCONSOLIDATED
SIX YEARS

	2024 Rs. '000'	24 vs 23 %	2023 Rs. '000'	23 vs 22 %	2022 Rs. '000'	22 vs 21 %	2021 Rs. '000'	21 vs 20 %	2020 Rs. '000'	20 vs 19 %	2019 Rs. '000'	19 vs 18 %
Statement of Financial Position												
Total equity	52,615,908	17.15	44,913,116	10.74	40,559,015	8.03	37,542,541	19.86	31,320,831	2.64	30,514,586	2.02
Total non-current liabilities	28,151,974	(1.50)	28,579,575	12.24	25,461,804	47.63	17,247,289	(10.98)	19,375,165	(8.95)	21,278,671	26.18
Total current liabilities	18,597,800	14.69	16,215,021	0.13	16,193,391	41.43	11,449,448	(25.23)	15,313,775	8.11	14,164,518	18.49
Total equity and liabilities	99,365,682	10.77	89,707,712	9.11	82,214,210	24.12	66,239,278	0.35	66,009,771	0.08	65,957,775	12.31
Total non-current assets	72,497,845	7.46	67,468,045	9.01	61,892,221	25.50	49,315,862	(0.18)	49,402,580	(4.54)	51,750,897	12.51
Total current assets	26,867,837	20.81	22,239,667	9.44	20,321,989	20.08	16,923,416	1.90	16,607,191	16.90	14,206,878	11.59
Total assets	99,365,682	10.77	89,707,712	9.11	82,214,210	24.12	66,239,278	0.35	66,009,771	0.08	65,957,775	12.31
Profit or Loss Account												
Sales - net	66,452,348	7.05	62,075,259	27.94	48,519,622	36.53	35,538,301	22.05	29,117,734	11.97	26,005,944	1.19
Cost of sales	(45,488,064)	3.61	(43,901,906)	23.51	(35,544,492)	28.82	(27,591,731)	(5.70)	(29,259,512)	44.73	(20,216,117)	8.24
Gross profit	20,964,284	15.36	18,173,353	40.06	12,975,130	63.28	7,946,570	(5,704.94)	(141,778)	(102.45)	5,789,827	(17.55)
Distribution cost	(5,471,808)	45.87	(3,751,096)	71.79	(2,183,540)	40.19	(1,557,540)	11.03	(1,402,814)	(22.32)	(1,805,991)	145.33
Administrative expenses	(1,852,148)	34.15	(1,380,607)	42.12	(971,453)	19.42	(813,489)	3.67	(784,706)	6.97	(733,607)	0.42
Other operating expenses	(926,736)	(21.92)	(1,186,881)	24.65	(952,200)	81.67	(524,142)	482.39	(89,999)	(80.28)	(456,493)	(20.25)
Other operating income	356,142	142.86	146,646	159.09	56,601	(98.48)	3,732,132	2,727.84	131,978	206.95	42,997	(23.13)
Profit from operations	13,069,734	8.90	12,001,415	34.48	8,924,538	1.61	8,783,531	(484.01)	(2,287,319)	(180.63)	2,836,733	(43.71)
Finance cost	(4,138,286)	50.44	(2,750,747)	58.00	(1,741,026)	16.54	(1,493,930)	(49.90)	(2,981,722)	154.29	(1,172,557)	82.04
Profit/(loss) before taxation	8,931,448	(3.45)	9,250,668	28.78	7,183,512	(1.46)	7,289,601	(238.35)	(5,269,041)	(416.62)	1,664,176	(62.14)
Taxation	(3,658,921)	(23.12)	(4,758,998)	33.79	(3,557,172)	243.52	(1,035,492)	(343.20)	425,776	(314.09)	(198,877)	(73.94)
Profit/(loss) after taxation	5,272,527	17.38	4,491,670	23.86	3,626,340	(42.02)	6,254,109	(229.13)	(4,843,265)	(430.53)	1,465,299	(59.66)

VERTICAL ANALYSIS - UNCONSOLIDATED
SIX YEARS

	2024		2023		2022		2021		2020		2019	
	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%
Statement of Financial Position												
Total equity	52,615,908	52.95	44,913,116	50.07	40,559,015	49.33	37,542,541	56.68	31,320,831	47.45	30,514,586	46.26
Total non-current liabilities	28,151,974	28.33	28,579,575	31.86	25,461,804	30.97	17,247,289	26.04	19,375,165	29.35	21,278,671	32.26
Total current liabilities	18,597,800	18.72	16,215,021	18.08	16,193,391	19.70	11,449,448	17.28	15,313,775	23.20	14,164,518	21.48
Total equity and liabilities	99,365,682	100.00	89,707,712	100.00	82,214,210	100.00	66,239,278	100.00	66,009,771	100.00	65,957,775	100.00
Total non-current assets	72,497,845	72.96	67,468,045	75.21	61,892,221	75.28	49,315,862	74.45	49,402,580	74.84	51,750,897	78.46
Total current assets	26,867,837	27.04	22,239,667	24.79	20,321,989	24.72	16,923,416	25.55	16,607,191	25.16	14,206,878	21.54
Total assets	99,365,682	100.00	89,707,712	100.00	82,214,210	100.00	66,239,278	100.00	66,009,771	100.00	65,957,775	100.00
Profit or Loss Account												
Sales - net	66,452,348	100.00	62,075,259	100.00	48,519,622	100.00	35,538,301	100.00	29,117,734	100.00	26,005,944	100.00
Cost of sales	(45,488,064)	(68.45)	(43,901,906)	(70.72)	(35,544,492)	(73.26)	(27,591,731)	(77.64)	(29,259,512)	(100.49)	(20,216,117)	(77.74)
Gross profit	20,964,284	31.55	18,173,353	29.28	12,975,130	26.74	7,946,570	22.36	(141,778)	(0.49)	5,789,827	22.26
Distribution cost	(5,471,808)	(8.23)	(3,751,096)	(6.04)	(2,183,540)	(4.50)	(1,557,540)	(4.38)	(1,402,814)	(4.82)	(1,805,991)	(6.94)
Administrative expenses	(1,852,148)	(2.79)	(1,380,607)	(2.22)	(971,453)	(2.00)	(813,489)	(2.29)	(784,706)	(2.69)	(733,607)	(2.82)
Other operating expenses	(926,736)	(1.39)	(1,186,881)	(1.91)	(952,200)	(1.96)	(524,142)	(1.47)	(89,999)	(0.31)	(456,493)	(1.76)
Other operating income	356,142	0.54	146,646	0.24	56,601	0.12	3,732,132	10.50	131,978	0.45	42,997	0.17
Profit from operations	13,069,734	19.67	12,001,415	19.33	8,924,538	18.39	8,783,531	24.72	(2,287,319)	(7.86)	2,836,733	10.91
Finance cost	(4,138,286)	(6.23)	(2,750,747)	(4.43)	(1,741,026)	(3.59)	(1,493,930)	(4.20)	(2,981,722)	(10.24)	(1,172,557)	(4.51)
Profit / (loss) before taxation	8,931,448	13.44	9,250,668	14.90	7,183,512	14.81	7,289,601	20.51	(5,269,041)	(18.10)	1,664,176	6.40
Taxation	(3,658,921)	(5.51)	(4,758,998)	(7.67)	(3,557,172)	(7.33)	(1,035,492)	(2.91)	425,776	1.46	(198,877)	(0.76)
Profit / (loss) after taxation	5,272,527	7.93	4,491,670	7.24	3,626,340	7.47	6,254,109	17.60	(4,843,265)	(16.63)	1,465,299	5.63

SUMMARY OF CASH FLOW STATEMENT - UNCONSOLIDATED
SIX YEARS

	2024	2023	2022	2021	2020	2019
	(Rupees in thousand)					
Cash generated from operations before working capital changes	17,774,227	16,351,746	12,674,556	8,790,829	1,047,196	5,247,724
(Increase) / decrease in current assests						
Stores, spare parts and loose tools	(3,345,949)	2,927,753	(3,114,888)	(1,343,107)	(1,186,848)	(703,479)
Stock-in-trade	618,055	(1,178,984)	(545,438)	(370,779)	(40,390)	(545,508)
Trade debts	(1,944,951)	(726,197)	(596,428)	1,213,368	(393,515)	(1,688,194)
Loans and advances	300,146	(276,007)	(122,623)	(85,357)	382,104	1,498,243
(Decrease)/increase in trade and other payables	(1,126)	2,719,129	894,481	(554,680)	(34,144)	3,225,702
Other receivables	(109,562)	29,730	113,574	(130,579)	63	8,215
Retirement benefits adjusted /(paid)	(47,729)	(53,879)	(43,319)	(56,198)	(35,724)	(38,020)
Taxes paid	(1,494,385)	(1,459,957)	(586,635)	(736,571)	(675,051)	(379,435)
Others	(2,252,483)	1,810,331	(343,173)	(174,959)	(1,415)	(35,322)
Net Cash generated from operating activities	9,496,243	20,143,665	8,330,107	6,551,967	(937,724)	6,589,926
Capital expenditure	(3,099,319)	(9,071,126)	(15,790,494)	(3,285,300)	(855,476)	(8,220,851)
Dividend received from fully owned subsidy		-	-	3,514,000	-	-
Payments for acquisition of intangibles	(89,828)	-	(6,786)	-	-	(5,219)
Proceeds from disposal of property, plant and equipment	285,654	89,125	30,583	53,115	52,047	102,173
Redemption of long term investments	-	-	-	-	-	-
Dividend received	86,605	-	-	-	-	-
Proceeds from disposal of short term investment	2,475,461	-	-	-	-	-
Short term investment - net	(1,623,608)	(3,234,546)	(75,000)	(44,500)	(50,000)	-
Long term investment	(1,172,000)	(10,000)	-	-	-	-
Short term loan to Maple Leaf Capital Limited	500,000	-	-	-	-	-
Repayment of short term loan from Maple Leaf Capital Limited	(500,000)	-	-	-	-	-
Profit received on short term loan to Maple Leaf Capital Limited	11,409	-	-	-	-	-
Profit on bank deposits received	94,741	52,064	22,377	13,692	29,842	18,796
Increase / decrease in long term deposits						
Net Cash used in investing activities	(3,030,885)	(12,174,483)	(15,819,320)	251,007	(823,587)	(8,105,101)
Proceeds from long term loans from banking companies - secured - net	(4,819,016)	(1,720,571)	6,898,075	1,142,825	(5,007,260)	3,552,666
Long term loan from subsidiary company	2,500,000	-	1,000,000	(2,000,000)	2,000,000	1,000,000
Proceeds from issuance of right shares	-	-	-	-	5,994,968	-
Repayment of redeemable capital - secured	-	-	-	-	-	-
Repayment of syndicated term finance - secured	-	-	-	-	-	-
Payment of liabilities against assets subject to finance lease - net	-	-	-	-	-	-
Short term borrowings - net	-	(2,174,578)	490,990	(4,121,973)	3,100,037	(1,215,654)
Finance cost paid	(4,145,538)	(2,527,786)	(1,296,781)	(1,733,621)	(3,011,992)	(857,976)
Redemption of preference shares	(12)	(5)		-	-	
Dividend paid	(122)	(191)	(565)	(19,919)	(289,361)	(663,880)
Lease rentals paid during the year	(18,529)	(14,611)	(12,425)	-	-	-
Own share purchased for cancellation	(999,145)	(194,661)	(477,778)	-	-	-
Net cash generated from/ (used in) financing activities	(7,482,362)	(6,632,403)	6,601,516	(6,732,688)	2,786,392	1,815,156
Net increase/ (decrease) in cash and cash equivalents	(1,017,004)	1,336,779	(887,697)	70,286	1,025,081	299,981
Cash and cash equivalents at beginning of the years	740,706	(603,919)	279,802	209,516	(815,565)	(806,581)
Exchange (Loss)/Gain on cash & cash equivalents	2,893	7,847	3,976	-	-	(308,965)
Cash and cash equivalents at end of the years	(273,405)	740,706	(603,919)	279,802	209,516	(815,565)

COMMENTS ON SIX YEARS ANALYSIS

HORIZONTAL ANALYSIS

Statement of Financial Position

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

Increase in non-current assets of the Company in FY 2017 to FY 2020 was mainly due to its investment in new production line-III of grey cement. Non-current assets significantly increased again during the next years mainly due to expansion relating to installation of line IV, installation of 2 Nos. solar power plants and related WHRP. Significant increase in Non-Current asset during the FY 2024 was dur to revaluation of Non-Current assets. Current assets exhibit a consistent increasing trend in line with higher capacity levels and sales volume.

Profit or Loss Account

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

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

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

VERTICAL ANALYSIS

Statement of Financial Position

The equity of the Company continues to improve; its weightage has also increased except from FY 2018 to FY 2019 where its proportion decreased from 50.93% to 46.26% respectively on account of increase in non-current liabilities resulting from drawdown of long-term finances for expansion project of cement however, during financial year 2020-2021 equity component has increased from 47.45% to 56.68% by virtue of profits earned by the Company. However, equity component has decreased during the FY 2022 from 56.68% to 49.33% due to increase in non-current liabilities from 26.04% to 30.97% and current liabilities increased from 17.28% to 19.70% resulting from further financing for line IV project and other expansion related projects as explained in above sections. During FY 2023 to FY 2024, total equity slightly increased from 50.07% to 52.95% and total non-current liabilities also decreased from 31.86% to 28.33% while the total current liabilities increased from 18.08% to 18.72%.

Due to nature of industry, a capital-intensive sector, ratio of non-current assets to total assets remained in the range of 72.96% to 78.46% as evident from last 6 years reported figures. On account of investment in expansion project, non-current assets have increased in FY 2018 & 19 in rupee terms. The proportion of current asset vs non-current assets significantly decreased during FY 2018 due to an increase in non-current assets as explained above, while showing a reversed trend in the FY 2020 and FY 2021 due to higher working capital requirements on account of the addition of grey cement Line III, similarly, in the aforementioned period non-current assets share stayed between 78.46%

to 74.45% on account of increase in deprecation due to operations of line-III. During the current financial year, the ratio of current assets has increased , due to increase in Stores and Trade Debts.

Profit or Loss Account

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

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

During the current year, GP % increased further from 29.28% to 31.55% of prior year mainly due to increase in local sales prices even there is a dip in local dispatches. Prices were on the higher side due to passing on the impact of high inflationary impact of prices on input costs and Pak Rupee devaluation. NP % Increased during the year from 7.24% to 7.93% mainly due to decreased taxation.

COMMENTS ON CASH FLOW STATEMENTS

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

Other than the FY 2021, where the Company didn't invest in any new project or major investment, the Company's capital expenditure has been consistently high, especially in FY 2018-19, due to investment in the grey cement line III of 7,300 tpd for capacity enhancement and in FY 2022-23 due to heavy investments in line IV (7,000 tpd), WHRP and solar power projects. The Company has financed the above-mentioned project by obtaining finances from financial institutions and issuing right shares along with its equity contribution.

During the FY 2021, the Company has started new projects i.e., new brownfield cement line IV, enhancement of WHRP capacity at existing lines of cement. These capital expenditures were managed partially with long term financing and from internally generated cash flows. In FY 2022, the financing activates produced a net inflow because of the long term loan from the banks. The FY 2023 and FY 2024 witnessed a heavy net outflow from financing activities as the company utilized its cash generation from operations to clear its outstanding loan and short-term borrowings.

ANALYSIS OF FINANCIAL RATIOS UNCONSOLIDATED
FOR SIX YEARS
FROM JUNE 2019 TO JUNE 2024

Ratios Description	2024	2023	2022	2021	2020	2019
Profitability Ratios:						
Gross Profit ratio	31.55%	29.28%	26.74%	22.36%	-0.49%	22.26%
Net Profit to Sales	7.93%	7.24%	7.47%	17.60%	-16.63%	5.63%
EBITDA Margin to Sales	28.85%	26.54%	26.24%	35.52%	3.67%	21.49%
Operating leverage ratio	1.26	1.23	0.04	-21.95	-15.10	-36.61
Return on Equity	10.02%	10.00%	8.94%	16.66%	-15.46%	4.80%
Return on Capital employed	8.30%	7.52%	6.69%	13.35%	-10.42%	3.24%
Effective Tax Rate	40.97%	51.44%	49.52%	14.21%	8.08%	11.95%
Shareholder's Funds	52.95%	50.07%	49.33%	56.68%	47.45%	46.26%
Retun on Investment	0.73%	0.10%	-	0.57%	0.14%	0.27%
Return on Shareholder's Funds	10.02%	10.00%	8.94%	16.66%	-15.46%	4.80%
Liquidity Ratios:						
Current ratio	1.44	1.37	1.25	1.48	1.08	1.00
Quick / Acid test ratio	0.61	0.52	0.29	0.44	0.42	0.37
Cash to Current Liabilities	0.06	0.05	0.05	0.04	0.07	0.03
Cash flow from Operations to Sales	0.14	0.32	0.17	0.18	(0.03)	0.25
Cash flow to capital expenditure	3.06	2.22	0.53	1.99	(1.10)	0.80
Cash flow coverage ratio	0.49	1.02	0.33	0.40	(0.04)	0.30
Investment / Market Ratios:						
Earnings per share (EPS)						
Basic	4.98	4.18	3.30	5.69	(5.30)	2.13
Diluted	4.98	4.18	3.30	5.69	(5.30)	2.13
Price Earnings ratio	7.63	6.77	8.28	8.25	(4.90)	11.23
Price to book ratio	0.76	0.68	0.74	1.37	0.91	0.46
Market value per share						
Closing	38.00	28.33	27.35	46.98	25.98	23.89
High	43.30	29.36	47.51	50.90	31.90	60.78
Low	26.52	19.34	23.95	25.85	13.79	19.26
Break up value per share / Net assets per share						
With revaluation surplus	49.69	41.84	36.93	34.18	28.52	51.40
Without revaluation surplus	45.90	40.10	34.69	31.37	25.22	44.85
With revaluation surplus including investment in subsidiary*	59.34	49.38	43.12	39.54	36.03	62.77
Cash Dividend per Share	-	-	-	-	0.27	1.00
Dividend Pay out Ratio	-	-	-	-	-5.10%	47.00%
Dividend Yield Ratio	-	-	-	-	1.04%	4.19%
Dividend Cover Ratio	-	-	-	-	(16.32)	2.47
Capital Structure Ratios:						
Financial leverage ratio	0.38	0.46	0.64	0.44	0.70	0.73
Weighted average cost of debt	18.64%	15.09%	9.64%	7.85%	13.57%	9.89%
Net Borrowing/ EBITDA	1.07	1.29	2.07	1.31	20.52	4.20
Av. Operating Working Capital to Sales Ratio	23.56%	22.53%	26.36%	30.04%	29.33%	27.42%
Debt to Equity ratio	26:74	32:68	36:64	28:72	33:67	37:63
Debt to Equity ratio (Market value)	18:82	24:76	27:73	16:84	24:76	32:68
Interest Cover ratio	3.16	4.36	5.13	5.88	(0.77)	2.42
Activity / Turnover Ratios:						
Inventory turnover ratio	12.76	13.36	14.67	14.04	16.63	13.79
No. of Days in Inventory	28.61	27.31	24.88	25.99	21.95	26.47
Debtor turnover ratio	19.57	26.60	25.91	15.02	10.15	13.63
No. of Days in Receivables	18.65	13.72	14.09	24.30	35.95	26.78
Total Assets turnover ratio	0.67	0.69	0.59	0.54	0.44	0.39
Fixed Assets turnover ratio	1.01	1.00	0.85	0.80	0.66	0.56
Creditor turnover ratio	9.70	10.00	9.49	7.46	8.16	7.46
No. of Days in Creditors	37.63	36.50	38.46	48.96	44.75	48.93
Operating Cycle	9.63	4.54	0.51	1.33	13.16	4.32
Employee Productivity Ratio						
Production per Employee	2,241	2,600	3,097	3,498	3,557	2,424
Revenue per Employee	36.75	37.94	31.69	24.89	19.93	17.33
Staff turnover ratio	19.98%	22.66%	15.59%	6.30%	5.81%	5.35%
Non-Financial Ratios						
%age of plant availability	98%	87%	104%	98%	99%	98%
Customer satisfaction index	64%	90%	91%	75%	85%	90%
Customer Retention Ratio	100%	97%	95%	95%	90%	86%
Other Ratios						
Spares Inventory as % of Assets Cost	12.36%	11.06%	15.63%	14.70%	12.72%	10.93%
Maintenance Cost as % of Operating Expenses	11.32%	9.37%	8.78%	7.58%	7.65%	9.54%

COMMENTS ON RATIO ANALYSIS

Profitability ratios: The profitability ratios of the Company have shown a triumphant recovery during the current year due to an increase in retention prices and control in production expenses due to cost efficient production and the Company avoiding the bump in the Wapda power tariffs by following an ongoing strategy of shifting reliance from national power grid to self-generation. Furthermore, profitability of the Company has also improved due to increase in selling price. In addition, the Company has managed to increase its Grey local sales retention, thereby overall increasing net sales. The Cost of Sales show a limited variance, but overall, input prices remain high.

Liquidity Ratios: From 2019 onwards decline in the liquidity is witnessed due to Brown field expansion of grey cement line-III. Liquidity indicators stabilized during the comparative period due to no significant capital expenditures having been incurred and management's decision to early service the current portion of long-term debts from financial institutions. During FY 2022, liquidity worsened a little due to reduced profitability as compared to prior year and enhanced borrowings on account of expansion and growth. In FY 2023 and FY 2024, liquidity improved significantly due to the increase in contribution margins.

Investment / Market Ratios: The increase of the State Bank Policy rate in the year under review and the curtailed of domestic and international markets as the threat of global corona virus pandemic subsides has revitalized the investors interest and confidence in the stock market. Further, government policies and political uncertainty has made the market conditions unfavourable which is result decreases the demand of products and share price of the company. The Company's market share price remained in the range of Rs. 27.05 per share to Rs. 42.12 per share, closing at Rs. 38 per share in comparison to Rs. 28.33 per share at the close of last year. Further, the company's EPS has improved significantly from 4.18 to 4.98 in the current year due to the cancellation of bought back shares.

Capital Structure Ratios: The Company is operating at optimal level of debt equity mix. Relying mainly on internal cash generation to maximize shareholders' return. However, in last 5 years, the Company increased its debt to cater the financing needs for expansion project of grey cement line-III and line IV. This increase in ratio results is currently due to Company obtaining more borrowings to finance the line III and Line IV projects and other capital investments and as a result, debt to equity ratio has worsened to 36:64 in FY 2022 but has improved in FY 2024 due to the early payment of loan to cope up with the increasing interest rates.

During the year, the Government SBP policy rate was at high rate of 22% which has caused the finance cost of the company to increase as compared to prior year.

Activity/turnover ratios: The operating cycle has overall been on an upward positive trend over the years due to an increase in Payable days on account of better negotiated credit terms with suppliers of expansion projects and creditors. No. of days of Inventory, however, have witnessed a small variation, but has generally overall increased. A stable inventory turnover ratio over the past 6 years shows the Company's quick ability to convert inventory into revenue as a result of the Companies persistent improvements in the supply chain and logistical network. Over the years, debtor turnover ratio declined due to enhancement of distributors and dealers' network in the local market for higher market share but has now again increased in recent years.

DUPONT ANALYSIS

Years	Return on Equity (Profit Margin * Total Asset Turnover* Equity Multiplier)	Profit Margin (Pre-Tax Profit / Sales)	Total Asset Turnover (Sales / Avg. Assets)	Return on Assets	Equity Multiplier (Avg. Assets / Avg. Equity)
	E= C*D	A	B	C= A*B	D
2024	18.32%	0.13	0.70	9.45%	1.94
2023	21.65%	0.15	0.72	10.76%	2.01
2022	18.40%	0.15	0.65	9.68%	1.90
2021	21.17%	0.2	0.54	11.02%	1.92
2020	-17.04%	(0.18)	0.44	-7.99%	2.13
2019	5.51%	0.06	0.42	2.67%	2.06

Following are the DuPont analysis highlights:

1. Operational results have improved due to better local sale retention and the profit margin remains same as last year.

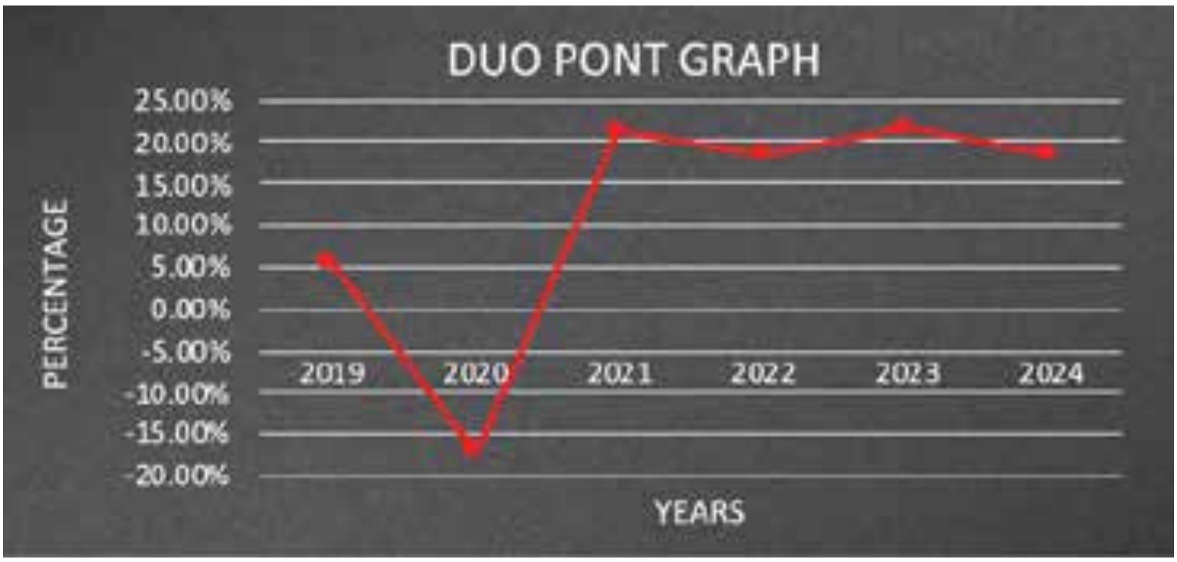
2. Assets turnover ratio has improved from the previous year, as net sales skyrocketed, whereas the Company's Total Asset base materially remained unchanged from the previous year.

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

4. Investment in new machinery has increased the value of average asset while the profits have also increased the equity which overall increases the Equity Multiplier.

Conclusion:

The DuPont analysis depicts improvement in profitability and return on assets.



COMPOSITION OF LOCAL VERSUS IMPORTED MATERIAL AND SENSITIVITY ANALYSIS

	2024		2023	
	Rs. '000	%	Rs. '000	%
Local Components:				
Raw materials consumed	3,912,267	13%	2,904,016	10%
Packing materials consumed	3,539,273	12%	3,376,679	12%
Fuel	9,808,407	34%	16,828,224	58%
Stores, spare parts and loose tools consumed	481,379	2%	404,909	1%
Imported Components:				
Fuel	9,314,413	32%	4,948,902	17%
Stores, spare parts and loose tools consumed	828,396	3%	672,466	2%
Total	27,884,135	100%	29,135,196	100%

Sensitivity analysis

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

would have been as follow:

	2024 Rs. '000'	2023 Rs. '000'
Increase of 1% in exchange rate	101,428	56,214
Decrease of 1% in exchange rate	(101,428)	(56,214)

The management constantly monitors the international coal prices and exchange rates. The management takes necessary and timely steps to mitigate such impacts.

FREE CASH FLOWS

	2024 Rs. '000'	2023 Rs. '000'
Net cash generated from operating activities	9,496,243	20,143,665
Capital expenditures	(3,099,319)	(9,071,126)
FCF - Total	6,396,924	11,072,539

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

	2024 Rs. '000'	2023 Rs. '000'
NOPAT	10,939,290	9,352,691
Less: WACC* Capital Invested	(3,094,602)	(2,547,079)
Economic Value Added	7,844,688	6,805,612

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

KEY OPERATING AND FINANCIAL DATA - UNCONSOLIDATED

FOR SIX YEARS FROM JUNE 2019 TO JUNE 2024

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Quantitative Data (M. Tons)						
Cement:						
Production	4,051,726	4,253,451	4,741,944	4,994,594	5,196,304	3,638,313
Sales	4,068,218	4,273,444	4,759,428	5,023,444	5,201,820	3,673,278
Sales (Rs. 000)						
Gross Sales (Local + Export-Discount)	89,701,037	82,836,831	66,400,649	50,875,878	47,412,675	36,678,918
Less:						
Excise Duty	7,763,020	6,911,333	6,973,716	7,043,999	10,040,696	4,874,102
Sales Tax	15,088,469	13,494,564	10,631,729	8,060,518	8,027,602	5,656,806
Commission	397,200	355,676	275,582	233,060	226,643	142,066
Net Sales	66,452,348	62,075,258	48,519,622	35,538,301	29,117,734	26,005,944
Profitability (Rs. 000)						
Gross Profit/(Loss)	20,964,284	18,173,353	12,975,130	7,946,570	(141,778)	5,789,827
Profit/(Loss) Before Tax	8,931,448	9,250,668	7,183,512	7,289,601	(5,269,041)	1,664,176
Provision for Income Tax	(3,658,921)	(4,758,998)	(3,557,172)	(1,035,492)	425,776	(198,877)
Profit/(Loss) After Tax	5,272,527	4,491,670	3,626,340	6,254,109	(4,843,265)	1,465,299
Financial Position (Rs. 000)						
Tangible Fixed Assets-Net	65,995,598	62,354,608	56,784,840	44,215,539	44,297,941	46,640,664
Other Non-Current Assets	6,502,247	5,113,437	5,107,381	5,100,323	5,104,639	5,110,233
	72,497,845	67,468,045	61,892,221	49,315,862	49,402,580	51,750,897
Current Assets	26,867,837	22,239,667	20,321,989	16,923,416	16,607,191	14,206,878
Current Liabilities	(18,597,800)	(16,215,021)	(16,193,391)	(11,449,448)	(15,313,775)	(14,164,518)
Net Working Capital	8,270,037	6,024,646	4,128,598	5,473,968	1,293,416	42,360
Capital Employed	80,767,882	73,492,690	66,020,819	54,789,830	50,695,996	51,793,257
Less: Non Current Liabilities	(28,151,974)	(28,579,575)	(25,461,804)	(17,247,289)	(19,375,165)	(21,278,671)
Shareholders' Equity	52,615,908	44,913,116	40,559,015	37,542,541	31,320,831	30,514,586
Represented By:						
Share Capital	10,475,626	10,733,462	10,983,462	10,983,462	10,983,462	5,937,007
Reserves & Un-appropriated Profit	38,125,058	32,310,664	27,115,586	23,469,104	16,722,039	20,693,099
Surplus on Revaluation of PPE	4,015,224	1,868,989	2,459,967	3,089,975	3,615,330	3,884,480
	52,615,908	44,913,116	40,559,015	37,542,541	31,320,831	30,514,586

STATEMENT OF CASH FLOWS
DIRECT METHOD - UNCONSOLIDATED

	2024	2023
	(Rupees in thousand)	
Cash flows from operating activities		
Cash receipts from customers	64,507,397	61,349,061
Cash paid to suppliers and employees	51,694,212	41,434,387
Net cash generated from operations	12,813,185	19,906,827
Decrease / (Increase) in long term loans to employees	(13,139)	1,277
Increase in long term deposits to suppliers	(5,808)	(801)
Increase in retention money payable	(1,752,988)	1,750,198
Retirement benefits paid	(47,729)	(53,879)
Decrease in payable to Government Authority	-	-
Workers' Profit Participation Fund paid	-	(106,080)
Workers' Welfare Fund paid	-	(64,844)
Taxes paid - net of refund	(1,494,385)	(1,459,957)
Net cash generated from operating activities	9,499,136	20,151,512
Cash flows from investing activities		
Capital expenditure	(3,099,319)	(9,071,126)
Intangible assets acquired	(89,828)	-
Dividend received from the subsidiary company	86,605	-
Proceeds from disposal of property, plant and equipment	285,654	89,125
Long term investment - MLIL	(1,172,000)	(10,000)
Short term investment	(1,623,608)	(3,234,546)
Proceeds from sale of short term investment	2,475,461	-
Profit received on short term loan to Maple Leaf Capital Limited	11,409	-
Profit on bank deposits received	94,741	52,064
Net cash (used in) / generated from investing activities	(3,030,885)	(12,174,483)
Cash flows from financing activities		
Long term loans from financial institutions - secured - net	(4,819,016)	(1,720,571)
Proceeds from / (repayments of) long term loan from subsidiary company	2,500,000	-
Short term borrowings - net	-	(2,174,578)
Finance cost paid	(4,145,538)	(2,527,786)
Lease rentals paid during the year	(18,529)	(14,611)
Own share purchased for cancellation	(999,145)	(194,661)
Redemption of preference shares	(12)	(5)
Dividend paid	(122)	(191)
Net cash generated from / (used in) financing activities	(7,482,362)	(6,632,403)
Net (decrease) / increase in cash and cash equivalents	(1,014,111)	1,344,626
Cash and cash equivalents at beginning of the year	740,707	(603,919)
Cash and cash equivalents at end of the year	(273,404)	740,707

RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS AND FINAL ACCOUNTS

	Interim Results						Annual Results	
	3 Months Period Ended 30-09-2023		6 Months Period Ended 31-12-2023		9 Months Period Ended 31-03-2024		Year Ended 30-06-2024	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Net turnover	16,675,567		34,748,576		50,728,688		66,452,348	
Gross Profit	4,977,227	29.85%	10,970,372	31.57%	15,409,066	30.38%	20,964,284	31.55%
Operating Profit	3,184,068	19.09%	6,687,106	19.24%	9,500,318	18.73%	13,069,734	19.67%
Net Profit Before Tax	2,119,586	12.71%	4,588,314	13.20%	6,465,101	12.74%	8,931,448	13.44%
Net Profit After Tax	1,330,411	7.98%	3,165,704	9.11%	4,297,289	8.47%	5,272,527	7.93%
Debt Equity Ratio	18,087,627	28:72	17,456,181	27:73	16,382,644	25:75	13,799,414	21:79
	64,286,663		65,150,600		65,158,006		66,415,322	
Current Ratio	25,008,245	1.47	26,430,717	1.33	28,318,517	1.38	26,867,837	1.44
	17,015,509		19,865,016		20,562,120		18,597,800	

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

3 Months Ended September 30, 2023

Gross Profit (GP) Ratio for the 1st Quarter was 29.85% as compared to annual GP of 31.55%, mainly due to the increase in CGS on coal and electricity.

Operating Profit was 19.09% as compared to 19.67%, mainly due to high other charges in 1st Quarter.

Net Profit Before Tax was 12.71% as compared to annual 13.44%, mainly due to less OP and other income in 1st Quarter.

Net Profit After Tax was 7.98% as compared to 7.93%, due to lower tax in the 1st Quarter.

Debt Equity Ratio was 28:72 in first quarter as compared to 21:79 in annual, mainly due to payments of loan in the financial year.

Current ratio was 1.47 as compared to annual of 1.44, due to a decrease in current liabilities after paying short term loans.

6 Months Ended December 31, 2023

Gross Profit (GP) Ratio was 31.57% as compared to annual GP of 31.55%, this was the best performing quarter due to sale retention.

Operating Profit was 19.24% as compared to 19.67%, mainly due to high GP in half year results.

Net Profit Before Tax was 13.20% as compared to annual 13.44%. However, it was better than the 1st quarter due to increase in local sale retention.

Net Profit After Tax was 9.11% as compared to 7.93%, due to less tax on account of reasons explained above.

Debt Equity Ratio was 27:73 in 6-month period as compared to 21:79 in annual, mainly due to payment of loan to reduce the finance cost.

Current ratio was 1.33 as compared to annual of 1.44, due to an increase in inventory because of higher coal and pet coke rates in the international market and reduction in short term borrowings in annual financials.

9 Months Ended March 31, 2024

Gross Profit (GP) Ratio was 30.38% as compared to annual GP of 31.55% because of the highest CGS in the last quarter of the year.

Operating Profit was 18.73% as compared to 19.67% in annual, which is very close to the annual percentage.

Net Profit Before Tax was 12.74% as compared to annual 13.44%, due to high finance cost even after the payment of loans.

Net Profit After Tax was 8.47% as compared to 7.93% in annual, due to higher high taxation in the last quarter.

Debt Equity Ratio was 25:75 in the 9 months' period, very close to 21:79 reported in annual results.

Current ratio was 1.38 as compared to annual of 1.44, due to decrease in short term loans.

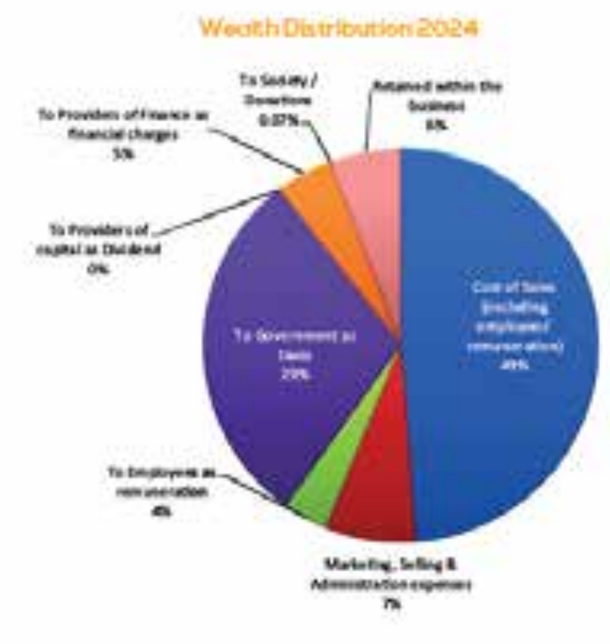
EXPLANATION OF NEGATIVE CHANGE IN THE PERFORMANCE AGAINST PRIOR YEARS

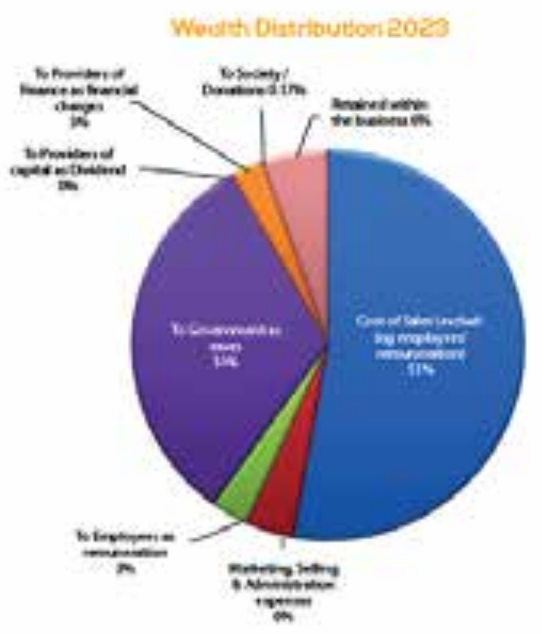
Annual Results						
	Year Ended 30-06-2024		Year Ended 30-06-2023		YOY Variance	
	Rs. '000	%	Rs. '000	%	Rs. '000	%
Net Turnover	66,452,348		62,075,259		4,377,089	0.0705
Gross Profit / (Loss)	20,964,284	31.55%	18,173,353	29.28%	2,790,931	63.76%
Operationg Profit / (Loss)	13,069,734	19.67%	12,001,415	19.33%	1,068,319	24.41%
Net Profit / (Loss) Before Tax	8,931,448	13.44%	9,250,669	14.90%	(319,221)	-7.29%
Net Profit / (Loss) After Tax	5,272,527	7.93%	4,491,671	7.24%	780,856	17.84%

- Overall turnover increased by 7.05%, it includes negative volumetric growth and positive impact of increase in retention prices.
- Gross Profit increased from preceding year due to increase in sales retention.
- Net profit after tax increased due to higher margins in gross profit and operating profit.

STATEMENT OF VALUE ADDED
AND HOW DISTRIBUTED

	2024		2023	
	Rs. (000)	% age	Rs. (000)	% age
Wealth Generated				
Sales net of commission	89,303,837	99.60%	82,481,154	99.82%
Other Operating Income	356,142	0.40%	146,646	0.18%
	89,659,979	**100.00%**	**82,627,800**	**100.00%**
Distribution of Wealth				
Cost of Sales (excluding employees' remuneration)	43,739,798	48.78%	42,435,231	51.36%
Marketing, Selling, Administration Expenses & other expenses	6,653,341	7.42%	5,149,499	6.23%
To Employees as Remuneration	3,292,798	3.67%	2,593,405	3.14%
To Government as Taxes	26,510,410	29.57%	25,164,895	30.46%
To Providers of Capital as Dividend	-	0.00%	-	0.00%
To Providers of Finance as Financial Charges	4,138,286	4.62%	2,750,747	3.33%
To Society / Donations	52,819	0.06%	42,355	0.05%
Retained within the Business	5,272,527	5.88%	4,491,670	5.44%
	89,659,979	**100.00%**	**82,627,800**	**100.00%**





Statement of Charity	2024	2023
	Rs. (000)	Rs. (000)
Maple CSR Initiative as per DC Office requirement	1,364	3,476
Daudkhel Police Station	1,912	248
Daudkhel Press Club	258	-
Sunshine Trust	2,000	5,000
Earthquake in Turkia & Syria	-	1,410
MAYO Hospital (Baby Incubator)	-	-
Dialysis center in AGL hospital	-	-
Daud Khel Water Supply Project	1,475	365
Beaconhouse National University (Scholarship)	-	782
Akhuwat Islamic Mirco Finance	-	15,000
Financial assistance for the deceased worker	-	-
Shafaullah	363	270
Local schools at Daud khel	-	100
Kinnaird College Lahore	-	112
Aitchison College Lahore	42,806	
Agha Khan Planning , Building Service	-	15,000
Miscellance Donations in the form of cement	2,641	591
	52,819	42,355

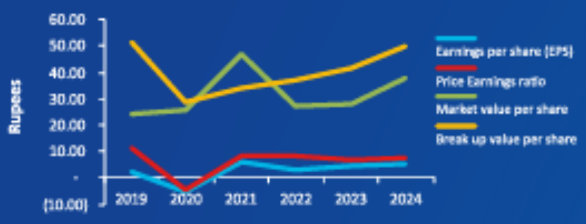
GENDER PAY GAP

The SECP's directive requiring listed companies to disclose their gender pay gap is a significant step towards promoting gender equality in the workplace. This transparency will shed light on existing disparities and encourage companies to take proactive measures to address them. MLCF gender pay gap data is presented below:

1)	Mean Gender Pay Gap	(25.62)
2)	Median Gender Pay Gap	(43.53)

GRAPHICAL PRESENTATION – STAKEHOLDERS' INFORMATION

MARKET RATIOS

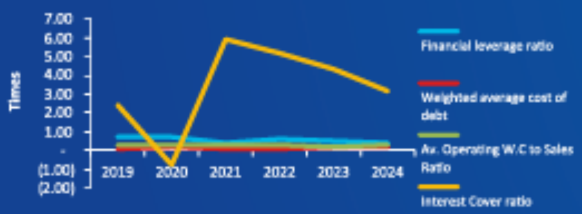


PROFITABILITY RATIOS

LIQUIDITY RATIOS

TURNOVER RATIOS

CAPITAL STRUCTURE RATIOS



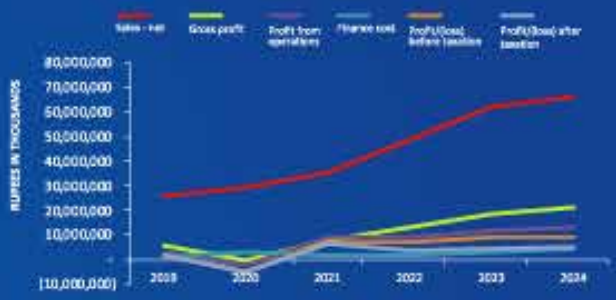
RETURN ON EQUITY AND CAPITAL

CASH GENERATED / UTILIZED

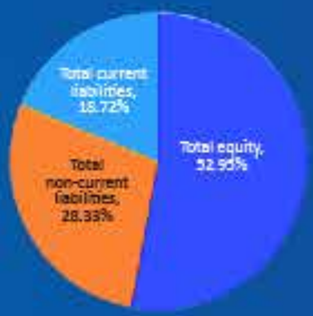
GRAPHICAL PRESENTATION - STAKEHOLDERS' INFORMATION

HORIZONTAL ANALYSIS - BALANCE SHEET

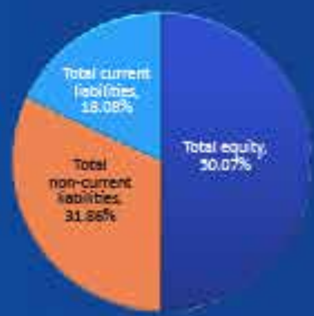
HORIZONTAL ANALYSIS - PROFIT OR LOSS ACCOUNT



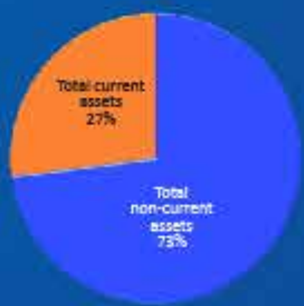
EQUITY AND LIABILITIES-2024



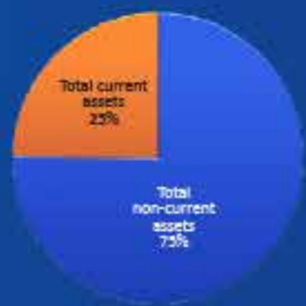
EQUITY AND LIABILITIES-2023



ASSETS-2024



ASSETS-2023



PROFIT OR LOSS 2024 VS 2023

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.

BUILDING THE FUTURE

ميپل ليف SOLID ايكدم
MAPLE LEAF CEMENT

THE COMPANIES ACT, 2017
THE COMPANIES REGULATIONS, 2024
[Section 227(2)(f) and Regulation 30]

FORM-20

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	30-06-2024

2.2 No. of Shareholders	Shareholdings From	Shareholdings To	Total shares held
2,893	1	100	117,405
3,196	101	500	1,013,934
1,960	501	1,000	1,645,778
3,315	1,001	5,000	8,557,409
834	5,001	10,000	6,477,283
334	10,001	15,000	4,278,083
211	15,001	20,000	3,879,003
164	20,001	25,000	3,862,366
86	25,001	30,000	2,424,179
54	30,001	35,000	1,779,805
49	35,001	40,000	1,866,066
35	40,001	45,000	1,511,775
55	45,001	50,000	2,681,991
32	50,001	55,000	1,684,095
26	55,001	60,000	1,525,104
24	60,001	65,000	1,512,346
22	65,001	70,000	1,500,757
18	70,001	75,000	1,317,063
18	75,001	80,000	1,406,646
11	80,001	85,000	915,593
9	85,001	90,000	798,851
17	90,001	95,000	1,578,283
42	95,001	100,000	4,193,338
8	100,001	105,000	819,013
8	105,001	110,000	864,308
11	110,001	115,000	1,249,854
12	115,001	120,000	1,404,965
9	120,001	125,000	1,116,412
11	125,001	130,000	1,408,928
5	130,001	135,000	665,491
4	135,001	140,000	556,276
6	140,001	145,000	860,749
16	145,001	150,000	2,392,580
2	150,001	155,000	307,687
4	155,001	160,000	632,264
6	160,001	165,000	981,949
5	165,001	170,000	845,031
6	170,001	175,000	1,041,533
4	175,001	180,000	712,415
5	180,001	185,000	918,500
6	185,001	190,000	1,129,723

2.2	No. of Shareholders	Shareholdings From	To	Total shares held
	2	190,001	195,000	390,000
	14	195,001	200,000	2,796,860
	4	200,001	205,000	807,194
	2	205,001	210,000	414,268
	7	210,001	215,000	1,487,640
	4	215,001	220,000	874,179
	3	220,001	225,000	671,000
	2	225,001	230,000	458,782
	3	230,001	235,000	695,718
	2	235,001	240,000	475,642
	2	240,001	245,000	481,210
	5	245,001	250,000	1,248,000
	1	260,001	265,000	261,500
	3	265,001	270,000	802,298
	3	270,001	275,000	823,598
	3	275,001	280,000	831,201
	2	285,001	290,000	576,562
	3	290,001	295,000	871,443
	6	295,001	300,000	1,791,483
	1	305,001	310,000	310,000
	4	310,001	315,000	1,253,002
	7	315,001	320,000	2,234,158
	2	320,001	325,000	643,256
	4	325,001	330,000	1,309,826
	2	335,001	340,000	676,757
	4	345,001	350,000	1,399,800
	3	350,001	355,000	1,056,234
	2	360,001	365,000	723,089
	1	365,001	370,000	369,999
	1	370,001	375,000	372,000
	1	385,001	390,000	386,399
	7	395,001	400,000	2,796,500
	1	415,001	420,000	417,000
	1	420,001	425,000	424,574
	1	430,001	435,000	434,500
	1	435,001	440,000	440,000
	2	445,001	450,000	900,000
	3	455,001	460,000	1,378,626
	1	460,001	465,000	464,104
	2	470,001	475,000	949,000
	1	480,001	485,000	480,500
	6	495,001	500,000	2,998,445
	1	505,001	510,000	508,221
	3	520,001	525,000	1,575,000
	3	525,001	530,000	1,586,098
	2	540,001	545,000	1,084,341
	1	545,001	550,000	550,000
	2	550,001	555,000	1,109,223

2.2	No. of Shareholders	Shareholdings From	To	Total shares held
	3	560,001	565,000	1,683,439
	1	565,001	570,000	565,649
	1	575,001	580,000	580,000
	1	585,001	590,000	589,500
	2	590,001	595,000	1,186,381
	3	595,001	600,000	1,799,900
	1	600,001	605,000	604,500
	1	615,001	620,000	619,126
	1	620,001	625,000	620,500
	1	635,001	640,000	640,000
	3	645,001	650,000	1,946,676
	1	655,001	660,000	660,000
	1	680,001	685,000	681,795
	1	685,001	690,000	688,000
	2	700,001	705,000	1,404,090
	1	715,001	720,000	718,467
	1	720,001	725,000	721,012
	2	730,001	735,000	1,466,575
	1	735,001	740,000	738,983
	2	740,001	745,000	1,486,756
	2	745,001	750,000	1,500,000
	1	760,001	765,000	762,000
	1	770,001	775,000	774,374
	1	795,001	800,000	800,000
	1	800,001	805,000	805,000
	1	810,001	815,000	812,521
	1	825,001	830,000	826,000
	1	855,001	860,000	857,474
	1	880,001	885,000	883,000
	1	885,001	890,000	890,000
	1	955,001	960,000	957,376
	1	995,001	1,000,000	1,000,000
	1	1,075,001	1,080,000	1,080,000
	1	1,105,001	1,110,000	1,105,335
	1	1,165,001	1,170,000	1,165,650
	1	1,180,001	1,185,000	1,182,866
	1	1,205,001	1,210,000	1,209,200
	1	1,210,001	1,215,000	1,212,292
	1	1,240,001	1,245,000	1,240,129
	2	1,245,001	1,250,000	2,500,000
	1	1,255,001	1,260,000	1,255,984
	1	1,265,001	1,270,000	1,270,000
	1	1,310,001	1,315,000	1,313,788
	1	1,370,001	1,375,000	1,375,000
	1	1,390,001	1,395,000	1,394,437
	1	1,495,001	1,500,000	1,500,000
	1	1,525,001	1,530,000	1,528,302
	1	1,595,001	1,600,000	1,600,000

2.2	No. of Shareholders	Shareholdings From	To	Total shares held
	1	1,615,001	1,620,000	1,615,839
	1	1,655,001	1,660,000	1,660,000
	2	1,665,001	1,670,000	3,334,664
	1	1,670,001	1,675,000	1,675,000
	2	1,720,001	1,725,000	3,445,061
	1	1,880,001	1,885,000	1,884,000
	1	1,995,001	2,000,000	2,000,000
	1	2,025,001	2,030,000	2,028,612
	2	2,060,001	2,065,000	4,126,507
	1	2,275,001	2,280,000	2,276,221
	1	2,280,001	2,285,000	2,283,732
	1	2,285,001	2,290,000	2,286,576
	1	2,295,001	2,300,000	2,300,000
	1	2,460,001	2,465,000	2,462,500
	1	2,870,001	2,875,000	2,874,000
	1	3,040,001	3,045,000	3,040,706
	1	3,325,001	3,330,000	3,325,965
	1	4,285,001	4,290,000	4,287,163
	1	4,465,001	4,470,000	4,466,341
	1	4,575,001	4,580,000	4,580,000
	1	4,785,001	4,790,000	4,787,573
	1	5,090,001	5,095,000	5,094,108
	1	5,645,001	5,650,000	5,648,737
	1	6,015,001	6,020,000	6,019,247
	1	6,095,001	6,100,000	6,095,178
	1	6,370,001	6,375,000	6,371,430
	1	6,645,001	6,650,000	6,650,000
	1	7,265,001	7,270,000	7,268,983
	1	7,700,001	7,705,000	7,704,030
	1	7,805,001	7,810,000	7,807,687
	1	9,010,001	9,015,000	9,013,619
	1	9,035,001	9,040,000	9,038,089
	1	9,740,001	9,745,000	9,742,742
	1	10,355,001	10,360,000	10,359,311
	1	12,025,001	12,030,000	12,026,270
	1	13,605,001	13,610,000	13,609,480
	1	13,855,001	13,860,000	13,855,773
	1	13,955,001	13,960,000	13,955,909
	1	28,750,001	28,755,000	28,750,473
	1	29,085,001	29,090,000	29,087,000
	1	606,495,001	606,500,000	606,497,944
	13,778	**Total:**		**1,047,562,608**

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	0.0031
Mr. Sayeed Tariq Saigol - Chief Executive	10,729	0.0010
Mr. Taufique Sayeed Saigol	15,934	0.0015
Mr. Waleed Tariq Saigol	11,305	0.0011
Mr. Danial Taufique Saigol	5,202	0.0005
Ms. Jahanara Saigol	2,500	0.0002
Mr. Shafiq Ahmed Khan	15,608	0.0015
Mr. Zulfikar Monnoo	3,000	0.0003
Mrs. Shehla Tariq Saigol - Spouse of Mr. Tariq Sayeed Saigol	179,919	0.0172
	276,625	0.0264
2.3.2 Associated Companies, undertakings and related parties		
Kohinoor Textile Mills Limited	606,497,944	57.8961
Maple Leaf Capital Limited	12,026,270	1.1480
	618,524,214	59.0441
2.3.3 NIT and IDBP		
National Bank of Pakistan, Trustee Deptt.	13,097	0.0013
Industrial Development Bank of Pakistan (IDBP)	5,800	0.0006
	18,897	0.0019
2.3.4 Banks, Development Financial Institutions, Non-banking Financial Institutions	60,662,698	5.7908
2.3.5 Insurance Companies	29,063,935	2.7744
2.3.6 Modarabas and Mutual Funds	68,765,883	6.5644
2.3.7 Shareholders holding 10%		
Refer to 2.3.2 above	-	-
2.3.8 General Public		
a. Local	202,411,998	19.3222
b. Foreign	52,310,879	4.9936

2.3	Categories of Shareholders	Shares Held	Percentage

2.3.9 Others

ARTAL RESTAURANT INT LTD. EMP. P.F	500
ABBOTT LABORATORIES (PAKISTAN) LIMITED STAFF PENSION FUND	115,500
ABBOTT LABORATORIES (PAKISTAN) LIMITED STAFF PROVIDENT FUND	26,100
BYCO PETROLEUM PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	8,299
CDC - TRUSTEE AGIPF EQUITY SUB-FUND	73,924
CDC - TRUSTEE AGPF EQUITY SUB-FUND	68,198
CDC - TRUSTEE AL HABIB ISLAMIC PENSION FUND-EQUITY SUB FUND	50,000
CDC - TRUSTEE AL HABIB PENSION FUND-EQUITY SUB FUND	36,862
CDC - TRUSTEE FAYSAL ISLAMIC PENSION FUND-EQUITY SUB FUND	59,400
CDC - TRUSTEE FAYSAL PENSION FUND-EQUITY SUB FUND	51,300
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	173,268
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	1,080,000
CDC - TRUSTEE PUNJAB GENERAL PROVIDENT INVESTMENT FUND	500,000
CDC TRUSTEE - PUNJAB PENSION FUND TRUST	1,500,000
CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	762,000
Chevron Pakistan Lubricants (Pvt.) Ltd. EPF	94,400
ENGRO CORP LTD MPT EMPLOYEES DEF CONT GRATUITY FUND	159,392
ENGRO CORP LTD MPT EMPLOYEES DEF CONTR PENSION FUND	2,401
ENGRO CORPORATION LIMITED PROVIDENT FUND	362,505
ENGRO FERTILIZERS LIMITED NON-MPT EMPLOYEES GRATUITY FUND	6,899
ENGRO FOODS LIMITED EMPLOYEES GRATUITY FUND	22,500
GHANI GLASS LIMITED EMPLOYEES PROVIDENT FUND	265,280
HILAL GROUP EMPLOYEES PROVIDENT FUND	49,600
HOMMIE AND JAMSHED NUSSERWANJEE CHARITABLE TRUST	52,030
KHAADI (SMC-PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	33,500
KOT ADDU POWER COMPANY LIMITED EMPLOYEES PROVIDENT FUND	92,476
LUCKY CORE MANAGEMENT STAFF PROVIDENT FUND	57,400
KOT ADDU POWER COMPANY LIMITED EMPLOYEES PENSION FUND	316,800
MANAGING COMMITTEE GHAZALI EDUCATION TRUST	440
ONTEX PAKISTAN (PRIVATE) LIMITED EMPLOYEES GRATUITY FUND	35,320
ONTEX PAKISTAN (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	20,088
PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND (DC SHARIAH)	148,868
PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND-DC SHARIAH	261,500
PROVIDENT FUND TRUST-HUSEIN SUGAR MILLS LIMITED	9,500
ROCHE PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	237,819
ROCHE PAKISTAN LIMITED MANAGEMENT STAFF GRATUITY FUND	201,023
ROCHE PAKISTAN LIMITED MANAGEMENT STAFF PENSION FUND	197,410
SEAGOLD (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	60,520
SSGC LPG (PVT.) LTD.-EMPLOYEES GRATUITY FUND	6,000
THE CRESCENT TEXTILE MILLS LTD EMPLOYEES PROVIDENT FUND	24,300

2.3	Categories of Shareholders	Shares Held	Percentage
2.3.9	**Others**		
	TRUSTEE ALOO & MINOCHER DINSHAW CHARITABLE TRUST	15,000	
	TRUSTEE ARTAL RESTAURANTS INTS EMP. P.F	1,000	
	TRUSTEE- GUL AHMED TEXTILE MILLS LTD. EMP. PROVIDENT FUND	42,000	
	TRUSTEE KARACHI PARSI ANJUMAN TRUST FUND	7,399	
	TRUSTEE LEVER BROTHERS EMPLOYEES	5,000	
	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	7,488	
	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	213,391	
	TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL	127,100	
	TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL	95,000	
	TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	181,500	
	TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND	1,528,302	
	TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND	1,270,000	
	TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	290,027	
	TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	195,000	
	TRUSTEE PAKISTAN PETROLEUM NON EXECUTIVE STAFF GRATUITY FUND	165,000	
	TRUSTEE PAKISTAN PETROLEUM NON EXECUTIVE STAFF PENSION FUND	450,000	
	TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND	232,700	
	TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF PENSION FUND	593,850	
	TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND	372,000	
	TRUSTEE PAKISTAN PETROLEUM SENOIR PROVIDENT FUND	554,224	
	TRUSTEES D.G.KHAN CEMENT CO.LTD.EMP. P.F	139,568	
	TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	121,062	
	TRUSTEES OF CRESENT STEEL & ALLIED PRODUCTS LTD-PENSION FUND	18,095	
	TRUSTEES OF GHANDHARA TYRE & RUBBER CO LTD. EMPLOYEES G.F	38,100	
	TRUSTEES OF GHANDHARA TYRE & RUBBER CO. LTD LOCAL STAFF P.F.	99,180	
	TRUSTEES OF HAMID ADAMJEE TRUST	14,645	
	TRUSTEES OF HRSG OUTSOURCING(PVT)LTD.EMPLOYEES GRATUITY FUND	70,000	
	Trustees of Karachi Sheraton Hotel Employees Provident Fund	4,727	
	TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD-PROVIDENT FUND	1,000,000	
	TRUSTEES PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	140,000	
	TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PENSION FUND	133,500	
	TRUSTEE-THE PAKISTAN MEMON EDUCATIONAL & WELAFRE SOCIETY	25,700	
	WAH NOBEL (PRIVATE) LIMITED MANAGEMENT STAFF PENSION FUND	20,000	
	WELLCOME PAKISTAN LIMITED PROVIDENT FUND	133,599	
		15,527,479	1.4822
	Grand Total:-	**1,047,562,608**	**100.0000**

FINANCIAL STATEMENTS
for the Year Ended June 30, 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Maple Leaf Cement Factory Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Maple Leaf Cement Factory Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2024, 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 material 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, 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 forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. F. FERGUSON & Co., Chartered Accountants, A Member Firm of the PwC network
308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan.
Tel: +92 (42) 3519 9343-50 / Fax: +92 (42) 3519 9351 www.pwc.com/pk

Karachi Lahore Islamabad

Following are the Key audit matters:

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1	Revaluation of certain classes of property, plant and equipment (Refer notes 4.4.1, 7, 20.1 and 51 to the annexed unconsolidated financial statements As of June 30, 2024, the Company revalued its certain classes of property, plant and equipment (i.e. freehold land, building on freehold land, roads, bridges and railway sidings and plant and machinery) based on the valuation carried out by an independent external expert engaged by the management. Consequent to revaluation, additional surplus - net of deferred tax amounting to Rs. 2,651.894 million has been recognized in the unconsolidated financial statements and the balance of revaluation surplus - net of deferred tax on Property, Plant and Equipment at the year-end stood at Rs. 4,015.224 million. We have identified valuation of certain classes of property, plant and equipment as key audit matter due to the significance of this balance to the unconsolidated financial statements, as well as the significance of judgements and estimations involved in determining the valuation.	Our audit procedures included the following: • Obtained an understanding of the Company's accounting policy regarding the valuation of its property, plant and equipment. • Obtained and inspected the valuation reports prepared by external management expert; • Evaluated the professional qualification of management's expert and assessed its independence, competence, and experience in the field; • Involved auditor's expert to assess the adequacy of the work performed by the management's expert; • Matched the underlying net book values of the assets with the fixed asset register and the ledgers, and recomputed the revaluation surplus based on the fair values determined by the management's expert: • Checked that the revaluation surplus has been recorded in the unconsolidated financial statements as per applicable accounting and reporting standards; and; • Checked the adequacy of disclosures made in the unconsolidated financial statements in accordance with the requirements of the applicable accounting and reporting standards.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated 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 judgement 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);

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

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

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.

A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: September 23, 2024
UDIN: AR202410070QcpIAeSyH

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
- 1,400,000,000 (2023: 1,400,000,000) ordinary shares of Rs. 10 each		14,000,000	14,000,000
- 100,000,000 (2023: 100,000,000) 9.75% redeemable preference shares of Rs. 10 each		1,000,000	1,000,000
		15,000,000	15,000,000
Issued, subscribed and paid-up share capital 1,047,562,608 (2023: 1,073,346,232) ordinary shares of Rs. 10 each	5	10,475,626	10,733,462
Capital reserves	6	33,197,422	6,363,952
Revenue reserve: Un-appropriated profits		4,927,636	25,946,716
Surplus on revaluation of fixed assets	7	4,015,224	1,868,984
Total equity		52,615,908	44,913,114
NON-CURRENT LIABILITIES			
Long term loans from financial institutions - secured	8	9,785,786	15,233,337
Deferred government grant	9	450,487	605,926
Long term loan from subsidiary company - unsecured	10	4,500,000	2,000,000
Lease liabilities	11	34,670	31,408
Long term deposits	12	8,214	8,214
Deferred taxation	13	13,044,290	8,669,211
Retention money	14	-	1,752,988
Employee benefits obligations	15	328,527	278,492
		28,151,974	28,579,576
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institutions - secured	8	3,407,702	2,599,401
- Deferred government grant	9	155,439	179,766
- Lease liabilities	11	13,909	10,257
Trade and other payables	16	12,482,233	12,518,180
Unclaimed dividend		27,256	27,378
Mark-up accrued on borrowings	17	865,945	880,039
Short term borrowings from financial institutions - secured	18	1,645,316	-
		18,597,800	16,215,021
CONTINGENCIES AND COMMITMENTS	19		
		99,365,682	89,707,711

The annexed notes from 1 to 59 form an integral part of these unconsolidated financial statements.

DIRECTOR | CHIEF FINANCIAL OFFICER | DIRECTOR

	Note	2024	2023
		(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	20	65,995,598	62,354,608
Intangible assets	21	84,810	6,946
Long term investments	22	6,322,000	5,030,000
Long term loans to employees - secured	23	31,228	18,089
Long term deposits	24	64,209	58,401
		72,497,845	67,468,044
CURRENT ASSETS			
Stores, spare parts and loose tools	25	12,277,288	9,925,855
Stock-in-trade	26	3,256,553	3,874,605
Trade debts	27	4,188,745	2,600,985
Loans and advances	28	448,258	868,404
Short term investments	29	4,220,262	3,689,556
Short term deposits and prepayments	30	963,478	482,930
Accrued profit	31	20,333	8,792
Other receivables	32	132,093	22,531
Advance income tax	33	227,415	25,302
Cash and bank balances	34	1,133,412	740,707
		26,867,837	22,239,667
		99,365,682	89,707,711

DIRECTOR **CHIEF FINANCIAL OFFICER** **DIRECTOR**

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Revenue	35	66,452,348	62,075,259
Cost of sales	36	(45,488,064)	(43,901,906)
Gross profit		20,964,284	18,173,353
Selling and distribution expenses	37	(5,471,808)	(3,751,096)
Administrative expenses	38	(1,852,148)	(1,380,607)
Net impairment loss on financial assets	27.1	(357,191)	(191,421)
Other expenses	39	(569,545)	(995,460)
Other income	40	356,142	146,646
Operating profit		13,069,734	12,001,415
Finance cost	41	(4,138,286)	(2,750,748)
Profit before final taxes and income tax		8,931,448	9,250,667
Final taxes	42	(45,804)	(12,192)
Profit before income tax		8,885,644	9,238,475
Income tax	42	(3,613,117)	(4,746,806)
Profit for the year		5,272,527	4,491,669
		------------- Rupees -------------	
Earnings per share - basic and diluted	43	4.98	4.18

The annexed notes from 1 to 59 form an integral part of these unconsolidated financial statements.

DIRECTOR

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Profit for the year		5,272,527	4,491,669
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:		-	-
Items that will not be subsequently reclassified to statement of profit or loss:			
Remeasurement of retirement benefits	15	(18,730)	(18,830)
Tax effect of remeasurement of retirement benefits		(5,432)	6,977
		(24,162)	(11,853)
Change in fair value of investments at fair value through other comprehensive income (OCI)	29	1,146,535	263,437
Tax effect of change in fair value of investment at fair value through OCI		(313,065)	(65,859)
		833,470	197,578
Surplus on revaluation of fixed assets	7	4,310,048	-
Tax effect of surplus on revaluation of fixed assets		(1,658,154)	-
Effect on deferred tax due to change in effective tax rate		(31,790)	(147,285)
		2,620,104	(147,285)
Other comprehensive income for the year		3,429,412	38,440
Total comprehensive income for the year		8,701,939	4,530,109

The annexed notes from 1 to 59 form an integral part of these unconsolidated financial statements.

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	44	12,810,292	19,906,827
(Increase)/decrease in long term loans to employees		(13,139)	1,277
Decrease in long term deposits to suppliers		(5,808)	(801)
(Decrease)/increase in retention money payable		(1,752,988)	1,750,198
Employee benefit obligations paid		(47,729)	(53,879)
Income tax and final taxes paid		(1,494,385)	(1,459,957)
Net cash inflow from operating activities		9,496,243	20,143,665
Cash flows from investing activities			
Payments for property, plant and equipment		(3,099,319)	(9,071,126)
Payments for acquisition of intangibles		(89,828)	-
Dividends received		86,605	-
Proceeds from disposal of property, plant and equipment		285,654	89,125
Long term equity investment		(1,172,000)	(10,000)
Purchase of short term investments		(1,623,608)	(3,234,546)
Proceeds from sale of short term investment		2,475,461	-
Short term loan to Maple Leaf Capital Limited		500,000	-
Repayment of short term loan from Maple Leaf Capital Limited		(500,000)	-
Profit received on short term loan to Maple Leaf Capital Limited		11,409	-
Profit received on bank deposits		94,741	52,064
Net cash outflow from investing activities		(3,030,885)	(12,174,483)
Cash flows from financing activities			
Repayment of long term loans from financial institutions - secured		(4,819,016)	(1,720,571)
Proceeds from long term loan from a subsidiary company		2,500,000	-
Short term borrowings - net		-	(2,174,578)
Finance cost paid		(4,145,538)	(2,527,786)
Lease rentals paid		(18,529)	(14,611)
Payments for shares bought back		(999,145)	(194,661)
Redemption of preference shares		(12)	(5)
Dividend paid		(122)	(191)
Net cash outflow from financing activities		(7,482,362)	(6,632,403)
Net (decrease) / increase in cash and cash equivalents		(1,017,004)	1,336,779
Cash and cash equivalents at beginning of the year		740,707	(603,919)
Effects of exchange rate changes on cash and cash equivalents		2,893	7,847
Cash and cash equivalents at end of the year	45	(273,404)	740,707

Refer note 52 for reconciliation of liabilities arising from financing activities.

The annexed notes from 1 to 59 form an integral part of these unconsolidated financial statements.

DIRECTOR | CHIEF FINANCIAL OFFICER | DIRECTOR

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Share Capital	Capital Reserves								Revenue Reserve	Total Equity
		Share premium	Capital redemption reserve	FVOCI reserve	Own shares purchased for cancellation	Capital expansion	Long term investments	Sub-total	Surplus on revaluation of fixed assets - net of tax	Un-appropriated profits	
	---------- Rupees in thousand ----------										
Balance as on July 01, 2022	**10,983,462**	**6,060,550**	**528,263**	**-**	**(496,429)**	**-**	**-**	**6,092,384**	**2,459,967**	**21,023,202**	**40,559,015**
Own shares purchased during the year for cancellation	(250,000)	-	(422,439)	-	496,429	-	-	73,990	-	-	(176,010)
Total comprehensive income for the year											
Profit for the year ended June 30, 2023	-	-	-	-	-	-	-	-	-	4,491,669	4,491,669
Other comprehensive income for the year ended June 30, 2023	-	-	-	197,578	-	-	-	197,578	(147,285)	(11,853)	38,440
	-	-	-	197,578	-			197,578	(147,285)	4,479,816	4,530,109
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	-	(443,313)	443,313	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	-	-	-	(385)	385	-
Balance as at June 30, 2023	**10,733,462**	**6,060,550**	**105,824**	**197,578**	**-**	**-**	**-**	**6,363,952**	**1,868,984**	**25,946,716**	**44,913,114**
Own shares purchased during the year for cancellation	(257,836)	-	-	-	-	-	-	-	-	(741,309)	(999,145)
Re-classification of un-appropriated profits to Capital Reserves	-	-	-	-	1,000,000	20,000,000	5,000,000	26,000,000	-	(26,000,000)	-
Total comprehensive income for the year											
Profit for the year ended June 30, 2024	-	-	-	-	-	-	-	-	-	5,272,527	5,272,527
Other comprehensive income for the year ended June 30, 2024	-	-	-	833,470	-	-	-	833,470	2,620,104	(24,162)	3,429,412
	-	-	-	833,470	-	-	-	833,470	2,620,104	5,248,365	8,701,939
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	-	(472,882)	472,882	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	-	-	-	(982)	982	-
Balance as at June 30, 2024	**10,475,626**	**6,060,550**	**105,824**	**1,031,048**	**1,000,000**	**20,000,000**	**5,000,000**	**33,197,422**	**4,015,224**	**4,927,636**	**52,615,908**

The annexed notes from 1 to 59 form an integral part of these unconsolidated financial statements.

DIRECTOR **CHIEF FINANCIAL OFFICER** **DIRECTOR**

NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. THE COMPANY AND ITS ACTIVITIES

Maple Leaf Cement Factory Limited ("the Company") is a public company limited by shares incorporated in Pakistan on April 13, 1960 under the repealed Companies Act, 1913 (now, the Companies Act, 2017). The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. 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 Company is engaged in the production and sale of cement and wall putty. The Company is a subsidiary of Kohinoor Textile Mills Limited ("the Holding Company").

These financial statements (hereinafter may be referred to as 'unconsolidated financial statements') are the separate financial statements of the Company in which the investment in subsidiaries has been carried at cost less accumulated impairment losses, if any. Consolidated financial statements are prepared separately.

The Company has regional offices located across Pakistan, the geographical locations of which are listed below:

Regional office	Geographical location
Lahore region	304-B, 3rd Floor, City Tower, Main Boulevard, Gulberg II, Lahore
Multan region	Office No. 708, 7th Floor, the United Mall, Abdali Road, Multan
Sargodha region	Office No. 59, 2nd Floor, Al Rehman Trade Centre University Road, Sargodha
Rawalpindi region	Kohinoor Textile Mills Limited, Peshawar Road, Rawalpindi
Karachi region	25-West Wharf Road, Industrial Area, Karachi
Faisalabad region	Office No. 10, 3rd Floor, Legacy Tower, Kohinoor City, Jaranwala Road, Faisalabad

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 ('Act').

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.

2.1.1 Application guidance on accounting for minimum and final taxes

The Institute of Chartered Accountants of Pakistan ('ICAP') has issued application guidance on accounting of minimum and final taxes vide its circular No. 07/2024 dated May 15, 2024 ('the Guidance'). According to the Guidance, the minimum taxes in excess of normal tax liability and tax deducted at source other than from dividends from subsidiaries, joint ventures and associates under final tax regime, are out of scope of IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.
Accordingly, the Company has changed its accounting policy to recognise such taxes as 'levies'

which were previously being recognised as 'income tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". There has been no effect on the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows, the unconsolidated statement of changes in equity and earnings per share as a result of this change.

The effects of change in accounting policy are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
		(Rupees in thousand)	
Effects on statement of profit or loss			
For the year ended June 30, 2024			
Final taxes	-	45,804	45,804
Profit before income tax	8,931,448	(45,804)	8,885,644
Income tax	(3,658,921)	45,804	(3,613,117)
For the year ended June 30, 2023			
Final taxes	-	12,192	12,192
Profit before income tax	9,250,667	(12,192)	9,238,475
Income tax	(4,758,998)	12,192	(4,746,806)

This change in accounting policy does not impact the earnings per share or diluted earnings per share of the Company.

2.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's unconsolidated financial statements covering annual periods, beginning on or after the following dates:

2.2.1 Standards, amendments to published standards and interpretations that are effective in the current year

Certain standards, amendments and interpretations to IFRS are effective for accounting period beginning on July 01, 2023 but are considered not to be relevant to the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

a) Narrow scope amendments to International Accounting Standard (IAS) 1 Practice Statement 2 and International Accounting Standard (IAS) 8

The IASB amended IAS 1 to require entities to disclose their 'material' rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 'Making Materiality Judgements' to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from July 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in note 4 to the financial statements.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

(a) Amendment to International Accounting Standard (IAS) 1 – Non-current liabilities with covenants (effective for annual period beginning on January 1, 2024)

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. Covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

The amendments also introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

(b) International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability-related financial information and International Financial Reporting Standard (IFRS) S2, 'Climate-related disclosures' (effective for annual period beginning on or after January 1, 2024)

The International Sustainability Standards Board (ISSB) issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after January 01, 2024, subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas (GHG) emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The aforementioned standards have not been notified locally or declared exempt, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024.

(c) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual period beginning on January 01, 2026)

On May 30, 2024, the IASB issued targeted amendments to IFRS 9, 'Financial Instruments', and IFRS 7, 'Financial Instruments: Disclosures'. The amendments respond to recent questions arising in practice, and include new requirements not only for financial institutions but also for corporate entities. These new requirements serve the following purposes:

(a) clarification of the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

(b) clarification and addition of further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

(c) addition of new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and

(d) update in the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Company is yet to assess the impact of these amendments on its financial statements.

(d) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual period beginning on January 01, 2027)

The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 will replace IAS 1 'Presentation of financial statements', introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will apply for reporting periods beginning on or after January 01, 2027 and also applies to comparative information. However, the standard has not yet been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024.

The Company is yet to assess the impact of this standard on its financial statements.

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention except as otherwise stated.

3.2 Critical accounting estimates and judgments

The preparation of unconsolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. Following are the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to the estimates and assumptions turning out to be wrong.

- Employee benefits obligations - notes 4.1 and 15
- Provision for taxation - notes 4.2, 13 and 42
- Revaluation of property, plant and equipment - notes 4.4.1 and 20.1
- Useful lives and residual values of property, plant & equipment - notes 4.4.1 and 20.1
- Expected credit loss against trade debts, deposits and other receivables - notes 4.9.4 and 27
- Estimation of quantity of stockpiles - note 4.8
- Contingent taxation liabilities - note 19

3.3 Changes in accounting estimates

3.3.1 Revision of useful lives of operating fixed assets

During the year, following an annual assessment and review of the remaining useful lives of operating fixed assets, management determined that the useful lives of certain items of plant and machinery, factory buildings roads, bridges and railway sidings required an upward revision.

As a result, the useful lives of certain items of plant and machinery, factory buildings roads, bridges and railway sidings have been increased.

This change has been treated as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The net effect on profit before tax for the year ended June 30, 2024, is nil. However, due to this change in accounting estimate, the profits before tax for the year 2025 are expected to increase by Rs. 739.510 million and by Rs. 673.116 million for the year 2026 and onwards.

3.3.2 Change in depreciation method

Previously, the Company used the reducing balance method to depreciate certain items of buildings on freehold land, roads, bridges, railway sidings, and plant and machinery. During the year, the Company changed its depreciation method for all these items from the reducing balance method to the straight-line basis. This change was made to better reflect the pattern of consumption of the assets' economic benefits.

The change in depreciation method has been applied prospectively, starting from July 1, 2023. Such change has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The net effect of this change on the financial statements for the year is increase in depreciation by Rs. 162.128 million.The expected effect of this change on future periods is a Rs. 162.128 million decrease in depreciation. However, the year-by-year impact is impracticable to estimate.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 'Making Materiality Judgements') from July 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Employee benefits

4.1.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

4.1.2 Post employment benefits

a) Defined contribution plan - Provident Fund

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.

b) Defined benefit plan - Gratuity

The Company operates approved funded gratuity scheme for all its workers who have completed the minimum qualifying period of service of three years. 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 most recent valuation was carried out as at June 30, 2024 using the "Projected Unit Credit Method".

The Company operates defined benefit gratuity plan in accordance with the local regulatory framework in Pakistan. The plan provides benefits to members in the form of a gratuity amount payable at the end of employment. This is a trustee-administered fund. Plan assets held by the fund are subject to local regulations and practice. Responsibility for governance of the plan – including investment decisions and contributions schedules – lies jointly with the board of trustees which are either directors, senior executives or employees of the Company in accordance with the plan's regulations.

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the Company as reduced by benefits paid during the year.

The Company ensures that its investment positions are managed within an asset-liability matching (ALM) framework developed to align with its gratuity obligations. Within this framework, the Company's ALM objective is to match assets to the gratuity obligations by investing in fixed-rate short-term funds. These funds carry lower risk and provide fixed returns, ensuring the preservation of the investment amount at maturity, which can then be reinvested. Additionally, they offer attractive returns compared to peers. The Company actively monitors how the duration and expected yield of these investments align with the expected cash outflows arising from the gratuity scheme obligations.

The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are in rated financial institutions, such that the risk failure of the investments is minimal. A large portion of assets in 2024 consists of investment in open ended fixed rate return fund managed by NBP Fund Management Limited. The Company believes that such investments offer the best returns with an acceptable level of risk. The composition of plan assets has been disclosed in note 15.2.2.

The amount recognized in statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the year in which they arise. Past service costs are recognized immediately in the statement of profit or loss.

The future contribution rate of the plan includes allowances for deficit and surplus. Projected Unit Credit Method, using the following significant assumptions, has been used for valuation of this scheme:

	2024	**2023**
Discount rate per annum	16.25%	16.25%
Expected increase in eligible salary level per annum	13.75%	15.25%
Duration of plan (years)	4 years	4 years

The expected mortality rates assumed are based on the SLIC (2001-2005) mortality table set back one year.

c) Accumulating compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provision to cover the obligations is made using the current salary level of employees. The unutilized leaves are accumulated subject to a maximum of 90 days. The unutilized accumulated leaves can be encashed at the time the employee leaves Company service.

Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to statement of profit or loss. The most recent valuation was carried out as at June 30, 2024 using the "Projected Unit Credit Method."

The amount recognised 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.

Projected unit credit method, using the following significant assumptions, has been used for valuation of accumulating compensated absences:

	2024	2023
Discount rate per annum	16.25%	16.25%
Expected rate of increase in salary level per annum	13.75%	15.25%
Expected mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005
Duration of the plan (years)	8.6 years	10 years

4.2 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the unconsolidated statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or comprehensive income as the case may be.

Current

The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Where there is uncertainty in income tax accounting i.e. when it is not probable that the tax authorities will accept the treatment, the impact of the uncertainty is measured and accounted for using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty. Such judgements are reassessed whenever circumstances have changed or there is new information that affects the judgements. Where, at the assessment stage, the taxation authorities have adopted a different tax treatment and the Company considers that the most likely outcome will be in favour of the Company, the amounts are shown as contingent liabilities. In making a judgment and / or estimate relating to probability of outcome, the management considers laws, statutory rules, regulations and their interpretations. Where, based on management's estimate, a provision is required, the same is recorded in the financial statements.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

4.3 Leases

4.3.1 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.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the unconsolidated statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods covered by termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). While making this assessment, the Company considers significant penalties to terminate (or not extend) as well as the significant cost of business disruption.

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.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in unconsolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

4.3.2 The Company is the lessor:

As a lessor, the Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee.

4.4 Property, plant and equipment

4.4.1 Operating fixed assets

Operating fixed assets except freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery are stated at cost less accumulated depreciation and any identified impairment loss. Buildings on freehold land, roads, bridges and railway sidings and plant and machinery are stated at 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. Revaluation is carried out within five years to ensure that the carrying amount of the asset does not differ materially from its fair value. Latest revaluation of operating fixed assets was carried out by an independent professional valuer as on June 30, 2024.

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognised, net of tax, in other comprehensive income and accumulated in surplus on revaluation of fixed assets in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Each year, the difference between the depreciation calculated on the revalued carrying amount of an asset and the depreciation based on its original cost, after tax, is reclassified from the revaluation surplus to retained earnings. The company adopts the gross method for presenting revaluation adjustments. On the revaluation date, both the accumulated depreciation and the gross carrying amount of the asset are restated to align with the revalued amount. When the asset is disposed off, any remaining balance in the revaluation surplus related to that asset is transferred to retained earnings.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as stated in note 4.11.

Proceeds from the sale of items while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management are not deducted from the cost of an item of property, plant and equipment. Instead, the Company recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are included in the statement of profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense, and the related surplus on revaluation of property, plant and equipment is transferred directly to retained earnings.

Depreciation on operating fixed assets is charged to profit or loss on the following methods and rates so as to write off the depreciable amounts of the assets over their estimated useful lives after taking into account their residual values:

Asset category	Depreciation method	Annual depreciation rate
Buildings on freehold land	Straight line	5% to 20%
Plant and machinery	-do-	5% to 20%
Roads, bridges and railway sidings	-do-	5% to 10%
Spares held for capital expenditure	-do-	10%
Furniture, fixtures and equipment	Reducing balance	10% to 30%
Quarry equipment	-do-	20%
Vehicles	-do-	20%
Share of joint assets	-do-	10%

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant. The Company's estimate of the residual values and useful lives of its operating fixed assets during the year has been adjusted as explained in note 3.3.

4.4.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure including borrowing costs connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.4.3 Major spare parts and stand-by equipment

Major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them for more than one year. Transfers are made to operating assets category as and when such items are available for use. These spares parts are depreciated over a useful life of 10 years on a straight line basis.

4.5 Intangible assets

Intangible assets have a finite life and are 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.

4.6 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets. All other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

4.6.1 Investment in equity instruments of subsidiaries

Investments in subsidiary companies are measured at cost as per the requirements of IAS 27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense in the unconsolidated statement of profit or loss.

The Company assesses at the end of each reporting period whether there is any indication that a previously recognised impairment loss may no longer exist or may have decreased. It assesses whether there have been favourable events or changes in circumstances, since impairment loss was recognised. If any such indication exists, the Company estimates the recoverable amount of that investment and reverses the impairment loss. The amount of any reversal recognised is restricted to increasing the carrying value of investment to the carrying value that would have been recognised if the original impairment had not occurred.

The Company is required to issue consolidated financial statements along with its separate financial statements in accordance with the requirements of IFRS 10, 'Consolidated financial statements' and IAS 27, 'Separate financial statements'.

4.7 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at moving weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. For items which are slow moving and/or identified as obsolete, adequate provision is made for any excess book value over estimated realizable value. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

4.8 Stock-in-trade

Stocks are valued at the lower of cost and net realizable value. Cost is determined as follows:

Raw material	at weighted average cost
Packing material	at weighted average cost
Work in process	at weighted average manufacturing cost
Finished goods	at weighted average manufacturing cost

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads.

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Further, the Company's certain stock items [i.e. raw materials (limestone, clay and gypsum), work-in-process (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighing of these stock items is not practicable, the management assesses the reasonableness of the on-hand inventory by obtaining measurement of stockpiles and converting these measurements into unit of volume by using angle of repose and bulk density values.

4.9 Financial assets

4.9.1 Classification

The Company classifies its financial assets other than investments in subsidiaries in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss]; and

- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

4.9.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

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.

4.9.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i) Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

ii) FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as a separate line item in the statement of profit or loss.

iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Company subsequently measures equity investments except for investments in subsidiaries, at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.9.4 Impairment of financial assets other than investment in equity instruments

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables, while general 3-stage approach for deposits, loans, bank balances and other receivables i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Trade debts;
- Deposits and other receivables
- Bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. The Company considers a default on a financial asset is when the counterparty fails to make contractual payments within 360 days of when they fall due.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company recognizes an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.10 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest rate method. Gain and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit or loss.

4.11 Impairment of non-financial assets

Non financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.12 Off setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the unconsolidated financial statements only when there is a legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

4.13 Trade debts and other receivables

Trade debts are amounts due from customer for goods sold or services performed in ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Company. Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method less loss allowance.

4.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the statement of financial position.

4.15 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, commissions and government levies. The credit term does not include any financing component.

Revenue is recognised at the time of despatch of goods from the factory and / or delivery at a specified location depending on the arrangement with the customers.

4.16 Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

4.17 Contract asset and contract liability

A contract asset is recognised for the Company's right to consideration in exchange for goods or services that it has transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is recognised for the Company's obligation 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, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

4.18 Foreign currency translations

a) Functional and presentation currency

Items included in the unconsolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

4.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4.20 Trade and other payables

These represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.21 Provisions

Provisions for legal claims and make good obligations are recognised 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 the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4.22 Earnings per share ('EPS')

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of additional 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.

4.23 Dividend

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.

4.24 Borrowing cost

General and specific 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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

4.25 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 tax, if any.

4.26 Contingent liabilities and assets

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.

Contingent liabilities are not recognized. A contingent liability is disclosed unless the possibility of an outflow is remote.

Contingent asset is disclosed when an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements since this may result in recognition of income that may never be realised.

Contingent liabilities and assets are generally estimated using:

- The single most likely outcome; or

- A weighted average of all the possible outcomes (the 'expected value' method). This is likely to be the most appropriate method for a large population of similar claims, but can also be applied to a single obligation with various possible outcomes.

4.27 Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4.28 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.

4.29 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Rupees unless otherwise stated.

5. SHARE CAPITAL

5.1 Issued, subscribed and paid-up share capital

	Note	Number of shares	2024	2023
			(Rupees in thousand)	
Number of shares				
(2023: 835,972,162) ordinary shares of Rs. 10 each fully paid in cash		835,972,162	8,359,721	8,359,721
(2023: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	5.1.1&5.1.2	11,674,893	116,749	358,341
(2023: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		46,069,400	460,694	460,694
(2023: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.1.3	153,846,153	1,538,462	1,538,462
(2023: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	5.1.4	-	-	16,244
	5.1.5	1,047,562,608	10,475,626	10,733,462

5.1.1 The holding company has bought back 24.159 million shares for the purpose of cancellation from October 27, 2023 to April 15, 2024 at market price prevailing at the date of purchase. The purchase was made pursuant to approvals of Board of Directors and the shareholders of the Company in their meeting held on September 6, 2023 and October 19, 2023 respectively, where the company was allowed to purchase/buy back its issued ordinary shares up to the maximum of 100 million ordinary shares, through Pakistan Stock Exchange Limited, at spot/current share price prevailing during the period from October 27, 2023 to April 15, 2024. These shares were cancelled on April 24, 2024.

5.1.2 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 shareholders of the Company.

5.1.3 During the financial year ended June 30, 2011, Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.

5.1.4 During the current year, 1,624,417 ordinary shares issued against the conversion of preference shares were cancelled against buy back of shares.

5.1.5 **Movement of issued, subscribed and paid-up share capital**	Number of shares	2024	2023
		(Rupees in thousand)	
At beginning of the year	1,073,346,232	10,733,462	10,983,462
Own shares purchased during the year	(25,783,624)	(257,836)	(250,000)
At end of the year	1,047,562,608	10,475,626	10,733,462

5.2 The Holding Company holds 606,497,944 (2023: 606,497,944) ordinary shares, which represents 57.89% (2023: 56.51%) of total ordinary issued, subscribed and paid-up share capital of the Company.

5.3 Directors of the Company hold 96,706 (2023: 96,706) ordinary shares of Rs. 10 each of the Company.

6. CAPITAL RESERVES

	Note	2024	2023
		(Rupees in thousand)	
Capital redemption reserve	6.1	105,824	105,824
Share premium reserve	6.2	6,060,550	6,060,550
FVOCI reserve	6.3	1,031,048	197,578
Own shares purchased for cancellation	6.4	1,000,000	-
Capacity expansion reserve	6.5	20,000,000	-
Long term investments reserve	6.6	5,000,000	-
		33,197,422	6,363,952

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

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

6.3 This represents the unrealised gain on remeasurement of equity investments at fair value through other comprehensive income and is not available for distribution.

6.4 This reserve has been created by reclassification of unappropriated profits for the purpose of buy back of shares and is not available for distribution.

6.5 This reserve has been created by reclassification of unappropriated profits for the purpose of capacity expansion and is not available for distribution.

6.6 This reserve has been created by reclassification of unappropriated profits for the purpose of long term investments and is not available for distribution.

	Note	2024	2023
		(Rupees in thousand)	
7. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX			
At beginning of the year		2,751,306	3,456,148
Surplus on revaluation during the year	7.1	4,310,048	-
Surplus on disposal of fixed assets during the year		(1,610)	(611)
Transfer to unappropriated profit in respect of incremental depreciation charged during the year		(751,203)	(704,231)
At end of the year		6,308,541	2,751,306
Deferred tax liability on revaluation surplus			
At beginning of the year		882,322	996,181
Tax effect of surplus on revaluation of fixed assets		1,658,154	-
Transferred to unappropriated profit in respect of disposal of fixed assets during the year		(628)	(226)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(278,321)	(260,918)
Effect of change in effective tax rate		31,790	147,285
At end of the year		2,293,317	882,322
		4,015,224	1,868,984

7.1 The Company's freehold land, buildings on freehold land, roads, bridges and railway sidings and plant and machinery were revalued by Tristar International Consultant (Private) Limited, an independent professional valuer, as at June 30, 2024, as detailed in note 51.

8. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Sanctioned Limit	2024	2023	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		---------------- Rupees in '000'		----------------			
1	Askari Bank Limited - Term Finance	1,000,000	388,921	459,634	10 equal quarterly installments ending on December 28, 2026	3-month KIBOR + 125 basis points ('bps') per annum ('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 Parri Passu ('JPP') charge of Rs. 1,334 million, margin 25% over fixed assets of the company as below: 1. Hypothecation charge over all present and future plant and machinery of the company. 2. Land and building of cement unit phase-II and additional bare and ad measuring 30 kanals adjacent to it.
2	Bank of Punjab - Demand Finance	2,000,000	689,216	814,528	11 equal quarterly installments ending on February 28, 2027	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st JPP charge over all present and future fixed assets of the customer with 25%margin facility coverage of amounting to Rs. 4,000 Million (Bank of Punjab charge value Rs. 7,903,000 million).
3	MCB Bank Limited - Demand Finance	2,000,000	707,254	775,650	11 equal quarterly installments ending on March 23, 2027	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each quarter.	First Parri Passu (FPP) charge over all present and future fixed assets at 25% margin.
4	National Bank of Pakistan - Demand Finance	5,500,000	1,280,001	1,280,001	09 equal quarterly installments ending on September 30, 2026	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.	FPP / JPP charge of Rs. 5,333.33 Million over all present and future fixed assets (including land, buildings, plant and machinery) of the Company. Personal Guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
5	Samba Bank Limited - Term Finance	750,000	112,500	262,500	03 equal quarterly installments ending on January 01, 2025	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each calendar quarter	JPP charge of Rs. 600 Million on entire present and future fixed assets of the company including land, plant and machinery, buildings and all fixed assets under lien to other long term lenders.
6	MCB Islamic Bank Limited - Diminishing Musharakah	1,500,000	570,614	822,807	*Repayment will made in following tranches Tranche 1 08 equal quarterly installments ending on May 23, 2026 Tranche 2 08 equal quarterly installments ending on May 30, 2026 Tranche 3 09 equal quarterly installments ending on June 28, 2026 Tranche 4 09 equal quarterly installments ending on September 14, 2026 Tranche 5 09 equal quarterly installments ending on September 17, 2026 Tranche 6 11 equal quarterly installments ending on December 28, 2026	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.	First Joint Parri Passu charge of Rs. 2,000 million over all present and future fixed assets of the Company including land and buildings Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

	Lender	Sanctioned Limit	2024	2023	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		---------------- Rupees in '000' ----------------					
7	Askari Bank Limited - Temporary Economic Refinance Facility ('TERF')	900,000	310,464	448,448	09 equal quarterly installments ending on 17 August 2026	SBP Rate + 200 bps p.a, payable quarterly in arrears	First Joint Parri Passu charge of Rs. 2,000 million to the extent of Rs. 890.493 million with 25% Margin over fixed assets of company as below: a. Hypothecation charge over all present and future plant and machinery of the Company. b. Land and building of the cement unit Phase II and additional bare land measuring 30 kanals adjacent to it. Ranking hypothecation charge of Rs. 310 million with a 25% margin over all present and future fixed assets (excluding land and building) of the company to be registered with SECP.
8	Bank of Punjab - Demand Finance	600,000	189,122	243,157	14 equal quarterly installments ending on December 13, 2027	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.	First JPP 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).
9	National Bank of Pakistan - Demand Finance	1,220,497	624,843	714,106	28 equal quarterly installments ending on June 20, 2031	3-month KIBOR + 125 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	FPP /JPP charge on present and future fixed assets of the company with 25% margin. Personal Guarantees of Sponsor Directors i.e, Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
10	National Bank of Pakistan - TERF	1,779,503	1,507,652	1,730,090	28 equal quarterly installments ending on June 18, 2031	SBP rate + 150 bps p.a, payable quarterly in arrears	FPP / JPP charge on present and future fixed assets of the company with 25% margin. Personal Guarantees of sponsoring directors Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol
11	Bank of Punjab - Demand Finance	2,500,000	2,014,372	2,222,753	29 equal quarterly installments ending on August 23, 2031	3-month KIBOR + 90 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	FJPP 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).
12	Bank of Punjab - TERF	500,000	453,125	500,000	29 equal quarterly installments ending on June 29, 2031	SBP Rate + 150 bps p.a payable quarterly in arrears	First Joint Parri Passu charge of Rs. 7,903 million over all present and future fixed assets of the Company with 25% margin. Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

	Lender	Sanctioned Limit	2024	2023	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		---------------- Rupees in '000' ----------------					
13	MCB Bank Limited - Long term financing facility ('LTFF')	805,806	746,885	805,806	28 equal quarterly installments ending on June 18, 2031	SBP Rate + 150 bps p.a, payable quarterly in arrears	First Joint Parri Passu over all present and future fixed assets of the Company of PKR 38,051 million with 25% margin.
14	MCB Bank Limited - Demand Finance	1,194,194	539,536	617,007	28 equal quarterly installments ending on June 18, 2031	3-month KIBOR + 75 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	First Joint Parri Passu charge of Rs. 38,051 million (MCB share Rs. 4,500 million) over all present and future fixed assets of the Company.
15	Habib Bank Limited - LTFF	560,705	448,564	560,705	16 equal quarterly installments ending on June 25, 2028	SBP + 150 bps p.a, payable quarterly in arrears	First Joint Parri Passu charge of Rs. 4,000 million over all present and future fixed assets of the Company including land measuring 2,097 kanals and 9 Marlas, buildings, plant and machinery.
16	Habib Bank Limited - Term Finance	2,439,295	-	1,974,686	This loan has been fully repaid during the year.	3-month KIBOR + 150 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	First Joint Parri Passu charge of Rs. 4,000 million over all present and future fixed assets of the Company including land measuring 2,097 kanals and 9 Marlas, buildings, plant and machinery.
17	Allied Bank Limited -Term Finance	518,575	308,662	365,473	Repayment will made in following tranches: Tranche 1 20 equal quarterly installments ending on June 30, 2029 Tranche 2 18 equal quarterly installments ending on Novemeber 22, 2028 Tranche 3 21 equal quarterly installments ending on September 19, 2029	3-month KIBOR + 100 bps p.a, payable quarterly in arrears, markup to be reset on last working day of preceding calendar quarter.	Joint Parri Passu charge of Rs. 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Company.
18	Allied Bank Limited - LTFF	121,425	91,069	111,306	Tranche 1 18 equal quarterly installments ending on November 22, 2028 Tranche 2 18 equal quarterly installments ending on November 22, 2028	Tranche 1 SBP + 100 BPS Tranche 2 SBP + 400 BPS p.a, payable quarterly in arrears.	Joint Parri Passu charge of Rs. 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Company.
19	Faysal Bank Limited - Diminishing Musharakah	2,000,000	1,156,029	1,428,036	17 equal quarterly installments ending on August 31, 2028	3-month KIBOR + 50 bps p.a, payable quarterly in arrears.	Joint Parri Passu Charge over all present and future fixed assets of the Company with 25% margin.
20	MCB Islamic Bank Limited - Diminishing Musharakah	350,000	212,737	331,528	Repayment will made on following tranches. Tranche 1 05 equal quarterly installments ending on October 01, 2025 Tranche 2 05 equal quarterly installments ending on September 30, 2025 Tranche 3 08 equal quarterly installments ending on April 26, 2026	SBP Rate + 150 bps p.a, payable quarterly in arrears.	Joint Parri Passu charge over fixed assets of Company including land, buildings and plant and machinery with 25% margin.

	Lender	Sanctioned Limit	2024	2023	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		---------------- Rupees in '000' ----------------					
21	MCB Bank Limited - Demand Finance	500,000	333,278	333,278	16 equal quarterly installments Starting from May 28, 2025	3-month KIBOR + 70 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.	First Joint Parri Passu charge of Rs. 2,000 million over all present and future fixed assets of the Company including land and building. Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
22	Askari Bank Limited - Term Finance	1,000,000	270,820	816,931	20 quarterly installments have been re paid in advance on June 30, 2024. The remaining 11 equal quarterly instalments will start from September 09, 2029	3-month KIBOR + 125 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.	First Joint Parri 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.
23	Allied Bank Limited -Term Finance	1,000,000	843,750	1,000,000	Repayment will made in following tranches: Tranche 1 13 equal quarterly installments ending on August 4, 2027 Tranche 2 14 equal quarterly installments ending on December 12, 2027	3-month KIBOR + 70 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.	First Joint Parri Passu charge over fixed assets (plant and machinery) of the company with 25% margin. Disbursement will be made against ranking charge to be upgraded within 90 days from the date of initial disbursement.
	Total	30,740,000	13,799,414	18,618,430			
	Accrued mark up on long term loans		547,017	743,232			
	Amortized Cost of long term loans		14,346,431	19,361,662			
	Impact of deferred government grant		(605,926)	(785,692)			
	Current portion of long term loans from financial institutions - secured (principal portion)		(3,407,702)	(2,599,401)			
	Current portion of long term loans from financial institutions - secured (accrued mark up portion)		(547,017)	(743,232)			
	Long term portion of loans from financial institutions		9,785,786	15,233,337			

* This includes the following instalments due on June 30, 2024. The repayments were made subsequent to the year end due to closure of financial institutions on the last two days of June 2024 on account of weekend.

Bank	**Amount in Rupees**
Askari Bank Limited - Term Finance	35,356,469
MCB Islamic Bank Limited - Diminishing Musharakah	12,422,199
MCB Islamic Bank Limited - Diminishing Musharakah	10,416,667
	58,195,335

9. DEFERRED GOVERNMENT GRANT

	Note	2024	2023
		(Rupees in thousand)	
Balance as at 01 July	9.1 & 9.2	785,692	971,334
Amortization during the year		(179,766)	(185,642)
Balance as at 30 June		605,926	785,692
Current portion		(155,439)	(179,766)
Non - current portion		450,487	605,926

9.1 This represents deferred grant related to loans obtained, during 2021, under "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 under "SBP Temporary Economic Refinance Facility" and "SBP Financing Scheme for Renewable energy" for setting up of Waste Heat Recovery Plant, for import and installation of cement production line (Line - IV) and for setting up Solar Energy Project. These facilities carry markup at the rate specified by State Bank of Pakistan plus spread of 0.50% to 1.50% per annum. The loan has been initially measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

10. LONG TERM LOAN FROM SUBSIDIARY COMPANY

	Note	2024	2023
		(Rupees in thousand)	
Long term loan	10.1	4,500,000	2,000,000

10.1 The Company entered into an agreement on June 1, 2019, to convert the outstanding balance payable into a long-term loan from Maple Leaf Power Limited, the Subsidiary Company, in lieu of electricity purchased. An addendum to the agreement was signed on June 30, 2023. According to this addendum, Rs. 2,000 million, which was payable from April 1, 2024, was rescheduled to be paid in eight equal quarterly installments starting from October 1, 2025.

Another addendum was signed on April 30, 2024, disbursing an additional Rs. 2,500 million to the Company, increasing the total loan amount to Rs. 4,500 million. This loan is now payable in nine equal quarterly installments starting from October 1, 2026. The loan carries a mark-up at 3-month KIBOR plus 1% per annum, payable quarterly in arrears. The effective markup rate during the year ranges from 22.46% to 23.91% (2023: 15.32% to 22.08%) per annum.

	2024	2023
	(Rupees in thousand)	

11. LEASE LIABILITIES

The reconciliation of the carrying amount is as follows:

	2024	2023
Balance as at July 1	41,665	33,973
Addition during the year	20,438	17,666
Interest on lease liabilities	6,842	5,038
Payments made during the year	(18,529)	(14,611)
Leases terminated during the year	(1,837)	(401)
Balance as at June 30	48,579	41,665
Current maturity shown under current liabilites	(13,909)	(10,257)
	34,670	31,408

Maturity analysis of liability against right of use asset is as follows:

	2024	2023
Less than one year	18,893	14,325
One to five years	30,745	26,498
More than five years	27,593	30,226
	77,231	71,049
Future finance charge	(28,652)	(29,384)
Present value of liability against right of use asset	48,579	41,665

12. LONG TERM DEPOSITS

These include interest free security deposits from stockists and suppliers and are repayable on cancellation/withdrawal of the dealership or on cessation of business with the Company. As per the agreements signed with these parties, the Company has the right to utilise the amounts for the furtherance of their business, hence, the amounts are not required to be kept in a separate account maintained in a scheduled bank. Therefore, the Company is in compliance with section 217 of the Companies Act, 2017. These deposits have not been carried at amortised cost since the effect of discounting is immaterial in the context of these financial statements.

	2024	2023
	(Rupees in thousand)	

13. DEFERRED TAXATION

Deferred tax liability on taxable temporary differences arising in respect of:		
- Accelerated tax depreciation on fixed assets	10,615,101	9,849,033
- Surplus on revaluation of fixed assets	2,293,945	882,322
- Investment at FVOCI	378,925	65,859
	13,287,971	10,797,214
Deferred tax asset on deductible temporary differences arising in respect of:		
- Provision against expected credit loss	(229,024)	(89,719)
- Unused tax losses	-	(479,209)
- Minimum tax	-	(493,792)
- Alternative corporate tax	-	(1,013,692)
- Employees' retirement benefits	(14,657)	(51,591)
	(243,681)	(2,128,003)
	13,044,290	8,669,211

13.1 Movement in deferred tax balances is as follows:

At beginning of the year	8,669,211	5,656,499
Recognized in statement of profit or loss:		
- Accelerated tax depreciation on fixed assets	1,046,878	3,701,691
- Surplus on revaluation of fixed assets	(524,842)	(261,144)
- Unused tax losses	475,609	495,654
- Employees' retirement benefits	4,728	(6,636)
- Minimum tax and Alternative corporate tax	1,503,569	(1,049,456)
- Provision for expected credit loss	(139,304)	(73,564)
	2,366,638	2,806,545
Recognized in surplus on revaluation of fixed assets		
- Effect of change in rate	31,790	147,285
- Surplus on revaluation of fixed assets	1,658,154	-
Recognized in other comprehensive income:		
- Employees' retirement benefits	5,432	(6,977)
- Investment at fair value through OCI	313,065	65,859
	13,044,290	8,669,211

14. RETENTION MONEY PAYABLE

This represents retention money payable to M/s Chengdu Design & Research Institute Of Building Materials Industry Co., Limited, amounting to CNY 38.433 million (2023: CNY 38.410 million) equivalent to Rs. 1,481.864 million (2023: Rs. 1,535.635 million) against Line-IV after 18 months of last major shipment and remaining amount is payable to M/s Sinoma Energy Conservation Limited against Line-IV Waste Heat Recovery Plant amounting to CNY 5.437 million (2023: CNY 5.437 million) equivalent to Rs. 209.469 million (2023: Rs. 217.353 million). This amount will be payable on issuance of certificate of performance test acceptance by the Company. As of the reporting date, this amount has been classified in current liabilities under 'trade and other payables' as the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

15. EMPLOYEE BENEFITS OBLIGATIONS

	Note	2024	2023
		(Rupees in thousand)	
Accumulating compensated absences	15.1	253,363	213,284
Gratuity	15.2	75,164	65,208
		328,527	278,492

15.1 Accumulating compensated absences

	2024	2023
Opening liability	213,284	165,416
Charged to profit or loss	64,947	65,806
Payments made during the year	(24,868)	(17,938)
Liability as at year end	253,363	213,284

15.1.1 Movement in liability for accumulating compensated absences

	2024	2023
	(Rupees in thousand)	
Present value of defined benefit obligations at beginning of the year	213,284	165,416
Current service cost for the year	12,765	11,103
Interest cost for the year	32,638	20,729
Benefits paid during the year	(24,868)	(17,938)
Remeasurements:		
Actuarial loss from changes in demographic assumptions	2,662	-
Experience adjustments	16,882	33,974
Present value of accumulating compensated absences as at year end	253,363	213,284

15.1.2 Charge for the year

	2024	2023
Current service cost for the year	12,765	11,103
Interest cost for the year	32,638	20,729
Actuarial losses on present value of defined benefit obligations	19,544	33,974
	64,947	65,806

At 30 June 2024, the average duration of the defined benefit obligation was 8.6 years.

15.1.3 Actuarial assumptions

The principal actuarial assumptions used in the actuarial valuation of this scheme by applying projected unit credit method as on June 30 are as follows:

	2024	2023
Discount rate used for interest cost	16.25%	13.25%
Discount rate used for year end obligations	14.75%	16.25%
Expected rate of growth per annum in future salaries	13.75%	15.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumption	60 Years	60 Years
Average duration	8.6 years	10 years

15.1.4 Sensitivity analysis

Significant assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Accumulating compensated absences	
	Present value of defined benefit obligation	
	Increase in assumption	Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	233,203	276,647
Future salary increase + 100 bps	276,168	233,309

15.1.5 Risks associated with the accumulating compensated absences

- Final Salary Risk (linked to inflation risk) - the risk that the final salary at the time of cessation of service is greater than what we assumed. Since, the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

- Demographic risks

Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

15.2 Gratuity

The latest actuarial valuation of the Company's defined benefit plan, was conducted on June 30, 2024 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

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

	Note	2024	2023
		(Rupees in thousand)	
Present value of defined benefit obligation	15.2.1	183,179	162,625
Fair value of plan assets	15.2.2	(120,047)	(99,816)
Add: Payable to ex-employees		12,032	2,399
Net liability at end of the year		75,164	65,208
Net liability at beginning of the year		65,208	69,913
Charge to statement of profit or loss for the year	15.2.3	14,087	12,405
Charge to other comprehensive income for the year	15.2.3	18,730	18,830
Contribution made during the year		(22,861)	(35,940)
Gratuity due but not paid		-	-
Net liability at end of the year		75,164	65,208

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

	2024	2023
	(Rupees in thousand)	
Present value of defined benefit obligations at B eginning of the year	162,625	153,729
Current service cost	6,619	6,029
Interest cost	23,785	17,829
Benefits due but not paid	(10,835)	(2,399)
Adjustment against payables	21	-
Benefits paid during the year	(21,680)	(35,940)
Remeasurements:		
Actuarial losses from changes in demographic assumptions	200	-
Actuarial losses from changes in financial assumptions	1,274	183
Experience adjustments	21,170	23,194
Present value of defined benefit obligation at end of the year	183,179	162,625

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

	2024	2023
Fair value of plan assets at beginning of the year	99,816	83,816
Contributions made during the year	22,861	41,171
Expected return on plan assets for the year	16,317	11,453
Actuarial loss on plan assets	3,914	4,547
Benefits paid during the year	(22,861)	(41,171)
Fair value of plan assets at end of the year	120,047	99,816

Plan assets comprise of:

	2024	2023
Units of NBP Mustahkam Fund - Fixed Term Munafa Plan V	119,615	98,859
Cash at bank	432	957
	120,047	99,816

	2024	2023
	(Percentage)	
Debit instruments	99.64%	99.04%
Cash at bank	0.36%	0.96%
	100.00%	100.00%

15.2.3 Charge for the year

	2024	2023
	(Rupees in thousand)	
Unconsolidated statement of profit or loss		
Current service cost for the year	6,619	6,029
Interest cost for the year	23,785	17,829
Expected return on plan assets for the year	(16,317)	(11,453)
	14,087	12,405
Unconsolidated statement of comprehensive income		
Actuarial losses on retirement benefits - net	18,730	18,830
	32,817	31,235

Actuarial assumptions

	2024	2023
The following are the principal actuarial assumptions at 30 June:		
Discount rate used for year end obligations	16.25%	16.25%
Discount rate used for interest cost in profit or loss	13.75%	13.25%
Expected rate of growth per annum in future salaries	13.75%	15.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	60 Years
Average duration	4 Years	4 Years

15.2.4 This also includes payments made to employees with respect to gratuity due but not paid in 2023 amounting to Rs. 3.572 million.

15.3 The Company expects to charge Rs. 14.087 million to unconsolidated statement of profit or loss on account of defined benefit plan in the year ending June 30, 2025.

15.4 Sensitivity analysis

Significant assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Gratuity	
	Present value of defined benefit obligation	
	Increase in assumption	Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	176,191	190,745
Future salary increase + 100 bps	190,845	175,978

15.5 Risks associated with the defined benefit plan

- Final salary risk (linked to inflation risk) – the risk that the final salary at the time of cessation of service is greater than what is currently assumed. Since, the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

- Demographic risks
Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment risk – the risk of the investment underperforming and being not sufficient to meet the liabilities.

15.6 Compensated absences and gratuity charge to profit or loss for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales	36	51,925	41,000
Administrative expenses	38	11,279	22,680
Selling and distribution expenses	37	15,830	14,531
		79,034	78,211

16. TRADE AND OTHER PAYABLES

	Note	2024	2023
Trade creditors		4,116,388	3,390,287
Due to related party	16.1	831,669	1,871,865
Bills payable - secured		458,792	1,414,069
Accrued liabilities		1,504,506	1,721,363
Contract liabilities	16.2	352,641	445,838
Payable to Workers' Profit Participation Fund	16.3	1,700,214	1,564,031
Payable to Workers' Welfare Fund	16.4	427,129	280,436
Electricity duty payable	16.5	155,952	116,327
Payable to Provident Fund Trust		25,989	-
		9,573,280	10,804,216
Payable to Government on account of:			
Federal excise duty payable		58,507	374,455
Sales tax payable - net		129,352	770,490
Royalty and Excise Duty payable		400,439	35,059
Other taxes payable		189,978	87,253
		778,276	1,267,257
Contractors' retention money	16.6	2,025,278	359,096
Security deposits repayable on demand	16.7	97,138	76,723
Payable against redemption of preference shares		993	1,005
Other payables		7,268	9,883
		2,130,677	446,707
		12,482,233	12,518,180

16.1 Due to related party

This represents the amounts due in respect of transactions during the year as detailed in note 46 to the financial statements.

	2024	2023
	(Rupees in thousand)	
Due to Maple Leaf Power Limited ('MLPL')	821,425	1,871,865
Due to Holding Company	10,364	-
	831,789	1,871,865

16.2 This represents contract liabilities of the Company towards various parties. Revenue recognised in the current year that was included in the contract liability balance at the beginning of the year amounts to Rs. 280.783 million (2023: Rs. 219.027 million).

16.3 Payable to Workers' Profit Participation Fund	Note	2024	2023
		(Rupees in thousand)	
Opening		1,564,031	1,613,792
Provision for the year	39	270,735	56,319
Payments		(134,552)	(106,080)
Closing balance		1,700,214	1,564,031
16.4 Workers' Welfare Fund			
Opening		280,436	155,344
Provision for the year	39	187,800	189,936
Paid during the year		(41,107)	(64,844)
Closing balance		427,129	280,436
16.5 Electricity duty payable			
Opening		116,327	-
Provision for the year		39,625	116,327
Payments		-	-
Closing balance		155,952	116,327

16.6 This represents retention monies withheld from contractors and are repayable after satisfactory completion of contracts. It also includes retention money payable as explained in note 14.

16.7 This represents security deposits received from distributors and contractors of the Company. Distributors and contractors have given the Company a right to utilize deposits in ordinary course of business.

17. MARK-UP ACCRUED ON BORROWINGS

	Note	2024	2023
		(Rupees in thousand)	
Accrued mark-up on:			
- Long term loans from financial institutions - secured		547,017	743,232
- Long term loan from Subsidiary Company	10	257,224	115,084
- Short term borrowings		61,704	21,723
		865,945	880,039

17.1 Accrued mark-up on all loans includes Rs. 43.698 million (2023: Rs. 62.011 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. 5.561 million (2023: Rs. Nil) related to an arrangement permissible under Shariah. Remaining mark up pertains to the loans from conventional banks.

18. SHORT TERM BORROWINGS FROM FINANCIAL INSTITUTIONS - SECURED

	Note	2024	2023
		(Rupees in thousand)	
Banking and financial institutions:			
- Cash finance and others facilities availed	18.1	-	-
- Running finance	18.2	1,645,316	-
- Islamic mode of financing	18.3	-	-
		1,645,316	-

18.1 The Company has un-availed cash finance and other funded facilities aggregating Rs. 2,000 million (2023: Rs. 2,000 million) at the year end and un-availed facilities for opening letters of credit/guarantee aggregating to Rs. 11,972 million (2023: Rs. 8,685 million) at the year end.

The cash finance and other facilities carry mark-up at rates ranging from 19.00% to 23.61% (2023: 3.00% to 22.70%) per annum, payable quarterly in arrears.

18.2 The Company has un-availed running finance funded facilities aggregating Rs. 898 million (2023: Rs. 950 million) at the year end.

The running finance carries mark-up at rates ranging from 21.96% to 24.16% (2023: 14.80% to 23.58%) 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. 2,667 million. The Company has un-availed Islamic financing facilities aggregating to Rs. 1,011 million (2023: Rs. 2,000 million) at the year end.

The Islamic financing facilities carried profit expense at 20.27% per annum payable in arrears (2023: Nil).

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 The Company had filed an appeal before the Customs, Central Excise and Sales Tax Appellate Tribunal, Karachi (now, Customs, Excise & Sales Tax Appellate Tribunal, Karachi) against the order of the Deputy Collector Customs whereby the refund claim of the Company amounting to Rs. 12.350 million was rejected and the Company was held liable to pay an amount of Rs 37.050 million by way of 10% customs duty allegedly leviable in terms of SRO 584(I)/95 and 585(I)/95 dated July 01, 1995. The impugned demand was raised by the department on the alleged ground that the Company was not entitled to exemption from payment of customs duty and sales tax in terms of SRO 279(I)/94 dated April 02, 1994.

The Honourable Lahore High Court, upon the Company's appeal, vide its order dated November 06, 2001, decided the matter in favour of the Company. However, the Collector of Customs preferred a petition before the Honourable Sindh High Court, which is pending adjudication. No provision has been made in these unconsolidated financial statements in respect of the above stated amount as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Company.

19.1.2 A show cause notice was issued to the Company on December 04, 1999 and demand was raised by the Central Board of Revenue (now, the Federal Board of Revenue) for payment of duties and taxes on the plant and machinery imported by the Company (pursuant to the exemption granted in terms of SRO 484(I)/92 allegedly on the ground that the plant could be locally manufactured and was therefore not exempt). A total demand of Rs. 1,386.720 million was raised by the Central Board of Revenue out of which an amount of Rs. 449.328 million was deposited by the Company (initially, the Company deposited Rs .269.328 million and subsequently deposited further amount of Rs 180.00 million). Initially, the matter was decided in favour of the Company as per the judgment of the Lahore High Court in writ petition no. 6794/2000. Against the aforesaid judgment of Lahore High Court, the Customs Department had filed appeal before the Supreme Court of Pakistan which was decided by the Honourable Supreme Court vide judgment dated December 21, 2011 with the direction to file reply to the Show Cause Notice before the Collector of Customs, Faisalabad.

The Company filed its reply before the Collector of Customs, Faisalabad who decided the same against the Company vide order no. 6/2014 dated July 09, 2014. The said order was challenged by the Company by way of filing of appeal no. 172/LB/2014 before the Customs Appellate Tribunal, Lahore who vide Judgment dated August 21, 2019 has granted partial relief to the Company with direction to the Customs Department to recalculate the customs duty in accordance with the list communicated by the Engineering Development Board vide letter dated June 21, 2006.

However, the Collector of Customs instead of making fresh calculations, through a demand notice CA-1946/2000(Pt-I)/8169 dated October 23, 2019 restored the original demand raised by the earlier order no. 06/2014 and directed the Company to pay the amount of Rs. 933.810 million within a period of seven days. The said demand of tax was challenged by the Company before the Honourable Lahore High Court, wherein stay against recovery was granted to it by the Honourable Lahore High Court vide order dated November 04, 2019. This matter is still pending before the Honourable Lahore High Court, Lahore, and next date of hearing is yet to be fixed by the office of the High Court. No provision has been made in these unconsolidated financial statements in respect of the above stated amount as the management and the legal advisor of the Company are confident that the ultimate outcome of this case will be in favour of the Company.

19.1.3 The Company has filed an appeal before the Honourable Supreme Court of Pakistan against the judgment of the Division Bench of the Honourable High Court of Sindh at Karachi. The Division Bench, in its judgment dated September 15, 2008, partly accepted the appeal by declaring that the levy and collection of infrastructure cess/fee prior to December 28, 2006, was illegal and ultra vires, while after December 28, 2006, it was legal and collected by the Excise Department in accordance with the law. The appeal challenges the declaration that the infrastructure cess/fee collected after December 28, 2006, was lawful. The Province of Sindh and the Excise and Taxation Department have also appealed against the judgment. The Honourable Supreme Court consolidated both appeals and set them aside. Subsequently, the law has been challenged in a constitutional petition in the Honourable Sindh High Court, Karachi. The Honourable High Court granted a stay on May 31, 2011, requiring payment of 50% of the cess to the Excise Department and furnishing a bank guarantee for the remaining 50%. The matter is pending adjudication, and the stay order remains in effect.

19.1.4 The Competition Commission of Pakistan, in an order dated August 27, 2009, imposed a penalty on twenty cement factories in Pakistan at a rate of 7.5% of their turnover. The penalty imposed on the Company amounts to Rs. 586.190 million. The Commission alleges a violation of section 4(1) of the Competition Commission Ordinance, 2007. However, following the abeyance by the Honourable Islamabad High Court pursuant to the Supreme

Court of Pakistan's judgment dated July 31, 2009, the petition has become infructuous. The Company has filed writ petition no. 15618/2009 before the Honourable Lahore High Court. No provision has been made in these unconsolidated financial statements as the management and the Company's legal advisor are confident that the case's ultimate outcome will be in the Company's favor.

19.1.5 Surcharge of Rs. 154 million has been imposed by Mines and Minerals Department, Government of the Punjab under Rule 68(2) of Punjab Mining Concession Rules, 2002 ("Rules") against which the Company has filed writ petition against Government of the Punjab via writ petition No. 1008/2014 to challenge the basis of Rules. The Honourable Lahore High Court dismissed the petition and remanded the case back to the department since the matter was being reviewed by the relevant authority. Management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favour of the Company.

19.1.6 The Federal Board of Revenue (FBR) selected the Company's case for audit of its sales tax affairs for the tax periods from July 2017 through June 2018 through computerized balloting which was intimated through notice dated February 10, 2021 issued by the office of the Commissioner Inland Revenue (CIR). Subsequently, the Deputy CIR issued audit report and show cause notice dated March 8, 2021 and March 17, 2021 respectively. The proceedings were finalized through order dated March 31, 2021 through which an aggregate sales tax demand of Rs. 1,399.890 million was created against the company.

The company preferred an appeal against the above referred order which was disposed of by the Commissioner Inland Revenue (Appeals) [CIR(A)] vide appellate order dated July 15, 2021. Through such appellate order, majority of the issues which were pressed in appeal were settled in favour of the company. Regarding the issues decided against the Company, the Company is in the process of preferring an appeal before the Appellate Tribunal Inland Revenue (ATIR). No provision has been made in these unconsolidated financial statements as the management and the Company's legal advisor are confident that the Company is likely to obtain relief from the appellate authorities.

19.1.7 The Learned Additional Commissioner vide order no. ENF-III.50.2017 dated March 22, 2018 raised demand of Rs. 256 million against the Company, related to tax period from July 2015 to March 2017 on alleged non-deduction of withholding tax on services received by the Company. Being aggrieved, the Company filed an appeal before the Commissioner (Appeals), Punjab Revenue Authority. The Company also challenged the vires of Rule 6 of Punjab Sales Tax on Services (Withholding) Rules, 2002 before Honourable Lahore High Court (LHC) through constitutional petition no. 203460/2018. The Honourable Court issued notice to the department and suspended proceedings before the first appellate authority vide order dated May 23, 2018. The writ petition is pending adjudication. The Company and the tax/legal advisor of the Company are expecting favourable outcome of the case. Therefore, no provision has been booked in these unconsolidated financial statements.

19.1.8 The Company was selected for audit under section 42B of Sales Tax Act, 1990 for tax period July 2017 to June 2018 intimated by letter dated December 8, 2020. The DCIR finalized the audit and created a demand of Rs. 690.520 million along with default surcharge and penalty, vide order no. 02 dated October 20, 2021. Being aggrieved, the Company preferred an appeal before CIR(A). The appeal was disposed off by CIR(A) vide appellate order no. 12 dated February 10, 2022 and entire amount of Federal Excise Duty along with penalty and default surcharge was annulled and the matter was remanded back to the taxation officer. Being aggrieved, the Company preferred an appeal before the ATIR which is pending adjudication. However, the management and the tax advisor of the Company are hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these unconsolidated financial statements.

19.1.9 The Company received show cause notice, dated April 17, 2022 as per which it was alleged that the Company's claim of input sales tax amounting to Rs. 85.980 million, for the tax periods January 2017 to August 2019, was illegal. The Company responded to the notice vide letter dated April 25, 2022. The proceedings were concluded by the DCIR and demand of Rs. 85.980 million along with default surcharge and penalty was raised by DCIR vide assessment order dated May 31, 2022, passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Company preferred an appeal before the CIR(A), which is pending adjudication. The management of the Company is hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these unconsolidated financial statements.

19.1.10 The Company received show cause notice dated April 7, 2022 as per which it was alleged that the Company's claim of input sales tax, amounting to Rs. 620.980 million, for the tax periods July 2019 to November 2021 was illegal. The Company responded to the notice vide letter dated March 25, 2022. The proceedings were concluded by the DCIR and demand of Rs. 580.060 million along with default surcharge and penalty was raised by DCIR vide assessment order dated May 31, 2022 passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Company preferred an appeal before the CIR(A), which has been decided by CIR(A) vide order dated November 8, 2022. Department has preferred an appeal before learned ATIR against the order of CIR(A). The management of the Company is hopeful of favourable outcome of the case, therefore, no provision has been recorded in these unconsolidated financial statements.

19.1.11 The Company received a demand notice dated February 17, 2011, from the Director General Mines and Minerals, Punjab, imposing a 1% per day penalty of Rs. 244.784 million for late payment of royalty. The Company has appealed to the Court of Secretary Mines, challenging the legality of the Mining Department's rules regarding the harsh penalty. Additionally, the Company has filed Writ Petition No. 16877 of 2024 in the Lahore High Court, which granted interim relief restraining the respondents from recovering the penalty. The petition is currently pending adjudication. The management is hopeful of a favorable outcome, so no provision has been recorded in these unconsolidated financial statements.

19.1.12 Various notices have been issued to the Company by different tax authorities, requiring the Company to explain its position regarding, allegedly, fake input sales tax credits claimed by a few suppliers of coal who supplied coal to the Company. The Company has responded to all such notices about its legal position, stating that it was in compliance with all applicable provisions of the Sales Tax Act, 1990, regarding these transactions, and has provided supporting documents to the relevant tax authorities.

There have been no further correspondences on the above notices, except for cases in which demand has been raised by the Large Taxpayer Unit (LTO) Lahore. LTO Lahore has issued orders numbered 22/2024, 23/2024, and 28/2024, dated June 14, 2024, June 16, 2024, and June 22, 2024, respectively, raising demands amounting to Rs. 25.797 million, Rs 302.606 million, and Rs. 379.040 million. Subsequent to the year end, the Company has received three additional orders numbered 31/2024,04/2024 and 06/2024, dated July 2, 2024, July 19, 2024 and August 30,2024, respectively, for demands amounting to Rs. 97.446 million, Rs. 31.010 million and Rs. 19.932 million. The Company has filed appeals against all these cases before the Appellate Tribunal Inland Revenue (ATIR), which are pending adjudication. The Company and its tax advisor are confident that the ultimate outcome of the cases will be in the Company's favor. Therefore, no provision has been recognized in these unconsolidated financial statements.

19.1.13 Contingencies relating to income tax matters are disclosed in note 33 to these unconsolidated financial statements.

Based on the advice of the taxation/legal advisors of the Company, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the unconsolidated financial statements.

19.2 Commitments

19.2.1 In respect of:

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
- contracts for capital expenditure	1,558,799	3,257,391
- irrevocable letters of credit for spare parts	420,822	400,478
- purchase of coal	536,690	1,992,761
	2,516,311	5,650,630

19.2.2 Guarantees given by banks on behalf of the Company are Rs. 1,587.710 million (2023: Rs. 1,101.350 million) in favour of Sui Northern Gas Pipeline Limited and Government Institutions.

19.2.3 Corporate guarantee given by the Company to the financial institutions related to credit facilities amounting to Rs. 1,000 million (2023: Rs. 1,000 million) available to Maple Leaf Power Limited.

20. PROPERTY, PLANT AND EQUIPMENT

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Operating fixed assets	20.1	65,428,006	60,396,461
Capital work in progress - at cost	20.2	471,174	1,676,796
Major spare parts and stand-by equipment	20.3	48,281	238,239
Right of use of asset	20.4	48,137	43,112
		65,995,598	62,354,608

20.1 Operating fixed assets

	Cost / Revalued amount							Depreciation					
	As at July 01, 2023	Revaluation	Additions	Transfers	Disposals	As at June 30, 2024	Rate	As at July 01, 2023	Revaluation	For the year	Disposals	As at June 30, 2024	Net book value at June 30, 2024
	Rupees in thousand						Percentage	Rupees in thousand					
Owned													
Freehold land													
- cost	824,605	-	20,267	-	-	844,872	-	-	-	-	-	-	844,872
- surplus on revaluation	369,883	58,370	-	-	-	428,253	-	-	-	-	-	-	428,253
	1,194,488	58,370	20,267	-	-	1,273,125		-	-	-	-	-	1,273,125
Buildings on freehold land													
- cost	19,779,245	-	1,264,181	-	-	21,043,426	5 - 20	5,094,656	-	911,456	-	6,006,112	15,037,314
- surplus on revaluation	343,724	332,686	-	-	-	676,410	5 - 20	233,683	93,844	40,978	-	368,505	307,905
	20,122,969	332,686	1,264,181	-	-	21,719,836		5,328,339	93,844	952,434	-	6,374,617	15,345,219
Roads, bridges and railway sidings													
- cost	469,052	-	277,748	-	-	746,800	5 - 10	197,066	-	37,864	-	234,930	511,870
- surplus on revaluation	4,429	57,768	-	-	-	62,197	5 - 10	4,345	2,151	21	-	6,517	55,680
	473,481	57,768	277,748	-	-	808,997		201,411	2,151	37,885	-	241,447	567,550
Plant and machinery													
- cost	65,463,218	-	2,392,009	-	(261,436)	67,593,791	5 - 20	24,286,431	-	2,554,563	(66,440)	26,774,554	40,819,237
- surplus on revaluation	7,477,789	6,953,229	-	-	(10,772)	14,420,246	5 - 20	5,206,479	2,996,010	710,204	(9,162)	8,903,531	5,516,715
	72,941,007	6,953,229	2,392,009	-	(272,208)	82,014,037		29,492,910	2,996,010	3,264,767	(75,602)	35,678,085	46,335,952
Spares held for capital expenditure	-	-	-	947,901	-	947,901	10	-	-	63,867	-	63,867	884,034
Furniture, fixtures and equipment	582,891	-	79,984	-	(250)	662,625	10 - 30	445,598	-	35,085	(209)	480,474	182,151
Quarry equipment	185,004	-	-	-	-	185,004	20	174,942	-	2,012	-	176,954	8,050
Vehicles	758,677	-	460,690	-	(83,742)	1,135,625	20	218,855	-	138,739	(53,894)	303,700	831,925
Share of joint assets	6,000	-	-	-	-	6,000	10	6,000	-	-	-	6,000	-
	1,532,572	-	540,674	947,901	(83,992)	2,937,155		845,395	-	239,703	(54,103)	1,030,995	1,906,160
Total	96,264,517	7,402,053	4,494,879	947,901	(356,200)	108,753,150		35,868,055	3,092,005	4,494,789	(129,705)	43,325,144	65,428,006

	Cost / Revalued amount					Depreciation				
	As at July 01, 2022	Additions	Disposals	At June 30, 2023	Rate	At July 01, 2022	For the year	Disposals	At June 30, 2023	Net book value at June 30, 2023
	Rupees in thousand				Percentage	Rupees in thousand				
Owned										
Freehold land										
- cost	822,154	2,450	-	824,604	-	-	-	-	-	824,604
- surplus on revaluation	369,883	-	-	369,883	-	-	-	-	-	369,883
	1,192,037	2,450	-	1,194,487		-	-	-	-	1,194,487
Buildings on freehold land										
- cost	14,057,169	5,722,076	-	19,779,245	5 - 20	4,412,727	681,929	-	5,094,656	14,684,589
- surplus on revaluation	343,724	-	-	343,724	5 - 20	205,360	28,323	-	233,683	110,041
	14,400,893	5,722,076	-	20,122,969		4,618,087	710,252	-	5,328,339	14,794,630
Roads, bridges and railway sidings										
- cost	457,157	11,895	-	469,052	5 - 10	166,663	30,403	-	197,066	271,986
- surplus on revaluation	4,429	-	-	4,429	5 - 10	4,321	24	-	4,345	84
	461,586	11,895	-	473,481		170,984	30,427	-	201,411	272,070
Plant and machinery										
- cost	48,925,183	16,580,806	(42,771)	65,463,218	5 - 20	22,349,438	1,953,361	(16,368)	24,286,431	41,176,787
- surplus on revaluation	7,479,329	-	(1,540)	7,477,789	5 - 20	4,531,523	675,885	(929)	5,206,479	2,271,310
	56,404,512	16,580,806	(44,311)	72,941,007		26,880,961	2,629,246	(17,297)	29,492,910	43,448,097
Furniture's, fixtures and equipment	524,964	58,403	(476)	582,891	10 - 30	418,348	27,560	(310)	445,598	137,293
Quarry equipment	183,104	1,900	-	185,004	20	172,735	2,207	-	174,942	10,062
Vehicles	413,595	411,614	(66,532)	758,677	20	204,288	61,536	(46,969)	218,855	539,822
Share of joint assets	6,000	-	-	6,000	10	6,000	-	-	6,000	-
	1,127,663	471,917	(67,008)	1,532,572		801,371	91,303	(47,279)	845,395	687,177
	73,586,691	22,789,144	(111,319)	96,264,516		32,471,403	3,461,228	(64,576)	35,868,055	60,396,461

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

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales	36	4,350,306	3,378,526
Selling and distribution expenses	37	44,663	28,358
Administrative expenses	38	113,414	64,996
		4,508,383	3,471,880

20.1.2 Sale of operating fixed assets

For the year ended June 30, 2024

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss) on sale	Mode of sale	Particulars of purchaser
	----------------------- Rupees in thousand -----------------------						
Plant and Machinery							
Preventive Maintenance Kit	4,454	2,290	2,164	648	(1,516)	Negotiation	M/S.Muhammad Hayat Contractor
Preventive Maintenance Kit	4,454	2,290	2,164	648	(1,516)	-do-	M/S.Muhammad Hayat Contractor
Cables And Cable Trays	59,194	52,561	6,633	9,998	3,365	-do-	Mr. Ashiq
Complete Tertiary Air Duct	7,891	5,284	2,607	4,138	1,531	-do-	Mr. Abdur Rasheed
Roller Segment	12,585	2,329	10,256	6,600	(3,656)	-do-	Mr. Abdur Rasheed
Table Wear Segment	8,315	1,539	6,776	4,361	(2,415)	-do-	Mr. Abdur Rasheed
Gear Unit	837	193	644	526	(118)	-do-	Mr. Abdur Rasheed
Hmi For Loader	1,056	59	997	3	(994)	-do-	Mr. Abdur Rasheed
Lid For Explosion Door	3,897	896	3,001	2,447	(554)	-do-	Mr. Abdur Rasheed
Hoisting Damper Tongue For Tad Duct	2,519	142	2,377	2,884	507	-do-	Mr. Abdur Rasheed
Vehicles							
							Key Management Personnel
Toyota Prado	12,780	10,988	1,792	9,500	7,708	As per Company's Policy	Mr. Mohsin Raza Naqvi
Honda Civic	2,930	1,915	1,015	2,900	1,885	-do-	Mr. Tariq Ahmed Mir
Honda Civic	2,929	1,943	986	2,870	1,884	-do-	Mr. Amer Bilal
Honda Civic	2,927	1,953	974	2,850	1,876	-do-	Mr. M.Basharat
Toyota Corolla	2,918	1,939	979	2,810	1,831	-do-	Mr. Nasir Iqbal
Honda Civic Oriel	2,929	1,964	965	2,910	1,945	-do-	Mr. Zeeshan Malik Bhutta
Audi	6,587	4,802	1,785	6,450	4,665	-do-	Mr. Sohail Sadiq
Audi	6,538	4,760	1,778	6,500	4,722	-do-	Mr. Yahya Hamid
							Others
Suzuki Cultus	1,603	1,061	542	1,520	978	-do-	Mr. Nauman Javaid
Honda Civic	2,930	1,943	987	2,630	1,643	-do-	Mr. Abdul Hanan Khan
Honda Civic	2,827	1,262	1,565	2,040	475	-do-	Mr. Sohaib Khakwani
Toyota Corolla	2,465	1,639	826	3,500	2,674	-do-	Mr. Aslam Khan
Suzuki Cultus	2,350	1,061	1,289	2,400	1,111	-do-	Mr. Muhammad Usman Javaid
Suzuki Cultus	2,350	1,057	1,293	2,400	1,107	-do-	Mr. Zeeshan Ali Ahmed
Toyota Corolla	7,779	-	7,779	7,510	(269)	-do-	Mr. Malik Asghar Ali

For the year ended June 30, 2023

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss) on sale	Mode of sale	Particulars of purchaser
	---------- Rupees in thousand ----------						
Plant and Machinery							
Feed Screw Conveyor	2,478	1,657	821	212	(609)	Negotiation	M/S.Muhammad Hayat Contractor
Clamp For Wear Segment	1,871	283	1,588	1,142	(446)	Negotiation	M/S Ghulam Akbar
Vehicles							
							Key Management Personnel
Honda Civic	3,640	2,816	824	3,040	2,216	Buy Back	Mr. Sohail Sadiq
							Others
Honda Civic	2,936	1,608	1,328	3,600	2,272	Buy Back	Mr. Nauman Ahmed
Toyota Yaris	2,815	592	2,223	2,250	27	-do-	Miss Amna Nauman
Suzuki Cultus	1,603	997	606	1,565	959	-do-	Mr. Mohammad Tahir
Suzuki Cultus	1,603	1,001	602	1,540	938	-do-	Mr. Shabi ul Hassan
Suzuki Cultus	1,643	998	645	1,500	855	-do-	Mr. Omer Farooq
Suzuki Cultus	1,674	976	698	1,570	872	-do-	Mr. Shaukat Nadeem
Suzuki Cultus	1,558	999	559	1,450	891	Auction	M/S Dewan Enterprises
Suzuki Cultus	1,672	976	696	1,540	844	Buy Back	Mr. Waqas Hassan

20.1.3 Additions in operating fixed assets include transfers from capital work-in-progress amounting to Rs. 4,056 million (2023: Rs. 22,593 million).

20.1.4 Ownership of the housing colony's assets included in the operating fixed assets is shared by the Company jointly with Agritech Limited in ratio of 101:245 since the time when both the companies were managed by Pakistan Industrial Development Corporation. These assets are in possession of the Housing Colony Establishment for mutual benefits.

20.1.5 Buildings, roads, bridges and railway sidings, plant and machinery are located at freehold land measuring 10,185 kanals located at Iskandrabad District Mianwali.

20.1.6 The Company has leased land measuring 127 kanals located at Iskandrabad, District Mianwali, to Maple Leaf Power Limited, a wholly owned subsidiary of the Company. The lease is classified as operating lease in these unconsolidated financial statements.

20.1.7 Had the certain classes of operating fixed assets not been revalued the net book value would have been as follows:

	2024	2023
	(Rupees in thousand)	
Freehold land	844,872	824,604
Buildings on freehold land	15,037,314	14,684,589
Roads, bridges and railway sidings	511,870	271,986
Plant and machinery	40,819,237	41,176,787
	57,213,293	56,957,966

20.1.8 The latest valuation of Company's assets was carried as at June 30, 2024. The forced sale value of the assets as at that date is as follows:

	(Rupees in thousand)
Freehold land	1,082,156
Buildings on freehold land	13,033,026
Roads, bridges and railway sidings	441,670
Plant and machinery	37,022,060
	51,578,912

20.1.9 As of June 30, 2024, all of the Company's assets are located in Pakistan and are registered under the Company's name, except for the exception mentioned in note 20.1.4. These assets are also under charge against borrowings as detailed in note 8.

	Note	2024	2023
		(Rupees in thousand)	
20.2 Movement in capital work-in-progress - at cost			
At beginning of the year		1,676,796	15,352,800
Additions during the year		2,942,600	8,916,977
Transfers during the year to operating fixed assets	20.1.3	(4,055,890)	(22,592,981)
Transfers during the year to intangible assets	21	(89,828)	-
Charged off during the year		(2,504)	-
At end of the year		471,174	1,676,796
20.2.1 Capital work-in-progress - at cost			
Civil Works		80,575	372,317
Plant and machinery		46,490	588,012
Roads and bridges		71	12,952
Land		-	10,083
Intangible Assets - Oracle Finance / PXP System		-	47,661
IT equipment		30,467	-
Un Allocated capital expenditure		-	84,517
Vehicles		11,171	266
Advances to suppliers against:			
- civil works		187,001	130,188
- plant and machinery		29,238	409,274
- intangible Assets		-	19,575
- vehicles		86,161	1,951
		471,174	1,676,796

20.3 This represents stores held for capital expenditure related to Company's expansion project.

	2024	2023
	(Rupees in thousand)	
The reconciliation of carrying amount is as follows:		
Balance at the beginning of the year	238,239	280,655
Additions during the year	1,831,538	1,197,045
	2,069,777	1,477,700
Transfers made during the year	(2,021,496)	(1,239,461)
Balance at the end of the year	48,281	238,239

20.4 Right of use of asset

	2024	2023
The reconciliation of carrying amount is as follows:		
Balance at the beginning of the year	43,112	36,098
Additions during the year	20,437	17,666
Disposal during the year	(1,818)	-
Depreciation charged during the year	(13,594)	(10,652)
Balance at the end of the year	48,137	43,112

20.5 During the year, borrowing costs amounting to Rs. 7.564 million (2023: Rs. 1,083 million) were capitalised in operating fixed assets.

20.6 The average effective rate of the borrowing cost was 3% to 23.38% (2023: 2.50% to 23.69%).

21. INTANGIBLE ASSETS

	Note	2024	2023
		(Rupees in thousand)	
This includes computer software. The reconciliation of carrying amount is as follows:			
Cost			
Balance as on July 1		90,671	90,671
Additions during the year	20.2	89,828	-
Balance as on June 30		180,499	90,671
Amortisatiton			
Balance as on July 1		83,725	80,256
Charge for the year		11,964	3,469
Disposal during the year		95,689	83,725
Book value as at June 30		84,810	6,946
Annual amortisation rate - %		33%	33%

21.1 Amortization charge for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales	36	5,883	493
Administrative expenses	38	6,081	2,976
		11,964	3,469

22. LONG TERM INVESTMENT

	Note	2024	2023
		(Rupees in thousand)	
Investment in Maple Leaf Power Limited - Unquoted	22.1	5,020,000	5,020,000
Investment in Maple Leaf Industries Limited - Unquoted	22.2	10,000	10,000
Investment in Novacare Hospitals (Private) Limited - Unquoted	22.3	1,292,000	-
		6,322,000	5,030,000

22.1 The Company holds 100% (2023: 100%) shares in Maple Leaf Power Limited, a wholly owned subsidiary of the Company.

Maple Leaf Power Limited ('MLPL') was incorporated in Pakistan on October 15, 2015, as a public company limited by shares, under the repealed Companies Ordinance, 1984 (now, the Companies Act, 2017). The registered office of MLPL is located at 42-Lawrence Road, Lahore.

The principal objective of MLPL is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity to the Company. MLPL operates a 40 megawatt Coal Fired Power Generation Plant and a 7.9 megawatt Solar Power Plant at Iskanderabad, District Mianwali, Punjab, Pakistan for generation of electricity.

22.2 The Company holds 100% (2023: 100%) shares in Maple Leaf Industries Limited, a wholly owned subsidiary of the Company.

Maple Leaf Industries Limited ("MLIL") is a public company limited by shares incorporated in Pakistan on September 21, 2022, under the Companies Act, 2017. The registered office of MLIL is located at 42-Lawrence Road, Lahore, Pakistan. As of the reporting date, MLIL has not commenced its commercial operations.

MLIL was incorporated with the primary objective of setting up a cement manufacturing facility in Special Economic Zone in Mianwali, Punjab. However, the Government of Pakistan did not allow for import of machinery for cement manufacturing line and consequently the Board of Directors of MLIL has decided to initiate the winding-up process of the Company as at March 31, 2024. MLIL does not have any other commercial operations, activities or employees.

22.3 The Company holds 1,200,000 shares at a face value of Rs. 100 per share amounting to Rs. 120 million and constituting 99.59% (2023: Nil) shareholding in Novacare Hospitals (Private) Limited, a subsidiary of the Company. The balance amount of investment represents share deposit money of Rs. 1,172 million.

Novacare Hospitals (Private) Limited ("Novacare") was established in Pakistan on March 21, 2023, as a private company limited by shares under the Companies Act, 2017, by Andalus Holdings (ADGM) Limited ("Andalus") through its representatives Mr. Faraz Minai and Mr. Ghalib Hafiz. The Company, along with any of its affiliates, acts as an investor in Novacare according to the term sheet signed on May 10, 2023. Currently, the Company holds 1,200,000 Class B ordinary shares valued at Rs. 100 each. These shares come with both voting and dividend rights and will be converted into Class A ordinary shares on the 7th anniversary of the Company's investment in Novacare. According to the term sheet, the Company cannot sell, transfer, or encumber these shares without Andalus's prior consent. Additionally, the Company is prohibited from directly or indirectly competing with Novacare, which includes holding more than 29% of equity capital or voting rights in any business operating in the healthcare sector. The Company's shareholding in Novacare will not drop below 66.66% at any time.

The principal line of business of Novacare is to establish, manage, and operate healthcare facilities, including hospitals, pharmacies, nursing homes, clinics, laboratories, dental clinics, and healthcare centers. Novacare aims to provide healthcare and surgical services, including the treatment of various diseases. The Company is currently in the set up phase and has not yet commenced its commercial operations. The registered office of the Novacare is situated at 1st Floor, F-J Plaza, Block No. 2, Markaz F-7, Islamabad Capital Territory (I.C.T), Pakistan and the hospital is being established/constructed in Defence Housing Authority, Islamabad.

	Note	2024	2023
		(Rupees in thousand)	
22.4 Reconciliation of carrying amount			
Balance as at beginning of the year		5,030,000	5,020,000
Transferred from advances		120,000	-
Investment made during the year		1,172,000	10,000
Balance as at end of the year		6,322,000	5,030,000

23. LONG TERM LOANS TO EMPLOYEES - SECURED

	Note	2024	2023
House building		29,518	3,610
Vehicles		2,205	1,761
Others		19,599	23,637
Balance as at June 30		51,322	29,008
Current portion presented under current assets	28	(20,094)	(10,919)
		31,228	18,089

23.1 These loans are secured against employees' retirement benefits and carry interest at the rate of 6% per annum (2023: 6% per annum). These loans are recoverable in 30 to 60 monthly installments.

23.2 This includes loans to key management personnel amounting to Rs. 18.508 million (2023: Rs. 8.090 million). The maximum aggregate amount outstanding from key management personnel at any time during the year calculated with reference to month end balances is Rs. 19.953 million (2023: Rs. 9.630 million). Further, no amount is due from Directors and the Chief Executive Officer as at June 30, 2024 (2023: Rs. nil).

24. LONG TERM DEPOSITS

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

25. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2024	2023
		(Rupees in thousand)	
Stores		8,347,446	5,462,153
Spare parts		3,905,659	4,439,647
Loose tools		24,183	24,055
	25.1	12,277,288	9,925,855

25.1 This include items in transit amounting to Rs. 76.36 million (2023: Rs. 290.21 million).

	Note	2024	2023
		(Rupees in thousand)	

26. STOCK-IN-TRADE

Raw material		229,148	121,609
Packing material		471,239	1,160,641
Work-in-process		2,047,480	1,898,084
Finished goods		508,686	694,271
		3,256,553	3,874,605

27. TRADE DEBTS

Due from customers			
Local		4,660,247	2,805,721
Export		115,547	25,313
Loss allowance	27.1	(587,049)	(230,049)
		4,188,745	2,600,985

27.1 The reconciliation for loss allowance is as follow:

Balance at beginning of the year	230,049	50,049
Loss allowance recognised during the year	357,191	191,421
Trade debts written off against provision	(191)	(11,421)
Balance at end of the year	587,049	230,049

28. LOANS AND ADVANCES

Current portion of long term loans to employees	23	20,094	10,919
Advances			
- To employees	28.1	25,489	35,241
- To suppliers	28.2	217,279	641,849
- To government authorities	28.3	185,396	180,395
		428,164	857,485
		448,258	868,404

28.1 This includes loans to key management personnel (Mr. Muhammad Basharat and Mr. Yahya Hamid) amounting to Rs. 1.333 million (2023: Rs. 2.970 million). The maximum aggregate amount outstanding from key management personnel (Mr. Muhammad Basharat, Mr. Tariq Ahmed Mir, Mr. Nasir Iqbal, Mr. Amir Feroze, Mr. Sayeed Tariq Saigol, Mr. Sohail Sadiq, Mr. Syed Mohsin Raza Naqvi, and Mr. Yahya Hamid) at any time during the year, calculated with reference to month-end balances, is Rs. 29.534 million (2023: Rs. 3.370 million). Furthermore, no amount is due from other directors at the year-end (2023: Rs. Nil).

28.2 This includes an amount of Rs. 15.554 million (2023: Rs. 20.212 million) advanced to the Ministry of Railways for transportation of coal and cement.

28.3 This represents amount paid to government under protest for various cases which have been decided in the Company's favour.

29. SHORT TERM INVESTMENTS

	Note	2024	2023
		(Rupees in thousand)	
Investments at fair value through profit or loss			
Next Capital Limited:			
4,269,375 (2023: 4,269,375) fully paid ordinary shares of Rs. 10 each			
Equity held: 7.50% (2023: 7.50%)			
Cost of investment		30,000	30,000
Fair value of investment: Rs. 19.596 million (2023: Rs. 22.073 million)			
Mutual Funds:			
MCB Cash Management Optimizer		-	900,000
Alfalah GHP Money Market Fund		-	100,000
NBP Cash Plan - II		-	902,461
		-	1,902,461
Investments at fair value through OCI			
Pioneer Cement Limited			
17,321,046 (2023: 17,321,046) fully paid ordinary shares of Rs. 10 each			
Equity held: 7.63% (2023: 7.63%)			
Cost of investment		1,237,085	1,237,085
Fair value of investment: Rs. 2,921.194 million (2023: Rs. 1,500.522 million)			
Agritech Limited			
43,742,500 (2023: Nil) fully paid ordinary shares of Rs. 10 each			
Equity held: 10.30% (2023: Nil)			
Cost of investment		1,169,108	-
Fair value of investment: Rs. 894.971 million (2023: Nil)			
		2,436,193	3,169,546
Unrealized fair value gain / (loss)			
At beginning of the year		255,510	(1,154)
Fair value loss for the year - P&L	39	(2,476)	(6,773)
Fair value gain for the year - OCI		1,146,535	263,437
At end of the year		1,399,569	255,510
Closing balance		3,835,762	3,425,056
Investment at Amortised cost - debt instrument			
Term deposit receipts	29.1&29.2	384,500	264,500
		4,220,262	3,689,556

29.1 This represents term deposits having a maturity from one month to one year from March 13, 2024 till March 13, 2025 carrying mark-up at the rate ranging from 14.50% to 15.50% per annum (2023: 8.50% to 15.80%).

29.2 Term deposit receipts are held as margin guarantees with commercial banks. These margins are restricted and, therefore, not available for general use by other entities within the Group. Of these, Rs. 238.50 million (2023: Rs. 26 million) have an original maturity of three months or less.

30. SHORT TERM DEPOSITS AND PREPAYMENTS

	2024	2023
	(Rupees in thousand)	
Prepayments	277,022	17,850
Margin against:		
- letters of credit	65,210	18,078
- bank guarantees	619,613	446,907
Short term deposits	1,633	95
	963,478	482,930

31. ACCRUED PROFIT

This represents profit accrued on saving accounts and term deposit receipts at rates ranging from 8.75% to 20.50% (2023: 12.25% to 19.50%) per annum.

32. OTHER RECEIVABLES

	Note	2024	2023
		(Rupees in thousand)	
Due from related party - unsecured	32.1	2,619	12,419
Others	32.2	129,474	10,112
		132,093	22,531

32.1 This represents balance receivable from the Holding Company amounting to Rs. Nil (2023: Rs. 11.664 million) and Maple Leaf Industries Limited ('the Subsidiary Company') amounting to Rs. 2.619 million (2023: Rs. 0.755 million).

The maximum aggregate amount outstanding from the related parties at any time during the year calculated with reference to month end balances is Rs. 51.287 million (2023: Rs. 44.690 million) and Rs. 502.62 million (2023: Rs. 0.755 million) respectively.

32.2 This includes Rs. 13.923 million (2023: Rs. 9.766 million) receivable against export rebate from government.

33. ADVANCE INCOME TAX - NET OF PROVISION

	2024	2023
	(Rupees in thousand)	
At beginning of the year	25,302	517,799
Tax deducted / deposited at source	909,345	715,727
Advance income tax paid	525,001	1,156,806
Tax paid related to prior year	60,039	-
Tax refunds received	-	(412,576)
	1,519,687	1,977,756
Provision during the year - current tax for the year	(1,292,272)	(1,952,454)
	227,415	25,302

33.1 The Additional Commissioner Inland Revenue (ACIR) initiated proceedings related to the tax year 2017, vide order dated March 13, 2019 against the Company under section 122(5A) read with section 122(9) of the Income Tax Ordinance, 2001 ('Ordinance'). The notice was duly responded by tax advisor of the Company. The proceedings were concluded and ACIR raised an additional tax demand of Rs. 303.36 million through amendment order dated January 27, 2020 passed under section 122(5A) of the Ordinance. The Company preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) ('CIR(A)'). The CIR(A) through his order dated May 6, 2020, decided all the matters in favour of the Company except for issues relating to claim of depreciation and initial allowance without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset and apportionment of advertisement and sales promotion expenses. The Company, as well as the tax authorities, have preferred appeals before the Appellant Tribunal Inland Revenue ('ATIR'), which are pending for adjudication at the year end.

However, being prudent the Company has recorded the provision of Rs. 46.880 million in these unconsolidated financial statements. Management of the Company is confident of favourable outcome of the case. Therefore, no further provision has been incorporated in these unconsolidated financial statements.

33.2 Through notices dated February 26, 2021, the Commissioner Inland Revenue (CIR) selected the Company's case for audit of its income tax affairs for the tax years 2015, 2016, 2017, 2018 & 2019. The Company challenged the vires of selection by the CIR before the honourable Lahore High Court, Lahore ('LHC') and the honourable LHC, vide interim order dated April 1, 2021, has directed that the audit proceedings shall continue, however, no final order shall be passed till the disposal of writ petition.

Subsequently, the tax authorities issued show cause notices under section 122(9) & section 111 of the Ordinance dated June 11, 2021 and June 25, 2021 respectively, for all five tax years which are yet to be responded to. The matter is pending before the honourable Lahore High Court, which has barred the tax authorities from passing any final order till the disposal.

33.3 Through notice dated October 9, 2020, the ACIR initiated proceedings against the Company under section 122(5A) read with section 122(9) of the Ordinance for tax year 2019.

The Company requested ACIR to merge such proceedings with the audit proceedings initiated under section 177 of the Ordinance for such tax year as the issues highlighted in the subject notice have also been confronted to the company through audit proceedings. There has been no further correspondence from the department on this score. Through notice dated June 9, 2023, the ACIR, re-initiated proceedings against the Company under section 122(5A) read with section 122(9) of the Ordinance for tax year 2019. The proceedings were concluded by ACIR vide order dated October 5, 2023. Aggrieved by the order, the Company preferred an appeal before the CIR(A) which is pending for adjudication.

33.4 Through notice dated May 21, 2020, the ACIR initiated proceedings against the Company under section 122(5A) read with section 122(9) of the Ordinance. The notice was duly responded through letter dated August 25, 2020 for tax year 2018.

The above proceedings were concluded by the ACIR through amendment order dated September 2, 2020 passed under section 122(5A) of Ordinance through which income tax demand of Rs. 376.182 million was created against the Company. The Company preferred an appeal against the amendment order before CIR(A).

The CIR(A), through appellate order dated December 30, 2020, decided all the matters in favour of the Company except for issues relating to claim of depreciating & initial allowance, without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset, apportionment of Workers' Profit Participation Fund, computation of accounting income by apportioning deductions on account of donations, provision for Workers' Welfare Fund & loss on investments, and disallowance of claim of advances written off. The company, as well as the tax authorities, have preferred appeals before the ATIR, which is pending adjudication.

33.5 The Deputy Commissioner Inland Revenue (DCIR) issued an appeal effect order on July 31, 2017, for the tax year 2015 under sections 124/129 of the Income Tax Ordinance, 2001, implementing an earlier order by CIR(A). However, the DCIR made certain errors in this order, which were challenged before CIR(A) in a second round of appeals.

In 2020, CIR(A) issued an order on April 17, 2020, addressing issues related to the enhancement of minimum tax liability and the apportionment of admissible deductions, totaling Rs. 180 million, against the Company. Aggrieved with this decision, the Company appealed to the ATIR, and the case is currently pending adjudication. The Company's management and tax advisor are optimistic about a favorable outcome, and thus, no provision has been created in these unconsolidated financial statements.

33.6 The Deputy Commissioner Inland Revenue, Audit – 2, Zone I, Large Taxpayers Unit, Lahore passed an appeal effect order dated July 31, 2017 under section 124/129 of the Ordinance for tax year 2015, giving effect to an earlier order passed by CIR(A). While passing the order, the assessing officer made certain errors which were assailed before CIR(A) in second round of appeal. The CIR(A), through order dated April 17, 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible deductions against the company. Being aggrieved by the order of CIR(A), the company has preferred an appeal before the ATIR, which is pending adjudication. On the basis of available valid precedents, we consider that the company is likely to obtain relief from the appellate authorities.

33.7 Through order dated December 27, 2016, the deemed assessment for the tax year 2015 was amended by the ACIR under section 122(5A) of the Ordinance raising a tax demand of Rs 241.736 million against the company. Being aggrieved with the order, the company filed an appeal with CIR(A), the appeal was disposed of by the CIR(A) through his order dated January 1, 2017. All the issues involved in the appeal were decided in favour of the company except for the issue of inclusion of exchange gain relating to export sales for the purposes of computing apportionment ratios.

Departmental appeal before the ATIR in the matter of CIR(A) order dated January 5, 2017, for the subject tax year was taken up for hearing and disposed of in a slipshod manner vide an order dated February 27, 2024. Aggrieved by the order, the company filed an application for rectification of such consolidated order, which has been decided through order dated May 6, 2024 whereby it has been held that the departmental appeal for tax year 2015 would be re-fixed for fresh adjudication. The appeal has not been fixed for fresh adjudication yet.

33.8 Through order dated July 31, 2017, the deemed assessment for the tax year 2016 was amended by the ACIR under section 122(5A) of the Ordinance raising a tax demand of Rs. 1,129.967 million against the company. Being aggrieved with the order, the company filed an appeal with CIR(A), the appeal was disposed of by the CIR(A) through appellate order dated December 5, 2017. Through such order all the issues involved in the appeal were decided in favour of the company.

Aggrieved by such appellate order, the tax department filed an appeal before the ATIR which was decided vide order dated March 19, 2024, whereby the issues assailed in the appeal were partially decided in the favour of the Company. Aggrieved by the order, the Company filed an application for rectification of the appellate order, which was partially modified in favour of the Company vide order dated May 14, 2024. Simultaneously, the Company also assailed ATIR's order dated March 19, 2024 in appeal before the honourable Lahore High Court which is pending adjudication.

33.9 For tax year 2021, the Company received a notice dated January 20, 2022, whereby the ACIR initiated proceedings against the Company under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001. The Company responded to the notice vide letter dated June 23, 2022. The ACIR concluded the proceedings vide amendment order dated August 5, 2022, through which the income tax refund has been curtailed to Rs. 862.510 million. Being aggrieved, the Company filed an appeal against the amendment order before the CIR(A) that was disposed of vide order dated February 7, 2024 though which partial relief was granted. Aggrieved by such order, the Company has preferred an appeal before the ATIR which has not been taken over for hearing yet.

33.10 The Company filed writ petition challenging the legality and validity of amendments made in the Section 65B of the Ordinance through Finance Act, 2019 whereby rate of tax credit under Section 65B of the Ordinance for the tax year 2019 was reduced from 10% to 5%. Total amount of tax credit involved in the tilted petition is Rs. 1,757,292,581. The said petition is pending before Lahore High Court and next date is yet to be fixed for hearing.

Based on the advice of the taxation/legal advisors of the Company, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the unconsolidated financial statements.

34. CASH AND BANK BALANCES

	Note	2024	2023
		(Rupees in thousand)	
At banks:			
Savings accounts	34.1	508,582	376,711
Current accounts:			
Foreign currency		79,896	29,912
Local currency		539,507	328,931
		619,403	358,843
		1,127,985	735,554
In hand			
Local currency		2,945	2,626
Foreign currency		2,482	2,527
		5,427	5,153
		1,133,412	740,707

34.1 The balances in saving accounts bear mark-up ranging from 8.75% to 20.50% (2023:12.25% to 19.50%) per annum.

35. REVENUE

	2024	2023
	(Rupees in thousand)	
Gross local sales	88,609,781	82,063,434
Less:		
Federal excise duty	(7,763,020)	(6,911,333)
Sales tax	(15,088,469)	(13,494,564)
Discount and others	(1,200,134)	(952,544)
Commission	(397,200)	(355,675)
	(24,448,823)	(21,714,116)
Net local sales	64,160,958	60,349,318
Export sales	2,291,390	1,725,941
	66,452,348	62,075,259

35.1 Disaggregation of revenue (Gross sales)

Type of customers

	2024	2023
Government Customers	2,896	25,796
Non-Government Customers	90,898,275	83,763,579
	90,901,171	83,789,375
Primary geographical markets		
Pakistan	88,609,781	82,063,434
Afghanistan	2,159,479	1,596,388
Mozambique	-	2,553
Maldives	6,215	-
Ethiopia	-	2,741
Oman	33,072	11,553
Qatar	9,743	4,320
Seychelles	-	6,935
Sri Lanka	9,108	36,674
South Africa	1,809	-
United Arab Emirates	1,207	-
Yemen	10,995	-
Tanzania	59,762	64,777
	90,901,171	83,789,375

36. COST OF SALES

	Note	2024	2023
		(Rupees in thousand)	
Raw materials consumed	36.1	3,912,267	2,904,016
Packing materials consumed		3,539,273	3,376,679
Salaries, wages and other benefits	36.2	1,748,265	1,466,675
Fuel and power		28,712,100	30,774,898
Stores, spare parts and loose tools consumed		1,309,775	1,028,692
Rent, rates and taxes		2,766	9,219
Insurance		221,158	120,941
Repairs and maintenance		821,157	535,939
Depreciation on operating fixed assets	20.1.1	4,350,306	3,378,526
Amortization of intangibles	21.1	5,883	493
Vehicles running and maintenance		530,069	417,276
Other expenses	36.3	298,855	152,605
		45,451,875	44,165,959
Work in process:			
At beginning of the year		1,898,084	1,814,046
At end of the year		(2,047,480)	(1,898,084)
		(149,396)	(84,038)
Cost of goods manufactured		45,302,479	44,081,921
Finished goods:			
At beginning of the year		694,271	514,256
At end of the year		(508,686)	(694,271)
		185,585	(180,015)
Cost of sales		45,488,064	43,901,906

36.1 Raw materials consumed

	2024	2023
At beginning of the year	121,609	108,905
Add: Purchases made during the year	4,019,806	2,916,720
	4,141,415	3,025,625
At end of the year	(229,148)	(121,609)
	3,912,267	2,904,016

36.2 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 81.679 million (2023: Rs. 67.174 million). Further, the provision for gratuity and accumulating compensated absence included in the above is mentioned in note 15.6 to these unconsolidated financial statements.

36.3 Other expenses include housing colony expenses aggregating to Rs. 224.456 million (2023: Rs. 99.016 million).

	Note	2024	2023
		(Rupees in thousand)	

37. SELLING AND DISTRIBUTION EXPENSES

	Note	2024	2023
Salaries, wages and other benefits	37.1	585,652	396,714
Travelling and conveyance		310,955	281,716
Vehicle running and maintenance		152,582	111,336
Postage, telephone and fax		16,460	10,086
Printing, stationery and office supplies		16,205	6,650
Entertainment		14,892	15,847
Repair and maintenance		23,001	10,873
Depreciation on operating fixed assets	20.1.1	44,663	28,358
Legal and professional charges		19,247	12,675
Advertisement and sale promotions		1,239,612	1,044,615
Fee and subscription		66,651	64,328
Freight and forwarding		2,958,327	1,749,597
Other expenses		23,562	18,301
		5,471,808	3,751,096

37.1 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 20.200 million (2023: Rs. 15.745 million). Further, the provision for gratuity and accumulating compensated absences included in the above is mentioned in note 15.6 to these unconsolidated financial statements.

	Note	2024	2023
		(Rupees in thousand)	

38. ADMINISTRATIVE EXPENSES

	Note	2024	2023
Salaries, wages and other benefits	38.1	958,881	730,016
Travelling		169,563	136,536
Vehicle running and maintenance		137,019	103,953
Postage, telephone and fax		19,014	18,777
Printing, stationery and office supplies		45,849	57,256
Entertainment		53,731	45,586
Utilities expenses		51,196	49,794
Repair and maintenance		58,657	23,159
Legal and professional charges	38.2	99,831	55,993
Consultancy fee and subscription		93,288	60,378
Depreciation on operating fixed assets	20.1.1	113,414	64,996
Amortization of intangibles	21.1	6,081	2,976
Advances / receivable written off		-	2,509
Rent, rates and taxes		16,640	8,447
Other expenses		28,984	20,231
		1,852,148	1,380,607

38.1 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 38.403 million (2023: Rs. 30.185 million). Further, the provision for gratuity and accumulating compensated absences included in the above is mentioned in note 15.6 to these unconsolidated financial statements.

38.2 Legal and professional charges include the following in respect of auditor's remuneration (exclusive of sales tax) for:

	2024	2023
	(Rupees in thousand)	
Annual statutory audit	1,900	1,900
Interim review	650	650
Other certifications	900	900
Taxation services	37,044	18,365
Consultancy	41,334	1,750
Out of pocket expenses	600	600
	82,428	24,165

38.3 The Company has shared expenses aggregating Rs. 38.320 million (2023: Rs. 36.490 million) on account of combined offices with the Holding Company. These expenses have been recorded in respective account.

39. OTHER EXPENSES

	Note	2024	2023
		(Rupees in thousand)	
Donations	39.1	52,819	42,355
Worker's Profit Participation Fund	16.3	270,735	56,319
Worker's Welfare Fund	16.4	187,800	189,936
Un-realised loss on investments	29	2,476	6,773
Exchange loss - net		20,897	700,077
Loss on disposal of sale of stores and spares	39.2	34,819	-
		569,545	995,460

39.1 Donations for the year have been given to:

	2024	2023
Maple CSR Initiative	1,364	3,476
Daudkhel Police Station	1,912	248
Daudkhel Press Club	258	-
Sunshine Trust	2,000	5,000
Earth Quick in Turkey and Syria	-	1,410
Daudkhel Water Supply Project	1,475	365
Beaconhouse National University (Scholarship)	-	782
Akhuwat Islamic Micro Finance	-	15,000
Shafaullah	363	270
Local schools at Daud Khel	-	100
Kinnaird College Lahore	-	112
Aitchison College Lahore	42,806	-
Agha Khan Building	-	15,000
Miscellaneous donations in the form of cement	2,641	592
	52,819	42,355

39.2 This represents loss on stores and spares sold to the Holding Company.

40. OTHER INCOME

	Note	2024	2023
		(Rupees in thousand)	
Profit on bank deposits	40.1	117,691	53,781
Interest on advances to related party		11,409	-
Interest on loans to employees		366	279
Dividend income		86,605	-
Gain on investment from mutual fund		65,838	8,429
Gain on disposal of operating fixed assets		47,366	42,382
Sale of scrap		1,667	2,738
Miscellaneous		25,200	39,037
		356,142	146,646

40.1 This includes profit earned on deposits under arrangements which are permissible under Shariah amounting to Rs. 1.014 million (2023: Rs. 0.590 million). The remaining profit relates to interest / mark-up based arrangements from conventional banks as mentioned in note 34.1.

41. FINANCE COST

	Note	2024	2023
		(Rupees in thousand)	
Profit / interest / mark up on:			
- Long term loans and finances - secured	8	3,202,258	1,960,526
- Long term loan from Subsidiary Company	10	609,021	370,756
- Short term borrowings	18	237,299	343,849
		4,048,578	2,675,131
Notional interest on unwinding of retention money payable		-	2,790
Notional interest on unwinding of payable to government authority		-	216
Interest on lease liabilities		6,842	5,038
Bank and other charges		82,866	67,573
		4,138,286	2,750,748

42. TAXATION

	Note	2024	2023
Final taxes	42.1	45,804	12,192
Income tax			
Current - for the year		1,246,468	1,940,262
Deferred		2,366,649	2,806,544
		3,613,117	4,746,806

42.1 This represents final taxes paid under section 150 and section 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

42.1.1 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the statement of profit or loss, is as follows:

	2024	2023
	(Rupees in thousand)	
Current tax liability for the year as per applicable tax laws	1,292,272	1,952,454
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(1,246,468)	(1,940,262)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(45,804)	(12,192)
Difference	-	-

42.2 Tax charge reconciliation

42.2.1 Numerical reconciliation between tax expense and accounting profit:

	2024	2023
	(Rupees in thousand)	
Profit before taxation	8,931,448	9,250,667
Applicable tax rate as per Income Tax Ordinance, 2001	29%	29%
Tax on accounting profit	2,590,120	2,682,693
Impact of super tax	845,593	403,649
Effect of final tax regime	(86,806)	(12,192)
Change in tax rate and proportion of local and export sales	488,532	1,684,848
Rate difference in current tax and deferred tax	22,081	-
Permanent difference	8,798	-
Not allowable for tax purposes	15,318	-
Tax effect of prior year	(224,715)	-
	3,658,921	4,758,998

43. EARNINGS PER SHARE - BASIC AND DILUTED

43.1 Basic earnings per share

		2024	2023
Profit for the year	Rupees in '000	5,272,527	4,491,669
Weighted average number of ordinary shares	No. of shares in '000	1,058,911	1,073,405
Earning per share - basic	Rupees	4.98	4.18

43.2 Weighted average number of ordinary shares

	2024	2023
	(Shares in thousand)	
Outstanding number of shares before right issue	1,073,405	1,097,524
Impact of own shares purchased	(14,494)	(24,119)
	1,058,911	1,073,405

43.3 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2024, and June 30, 2023, which would have any effect on the earnings per share if the option to convert is exercised.

	Note	2024	2023
		(Rupees in thousand)	

44. CASH FLOW INFORMATION

44.1 Cash generated from operations

	Note	2024	2023
Profit before final taxes and income tax		8,931,448	9,250,667
Adjustments for:			
- Depreciation on operating fixed assets	20.1.1	4,508,383	3,471,880
- Amortization on intangible assets	21.1	11,964	3,469
- Provision for expected credit loss	27.1	357,000	180,000
- Bad debts written off	27.1	191	11,421
- Advances written off	38	-	2,509
- Gain on disposal of property, plant and equipment	40	(47,366)	(42,382)
- Exchange loss	39	20,897	700,077
- Loss on disposal of sale of stores and spares	39	34,819	-
- Exchange gain on cash and cash equivalents		(2,893)	(7,847)
- Loss on re-measurement of short term investments at fair value	39	2,476	6,773
- Notional interest on unwinding of retention money payable	41	-	2,790
- Notional interest on unwinding of payable to government authority	41	-	216
- Provision for retirement benefits	15	79,034	78,212
- Profit on bank deposits	40	(117,691)	(53,781)
- Dividend income	40	(86,605)	-
- Finance cost	41	4,138,286	2,750,748
		8,898,495	7,104,085
Effect on cash flow due to working capital changes:			
(Increase)/decrease in current assets			
- Stores, spare parts and loose tools		(3,345,949)	2,927,753
- Stock-in-trade		618,055	(1,181,991)
- Trade debts		(1,944,951)	(726,197)
- Loans and advances		300,146	(276,007)
- Short term deposits and prepayments		(480,548)	59,658
- Other receivables		(109,562)	29,730
		(4,962,809)	832,946
- (Decrease)/increase in trade and other payables		(56,842)	2,719,129
		(5,019,651)	3,552,075
		12,810,292	19,906,827

45. CASH AND CASH EQUIVALENTS

	Note	2024	2023
Short term running finance	18.2	(1,645,316)	-
Cash and bank	34	1,133,412	740,707
Short term investments		238,500	-
		(273,404)	740,707

46. RELATED PARTY TRANSACTIONS

The related parties include the subsidiaries, the Holding Company, related parties on the basis of common directorship, group companies, key management personnel and post employment benefit plans. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Related party transactions carried out during the year are as follows:

	Name of parties	Relationship	Transactions	2024	2023
				(Rupees in thousand)	
a)	**Kohinoor Textile Mills Limited**	Holding Company	Sale of goods	2,419	2,142
			Purchase of fixed assets	-	6,022
			Sale of spares	11,792	-
			Expenses paid by related party on behalf of the Company	38,324	36,489
b)	**Maple Leaf Power Limited**	Subsidiary Company	Sale of coal to Subsidiary Company	6,180,773	5,035,036
			Long term loan obtained	2,500,000	-
			Rent charged	479	436
			Purchase of electricity (inclusive of taxes)	8,841,940	7,142,166
			Payments made by related party on behalf of the Company	26,101	5,011
			Markup paid on long term loan	609,021	287,958
			Expenses paid on the behalf of related party	134,831	157,356
			Scrap purchases	32,943	-
c)	**Maple Leaf Industries Limited**	Subsidiary Company	Investment in subsidiary	-	10,000
			Expenses paid on the behalf of related party	1,865	-
d)	**Novacare Hospitals (Private) Limited**	Subsidiary Company	Advance paid against issue of shares	1,172,000	-
e)	**Maple Leaf Capital Limited**	Common directorship	Loan provided during the year	500,000	-
			Loan recovered during the year	500,000	-
			Markup received on loan	11,409	-
f)	**Key management personnel**	Key management personnel	Remuneration and other benefits - note 46.1	622,150	456,046
g)	**Employee benefits**				
	Gratuity	Post employment benefit plan	Expense charged in respect of net benefit plan	22,861	41,171
	Provident fund trust	Post employment benefit plan	Expense charged in respect of provident fund	306,812	281,503

46.1 This represents remuneration of the Chief Executive, Directors and certain executives that are included in the remuneration disclosed in note 47 to these unconsolidated financial statements.

46.2 Transactions with related parties have been carried out on mutually agreed terms and conditions. The related parties with whom the Company had entered into transactions or had arrangements/agreements in place during the year have been disclosed below along with their basis of relationship:

Name	Relationship	% of shareholding in the Company
Kohinoor Textile Mills Limited	Holding Company	57.89%
Maple Leaf Power Limited	Subsidiary Company	0.00%
Maple Leaf Industries Limited	Subsidiary Company	0.00%
Novacare Hospitals (Private) Limited	Subsidiary Company	0.00%
Maple Leaf Capital Limited	Common directorship	1.15%
Mr. Tariq Sayeed Saigol	Director / Key management personnel	0.0031%
Mr. Sayeed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Taufique Sayeed Saigol	Director / Key management personnel	0.0015%
Mr. Waleed Tariq Saigol	Director / Key management personnel	0.0011%
Mr. Danial Taufique Saigol	Director / Key management personnel	0.0005%
Ms. Jahanara Saigol	Director / Key management personnel	0.0002%
Mr. Shafiq Ahmed Khan	Director / Key management personnel	0.0015%
Mr. Zulfikar Monnoo	Director / Key management personnel	0.0003%
Mr. Syed Mohsin Raza Naqvi	Director / Key management personnel	N/A
Mr. Sohail Sadiq	Key management personnel	N/A
Mr. Yahya Hamid	Key management personnel	N/A
Mr. Amir Feroze	Key management personnel	N/A
Mr. Zeeshan Malik Bhutta	Key management personnel	N/A
Mr. Nasir Iqbal	Key management personnel	N/A
Mr. Tariq Ahmed Mir	Key management personnel	N/A
Mr. Amer Bilal	Key management personnel	N/A
Mr. Muhammad Basharat	Key management personnel	N/A
Company's Employees Gratuity Fund	Post Employment Benefit Plan	N/A
Company's Employees Provident Fund	Post Employment Benefit Plan	N/A

47. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the unconsolidated financial statements for the year for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Company are as follows:

	2024			
	Chief Executive	Directors: Executive	Directors: Non-Executives	Executives
	(---------------------- Rupees in thousand		----------------------)	
Short term benefits				
Managerial remuneration	244,034	38,805	-	616,881
House rent	7,215	3,104	-	121,627
Medical	7,215	3,104	-	51,586
Conveyance	3,633	2,182	-	121,661
Utilities	6,383	2,746	-	74,088
Advisory arrangement	-	-	980	-
	268,480	49,941	980	985,843
Post employment benefits				
Contribution to Provident Fund Trust	7,215	3,104	-	50,950
	275,695	53,045	980	1,036,793
Number of persons	1	1	7	216

	2023			
	Chief Executive	Directors: Executive	Directors: Non-Executives	Executives
	(---------------------- Rupees in thousand		----------------------)	
Short term benefits				
Managerial remuneration	150,048	29,759	-	454,358
House rent	5,850	1,630	-	86,403
Medical	5,850	2,237	-	38,105
Conveyance	2,338	1,961	-	81,943
Utilities	5,175	1,746	-	57,930
Advisory arrangement	-	-	580	-
	169,261	37,333	580	718,739
Post employment benefits				
Contribution to Provident Fund Trust	5,850	2,237	-	38,014
	175,111	39,570	580	756,753
Number of persons	1	1	7	153

47.1 The Chief Executive, Directors and some Executives are also provided with company maintained cars in accordance with the respective policies.

47.2 Aggregate amount charged in these unconsolidated financial statements in respect of meeting fee paid to Directors is Rs. 0.980 million (2023: Rs. 0.580 million).

48. CAPACITY AND PRODUCTION

	Capacity		Actual Production	
	2024	2023	2024	2023
	------------------------------ Metric tons ------------------------------			
Clinker	7,800,000	7,100,000	3,625,857	3,928,830

Plant capacity is based on 300 working days, that can be exceeded if the plant is operational for more than 300 days during the year. Actual production is less than the installed capacity due to planned maintenance shutdown and gap between market demand and supply of cement.

49. OPERATING SEGMENT

Operating segments are reported in a manner consistent with the internal reports issued to the chief operating decision-maker. The Chief Executive Officer has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments. Currently, the Company is functioning as a single operating segment.

50. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

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:

(a) 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.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions and recognised assets and liabilities that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures. Currently, the Company's foreign exchange risk exposure is restricted to bank balances and amounts payable to/ receivable from foreign entities.

Following exchange rates have been applied for translating material transactions/balances in foreign currency:

	Average rate for the year		Spot rate			
	2024	2023	2024		2023	
	Buying	Selling	Buying	Selling	Buying	Selling
EURO	307.31	200.16	297.88	298.41	313.72	314.27
USD	283.70	178.01	278.30	278.80	286.60	287.10
CNY	39.49	27.57	38.47	38.53	39.91	39.98

(ii) Exposure to currency risk

	2024					
	Rupees	GBP	CNY	RMB	EURO	USD
	(in thousand)					
Assets						
Trade debts	115,547	-	-	-	-	415
Cash and bank balances	82,378	-	-	-	2	279
	197,925	-	-	-	2	694
Liabilities						
Trade creditors and bills payable	(1,761,620)	-	-	(44,900)	(115)	(245)
Retention money payable	(1,691,334)	-	(43,840)	-	-	-
Net Statement of financial position exposure	(3,255,029)	-	(43,840)	(44,900)	(113)	449

	2023					
	Rupees	GBP	CNY	RMB	EURO	USD
	(in thousand)					
Assets						
Trade debts	25,313	-	-	-	-	129
Cash and bank balances	32,439	2	-	-	-	111
	57,752	2	-	-	-	240
Liabilities						
Trade creditors and bills payable	(843,721)	-	-	-	-	(2,939)
Retention money payable	(1,752,988)	-	(43,840)	-	-	-
Net statement of financial position exposure	(2,538,957)	2	(43,840)	-	-	(2,699)

Sensitivity analysis

At June 30, 2024, if the Rupee had (weakened)/strengthened by 10% against the following currencies with all other variables held constant, the effect on post-tax profit for the year would have been, as follows:

	Profit	
	2024	2023
	(Rupees in thousand)	
USD	7,615	(72,313)
CNY	(102,236)	(162,328)
EURO	(2,057)	-

(iii) 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.

Investments exposed to price risk

The company is exposed to equity securities price risk because of investments held by the company and classified through profit or loss and other comprehensive income. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. The primary goal of the Company's investment strategy is to maximise investment returns.

At the reporting date, the Company's investment in quoted equity securities is as follows:

	2024	2023
	(Rupees in thousand)	
Investment in equity securities	3,835,762	1,522,595

The above investments in equity instruments are publicly traded on the Pakistan Stock Exchange Limited.

The table below summarises the impact of increases/decreases of the KSE-100 index on the Company's equity. The analysis is based on the assumption that the KSE-100 index had increased/ decreased by 10% with all other variables held constant and all the Company's equity investments moved according to the historical correlation with the index:

	Impact on profit or loss		Impact on other components of equity	
	2024	2023	2024	2023
	(Rupees in thousand)		(Rupees in thousand)	
Pakistan Stock Exchange Limited	195.96	220.73	383,380	152,039

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.

(iv) Cash flow and fair value interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk primarily arises from loan to related party, bank balances, short term and long-term borrowings. These borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the impact on profit or loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Fixed rate financial instruments

	2024	2023
	(Rupees in thousand)	
Non-derivative financial instruments		
Financial assets		
Short term investment - term deposit receipt	384,500	264,500
Long term loans to employees - secured	51,322	29,008
Financial liabilities	-	-
Net exposure	435,822	293,508

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the unconsolidated financial statements.

Floating rate financial instruments

	2024	2023
	(Rupees in thousand)	
Non-derivative financial instruments		
Financial assets		
Bank balances at deposit accounts	508,582	376,711
Financial liabilities		
Long term loans from banking companies-secured	(13,799,414)	(18,618,430)
Lease liabilities	(48,579)	(41,665)
Long term loan from Subsidiary Company	(4,500,000)	(2,000,000)
Short term borrowings - Running Finance	(1,645,316)	-
	(19,993,309)	(20,660,095)
Net exposure	(19,484,727)	(20,283,384)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect the unconsolidated statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2024, if interest rates on variable rate instruments had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been Rs. 121.663 million (2023: Rs. 202.417 million lower/higher) higher/lower, mainly as a result of higher/lower interest expense on floating rate instruments.

b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk of the Company arises from deposits with banks and other financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

(i) 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:

	2024	2023
	(Rupees in thousand)	
Financial asset at amortized cost		
Long term deposits	64,209	58,401
Trade debts - net of loss allowance	4,188,745	2,600,985
Long term loans to employees	51,322	29,008
Advances to employees	25,489	35,241
Short term investments	384,500	264,500
Margins and short term deposits	686,456	465,080
Accrued profit	20,333	8,792
Other receivables	132,093	22,531
Cash at bank	1,127,985	735,554
	6,681,132	4,220,092

(ii) 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:

	2024	2023
	(Rupees in thousand)	
Customers	4,188,745	2,600,988
Banking companies and financial institutions	2,217,641	1,473,831
Others	274,746	145,276
	6,681,132	4,220,095

(iii) Impairment of financial assets

The Company's financial assets, other than investments in equity instruments, are subject to the expected credit losses model. Financial assets other than trade debts are also subject to the impairment requirements of IFRS 9, however, the identified impairment loss was immaterial and are therefore not exposed to any material credit risk.

Trade debts

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained from these customers to calculate the net exposure towards these customers.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before June 30, 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade debts. The Company has identified the Gross Domestic Product and the Consumer Price Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The analysis of ages of trade debts and loss allowance using the aforementioned approach as at June 30, 2024 was determined as follows:

		2024			2023		
		Expected loss %	Gross carrying amount	Loss Allowance	Expected loss %	Gross carrying amount	Loss Allowance
The aging of trade debts at the reporting date is:							
Not past due		3.16%	2,359,730	74,549	0.80%	1,170,261	9,404
Past due:	1 - 90 days	3.16%	1,226,288	38,743	1.10%	1,269,257	14,021
	91 - 180 days	4.44%	617,407	27,392	14.62%	153,260	22,401
	181 - 270 days	29.02%	151,407	43,936	27.74%	36,071	10,006
	271 - 365 days	54.66%	40,872	22,339	32.91%	41,690	13,719
	366 - above days	100.00%	380,090	380,090	100.00%	160,498	160,498
			4,775,794	587,049		2,831,037	230,049

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and shipments to the export customers are generally covered by letters of credit or other form of credit insurance. Default is triggered when more than 360 days have passed.

(iv) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired (mainly bank balances) can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Banks	Rating			2024	2023
	Short term	Long term	Agency	(Rupees in tho usand)	
Bank balances					
Allied Bank Limited	A1+	AAA	PACRA	72,417	35,931
Askari Bank Limited	A1+	AAA	PACRA	38,138	32,381
Bank Al-Habib Limited	A1+	AAA	PACRA	142,719	69,523
Bank Alfalah Limited	A1+	AAA	PACRA	6,069	3,618
Bank Islami Pakistan Limited	A1+	AAA	PACRA	14,271	13,643
The Bank of Punjab	A1+	AA+	PACRA	13,382	2,604
AlBaraka Bank Limited	A1	A+	PACRA	9	9
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	2,580	2,580
Faysal Bank Limited	A1+	AA	PACRA	2	1,161
Finca Microfinance Bank Limited	A3	BBB+	PACRA	3,335	3,148
Habib Bank Limited	A1+	AAA	VIS	188,238	105,806
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	31,399	20,808
MCB Bank Limited	A1+	AAA	PACRA	526,633	368,658
National Bank of Pakistan	A1+	AAA	VIS	6,255	5,839
Samba Bank Limited	A1	AA	VIS	2,294	1,525
Silk Bank Limited	A2	A-	VIS	16	14
Soneri Bank Limited	A1+	AA-	PACRA	106	104
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,854	2,853
Summit Bank Limited	A3	BBB-	VIS	-	25
United Bank Limited	A1+	AAA	VIS	77,268	65,324
				1,127,985	735,554
Short term investment - Term deposit receipts					
The Bank of Punjab	A1+	AA+	PACRA	384,500	264,500
Accrued profit					
The Bank of Punjab	A1+	AA+	PACRA	20,333	8,792
Margin against bank guarantees					
Allied Bank Limited	A1+	AAA	PACRA	188,160	14,000
Askari Bank Limited	A1+	AAA	PACRA	260,000	260,000
Bank Makramah Limited	A-3	BBB-	VIS	31,055	31,214
United Bank Limited	A1+	AAA	VIS	43,492	44,788
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	VIS	50,000	50,000
				619,613	446,907
Margin against letters of credit					
Faysal Bank Limited	A1+	AA	PACRA	-	8,321
Allied Bank Limited	A1+	AAA	PACRA	47,658	-
The Bank of Punjab	A1+	AA+	PACRA	17,552	8,008
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	1,749
				65,210	18,078
Total				2,217,641	1,473,831

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavourable to the Company. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in notes 8 and 18 to these unconsolidated financial statements is a listing of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

(i) 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.

	2024				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	---------------------- (Rupees in thousand) ----------------------				
Non-derivative financial liabilities					
Long term loans from financial institutions - secured	13,799,414	19,139,928	5,273,450	12,724,945	1,141,533
Long term loan from Subsidiary Company	4,500,000	8,589,553	954,900	7,634,653	-
Long term deposits	8,214	8,214	-	8,214	-
Retention money payable	-	-	-	-	-
Trade and other payables	9,042,032	9,042,032	9,042,032	-	-
Unclaimed dividend	27,256	27,256	27,256	-	-
Mark-up accrued on borrowings	865,945	865,945	865,945	-	-
Short term borrowings	1,645,316	1,645,316	1,645,316	-	-
	29,888,177	39,318,244	17,808,899	20,367,812	1,141,533

	2023				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	-------------------- (Rupees in thousand) ----------------------				
Non-derivative financial liabilities					
Long term loans from financial institutions - secured	18,618,430	28,397,321	5,974,273	19,881,580	2,541,468
Long term loan from Subsidiary Company	2,000,000	3,496,504	478,200	3,018,304	-
Long term deposits	8,214	8,214	-	8,214	-
Retention money payable	1,752,988	1,752,988	-	1,752,988	-
Trade and other payables	8,844,291	8,960,618	8,960,618	-	-
Unclaimed dividend	27,378	27,378	27,378	-	-
Mark-up accrued on borrowings	880,039	880,039	880,039	-	-
	32,131,340	43,523,062	16,320,508	24,661,086	2,541,468

51. 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 under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy:

	Note	Carrying Amount					Fair Value		
		Fair Value through statement of other comprehensive income	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) -------------------------							
June 30, 2024									
Financial assets at fair value									
Short term investments		3,808,238	27,524	-	-	3,835,762	3,835,762	-	-
Financial assets at amortised cost									
Cash and bank balances		-	-	1,133,412	-	1,133,412	-	-	-
Long term loans to employees		-	-	51,322	-	51,322	-	-	-
Short term investment - term deposit receipt		-	-	384,500	-	384,500	-	-	-
Margins and short term deposits		-	-	686,456	-	686,456	-	-	-
Other receivables		-	-	132,093	-	132,093	-	-	-
Accrued profit		-	-	20,333	-	20,333	-	-	-
Long term deposits		-	-	64,209	-	64,209	-	-	-
Trade debts		-	-	4,188,745	-	4,188,745	-	-	-
	51.1	3,808,238	27,524	6,661,070	-	10,496,832	3,835,762	-	-
Financial liabilities measured at fair value									
Financial liabilities not measured at fair value									
Long term loans from financial institutions - secured		-	-	-	13,799,414	13,799,414	-	-	-
Long term loan from Subsidiary Company		-	-	-	4,500,000	4,500,000	-	-	-
Long term deposits		-	-	-	8,214	8,214	-	-	-
Retention money payable		-	-	-	-	-	-	-	-
Trade and other payables		-	-	-	9,042,032	9,042,032	-	-	-
Unclaimed dividend		-	-	-	27,256	27,256	-	-	-
Mark-up accrued on borrowings		-	-	-	865,945	865,945	-	-	-
Short term borrowings		-	-	-	1,645,316	1,645,316	-	-	-
		-	-	-	29,888,177	29,888,177	-	-	-

	Note	Carrying Amount					Fair Value		
		Fair Value through statement of other comprehensive income	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) -------------------------							
June 30, 2023									
Financial assets measured at fair value									
Short term investments		1,925,688	1,499,368	-	-	3,425,056	3,425,056	-	-
Financial assets at amortised cost									
Cash and bank balances		-	-	740,707	-	740,707	-	-	-
Long term loans to employees		-	-	29,008	-	29,008	-	-	-
Short term investment - term deposit receipt		-	-	264,500	-	264,500	-	-	-
Short term loan / advance to employees		-	-	28,740	-	28,740	-	-	-
Margin and short term deposits		-	-	465,080	-	465,080	-	-	-
Other receivables		-	-	22,531	-	22,531	-	-	-
Accrued profit		-	-	8,792	-	8,792	-	-	-
Long term deposits		-	-	58,401	-	58,401	-	-	-
Trade debts		-	-	2,600,988	-	2,600,988	-	-	-
	51.1	1,925,688	1,499,368	4,218,747	-	7,643,803	3,425,056	-	-
Financial liabilities measured at fair value									
Financial liabilities not measured at fair value									
Long term loans from financial institutions - secured		-	-	-	18,618,430	18,618,430	-	-	-
Long term loan from Subsidiary Company		-	-	-	2,000,000	2,000,000	-	-	-
Margins and short term deposits		-	-	-	8,214	8,214	-	-	-
Retention money payable		-	-	-	1,752,988	1,752,988	-	-	-
Trade and other payables		-	-	-	8,844,291	8,844,291	-	-	-
Unclaimed dividend		-	-	-	27,378	27,378	-	-	-
Mark-up accrued on borrowings		-	-	-	880,039	880,039	-	-	-
	51.1	-	-	-	32,131,340	32,131,340	-	-	-

	Total	Level 1	Level 2	Level 3
	--------- (Rupees in thousand) -------			
Recurring fair value measurements of certain items of operating fixed assets				
Land	1,273,125	-	1,273,125	-
Buildings on freehold land	15,345,218	-	-	15,345,218
Road, bridges and railway	567,549	-	-	567,549
Plant and machinery	46,335,952	-	-	46,335,952
	63,521,844	-	1,273,125	62,248,719

Other than certain classes of operating fixed assets, no other items are measured at fair value.

Valuation techniques used to determine level 2 and level 3 fair values

The company obtains independent valuations for its freehold land, buildings on freehold land, railway siding, plant and machinery, and tools and equipment (classified as property, plant and equipment) at least every five years. The management updates its assessment of the fair value of each asset mentioned above, taking into account the most recent independent valuation. The management determines an asset's value within a range of reasonable fair value estimates. Level 2 fair value of freehold land has been derived using a comparable transactions approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot. Level 3 fair value of buildings on freehold land has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value. Level 3 fair values of plant and machinery and roads, bridges and railway sidings have been determined using a depreciated replacement cost approach, whereby, the current replacement cost of plant and machinery, androads, bridges and railway sidings of similar make/origin, capacity and level of technology has been adjusted using a suitable depreciation rate on account of normal wear and tear.

Valuation inputs and relationship to fair value

The following table summarizes the quantitative and qualitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See paragraph above for the valuation techniques adopted.

Description	Fair value at		Significant unobservable inputs	Quantitative data / range and relationship to the fair value
	June 30, 2024	June 30, 2023		
	Rupees			
Land	1,273,125,000	1,194,487,000	Cost of acquisition of similar land would obviously be much higher as compared to the book value of present free hold land	Fair market value is dependent upon availability of similar land in the area sale intensions of the owner, availability of needy buyers, location of land and availability of infrastructure as well as utilities, however, in this case, the option of availability of such a big piece of land in the close vicinity is quite scarce , as much, the fair present market value of land could be assessed on the basis of usual appreciation of land rates in the surroundings with particular aspect of big area of land because higher the area of plot, the lower is the unit price of land as a general phenomenon with particular reference of the actual requirement of the tentative buyer and the fair market value would be determined only upon specific requirement and interest of buyer.
Building	15,345,218,399	14,794,630,000	Cost of construction of a new similar building Suitable depreciation rate to arrive at depreciated replacement value.	As per usual practice, the cost of construction of a new similar building has been taken into account with a reasonable rate of annual depreciation. In case the cost of construction of a similar new building is on higher side the present market value would also, be higher. On the other hand if the depreciation is applied on a higher side, the value of building will also be on the lower side.
Road, Bridges & Railway	567,549,162	272,070,000	Cost of construction of a new similar roads, bridges & railways Suitable depreciation rate to arrive at depreciated replacement value.	As per usual practice, the cost of construction of a new similar road, bridges and railway have been taken into account with a reasonable rate of annual depreciation. In case the cost of construction of a similar road, bridges and railway is on higher side the present market value would also, be higher. On the other hand if the depreciation is applied on a higher side, the value of road, bridges and railway will also be on the lower side.
Plant & Machinery	46,335,951,684	43,448,097,000	Cost of acquisition of similar plant and machinery with similar level of technology Suitable depreciation rate to arrived at depreciated replacement value	The market value of plant & machinery has been worked out on the basis of cost of similar new machinery with the same eficiency/output and after applying usual rate of depreciation there upon keeping in view the remaining useful life thereof. Thus, if the depreciation rate is higher, the current value of machinery would be lower and if the present cost of similar machinery equipment is higher, the present value thereof would also be higher

51.1 The fair values of these financial assets and liabilities are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

51.2 There were no transfers between Levels 1 and 2 & Levels 2 and 3 during the year and there were no changes in valuation techniques during the year.

51.3 The forced sale value of above mentioned assets has been disclosed in note 20.1.8.

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

	2024								
	Own shares purchased for cancellation	Unclaimed dividend	Liabilities against right of use assets	Payable against redemption of preference shares	Long term financing from financial institutions	Long term loan from Subsidiary Company	Short term borrowings	Accrued markup	Total
	(Rupees in thousand)								
As at July 01, 2023	-	27,378	41,665	1,005	17,832,739	2,000,000	-	880,039	20,782,826
Changes from financing cash flows									
Dividend paid	-	(122)	-	-	-	-	-	-	(122)
Long term loan received from subsidiary company	-	-	-	-	-	2,500,000	-	-	2,500,000
Financial charges paid	-	-	-	-	-	-	-	(4,145,538)	(4,145,538)
Lease rentals paid during the year	-	-	(18,529)	-	-	-	-	-	(18,529)
Redemption of preference shares	-	-	-	(12)	-	-	-	-	(12)
Own share purchased for cancellation	(999,145)	-	-	-	-	-	-	-	(999,145)
Repayments of long term loans from financial institutions - secured - net	-	-	-	-	(4,819,016)	-	-	-	(4,819,016)
Total changes from financing cash flows	(999,145)	(122)	(18,529)	(12)	(4,819,016)	2,500,000	-	(4,145,538)	(7,482,362)
Other changes									
Deferred grant	-	-	-	-	179,766	-	-	-	179,766
Change in running finances	-	-	-	-	-	-	1,645,316	-	1,645,316
Recognized during the year	-	-	18,601	-	-	-	-	-	18,601
Cancelled during the year	999,145	-	-	-	-	-	-	-	999,145
Finance cost	-	-	6,842	-	-	-	-	4,131,444	4,138,286
Total liability related other changes	999,145	-	25,443	-	179,766	-	1,645,316	4,131,444	6,981,114
As at June 30, 2024	-	27,256	48,579	993	13,193,489	4,500,000	1,645,316	865,945	20,281,578

	2023								
	Own shares purchased for cancellation	Unclaimed dividend	Liabilities against right of use assets	Payable against redemption of preference shares	Long term financing from financial institutions	Long term loan from Subsidiary Company	Short term borrowings	Accrued markup	Total
	(Rupees in thousand)								
As at July 01, 2022	(496,429)	27,569	33,973	1,010	19,367,668	2,000,000	3,572,073	665,122	25,170,986
Changes from financing cash flows									
Dividend paid	-	(191)	-	-	-	-	-	-	(191)
Redemption of preference shares	-	-	-	(5)	-	-	-	-	(5)
Proceeds from short term borrowings - net	-	-	-	-	-	-	(2,174,578)	-	(2,174,578)
Financial charges paid	-	-	-	-	-	-	-	(2,527,786)	(2,527,786)
Lease rentals paid during the year	-	-	(14,611)	-	-	-	-	-	(14,611)
Own share purchased for cancellation	(194,661)	-	-	-	-	-	-	-	(194,661)
Long term loans from financial institutions - secured - net	-	-	-	-	(1,720,571)	-	-	-	(1,720,571)
Total changes from financing cash flows	(194,661)	(191)	(14,611)	(5)	(1,720,571)	-	(2,174,578)	(2,527,786)	(6,632,403)
Other changes									
Deferred grant	-	-	-	-	185,642	-	-	-	185,642
Change in running finances and over draft balances	-	-	-	-	-	-	(1,397,495)	-	(1,397,495)
Cancelled during the year	691,090	-	-	-	-	-	-	-	691,090
Recognized during the year	-	-	17,265	-	-	-	-	-	17,265
Finance cost	-	-	5,038	-	-	-	-	2,742,703	2,747,741
Total liability related other changes	691,090	-	22,303	-	185,642	-	(1,397,495)	2,742,703	2,244,243
As at June 30, 2023	-	27,378	41,665	1,005	17,832,739	2,000,000	-	880,039	20,782,826

53. CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in the statement of financial position). Net debt is calculated as total borrowings (including current and non-current borrowings) including book overdraft (if any) less cash and bank balances and liquid investments.

The gearing ratios as at June 30, 2024 and 2023 were as follows:

		2024	2023
		(Rupees in thousand)	
Borrowings		20,859,254	21,540,134
Cash and bank balances and liquid investments		(1,133,412)	(740,707)
Net debt		19,725,842	20,799,427
Total equity		52,615,908	44,913,114
Gearing ratio	Percentage	**37.49%**	**46.31%**

In accordance with the terms of agreements with the lenders of long term finances (as referred to in note 8 to these financial statements), the Company is required to comply with certain financial covenants. The Company has complied with these covenants throughout the reporting period.

54. PROVIDENT FUND TRUST

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

55. NUMBER OF EMPLOYEES

	2024	2023
Total number of employees as on June 30		
- Head office	528	423
- Factory	1,280	1,213
	1,808	1,636
Average number of employees during the year		
- Head office	501	384
- Factory	1,281	1,187
	1,782	1,571

56. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

	2024	2023
	(Rupees in thousand)	
Loans/advances obtained as per Islamic mode:		
Loans obtained as per Islamic mode	2,927,947	2,582,371
Shariah compliant bank deposits/bank balances		
Bank balances	23,626	22,794
Profit earned from shariah compliant bank deposits/bank balances		
Profit on deposits with banks	1,014	593
Gain or dividend earned from shariah compliant investments		
Dividend income	86,605	-
Mark-up paid on Islamic mode of financing	492,617	579,090
Interest paid on any conventional loan	65,271	53,188
Interest paid on loans	3,112,033	2,566,038

Relationship with shariah compliant banks

The Company has obtained short term borrowings and long term finances, and has maintained bank balances with shariah compliant banks.

57. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. However, there were no material re-arrangements, other than the following:

	Rupees in thousand
- Freight expense previously presented under 'Cost of Sales' is now presented under 'Selling and Distribution expenses'	1,749,597
- Net impairment losses on financial assets previously presented under 'Other expenses' now presented as a separate financial statement line item	191,421

58. EVENTS AFTER THE REPORTING PERIOD

There are no subsequent events after the reporting period other than those mentioned elsewhere in these unconsolidated financial statements.

59. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 10, 2024. The Board of Directors have the power to amend and re-issue the financial statements.

DIRECTOR | CHIEF FINANCIAL OFFICER | DIRECTOR

CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended June 30, 2024

DIRECTORS' REPORT ON AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Directors are pleased to present the audited consolidated financial statements of Maple Leaf Cement Factory Limited (the Holding Company) and its wholly owned subsidiary companies Maple Leaf Power Limited, Maple Leaf Industries Limited and Novacare Hospitals (Pvt.) Limited (collectively referred to as group) for the year ended 30 June 2024.

GROUP RESULTS

The Group has earned gross profit of Rupees 22,430 million as compared to Rupees 19,363 million of corresponding year. The Group made after tax profit of Rupees 6,920 million during this period as compared to profit of Rupees 5,771 million during the corresponding year.

The overall group financial results are as follows:

	June 30, 2024	June 30, 2023
	(Rupees in million)	
Sales	66,452	62,075
Gross Profit	22,430	19,363
Profit from operations	14,341	13,074
Financial charges	3,535	2,381
Profit after tax	6,920	5,771
	------------- (Rupees) -------------	
Earnings per share – basic and diluted	6.51	5.38

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.

MAPLE LEAF INDUSTRIES LIMITED - (MLIL)

Maple Leaf Industries Limited ("the Subsidiary Company") is a Limited Company incorporated in Pakistan on September 21, 2022 as a public limited under Companies Act, 2017. The Company is wholly owned subsidiary of Maple Leaf Cement Factory Limited ("the Company") whereas its ultimate parent is Kohinoor Textile Mills Limited ("the Holding Company"). The Company's objective is to produce, manufacture, prepare, treat, process, refine and deal in all kinds of cement and its allied products. The Registered Office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The Company has not yet commenced its commercial operations. However, the Government of Pakistan did not allow for import of machinery for cement manufacturing line and consequently the Board of Directors of MLIL has decided to initiate the winding-up process of the Company as at March 31, 2024.

NOVACARE HOSPITALS (PRIVATE) LIMITED - (NHPL)

Novacare Hospitals (Private) Limited ("NHPL") was incorporated in Pakistan on March 21, 2023, by Andalus Holdings (ADGM) Limited ("Andalus"), represented by directors Mr. Faraz Minai and Mr. Ghalib Hafiz, each holding 2,500 shares. The principal line of business of NHPL is to establish, manage, and operate healthcare facilities, including hospitals, pharmacies, nursing homes, clinics, laboratories, dental clinics, and healthcare centres. NHPL aims to provide healthcare and surgical services, including the treatment of various diseases. NHPL is currently in the pre-commencement phase and has purchased land for hospital on which it has begun construction work. The Registered Office of NHPL is situated at 1st Floor, F-J Plaza, Block No. 2, Markaz F-7, Islamabad Capital Territory (I.C.T), Pakistan.

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.

(Syed Mohsin Raza Naqvi)
Director

(Sayeed Tariq Saigol)
Chief Executive Officer

Lahore: September 10, 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Maple Leaf Cement Factory Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Maple Leaf Cement Factory Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, 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 material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. F. FERGUSON & Co., Chartered Accountants, A Member Firm of the PwC network
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Karachi Lahore Islamabad

Following are the Key audit matters:

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1	Revaluation of certain classes of property, plant and equipment (Refer notes 4.5.1, 7, 20.1 and 49 to the annexed consolidated financial statements) As of June 30, 2024, the Group revalued its certain classes of property, plant and equipment (i.e. freehold land, building on freehold land, roads, bridges and railway sidings and plant and machinery) based on the valuation carried out by an independent external expert engaged by the management. Consequent to revaluation, additional surplus - net of deferred tax amounting to Rs. 3,014.565 million has been recognized in the consolidated financial statements and the balance of revaluation surplus - net of deferred tax on Property, Plant and Equipment at the year-end stood at Rs. 4,397.948 million. We have identified valuation of certain classes of property, plant and equipment as a key audit matter due to the significance of this balance to the consolidated financial statements, as well as the significance of judgements and estimations involved in determining the valuation.	Our audit procedures included the following: • Obtained an understanding of the Group's accounting policy regarding the valuation of its property, plant and equipment. • Obtained and inspected the valuation reports prepared by external management expert. • Evaluated the professional qualification of management's expert and assessed its independence, competence, and experience in the field; • Involved auditor's expert to assess the adequacy of the work performed by the management's expert; • Matched the underlying net book values of the assets with the fixed asset register and the ledgers, and recomputed the revaluation surplus based on the fair values determined by the management's expert; • Checked that the revaluation surplus has been recorded in the consolidated financial statements as per applicable accounting and reporting standards; and. • Checked the adequacy of disclosures made in the consolidated financial statements according to applicable accounting and reporting standards requirements.

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

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the groups'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 Khurram Akbar Khan.

A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: September 23, 2024
UDIN: AR202410070JtQZRBEzv

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
- 1,400,000,000 (2023: 1,400,000,000) ordinary shares of Rs. 10 each		14,000,000	14,000,000
- 100,000,000 (2023: 100,000,000) 9.75% redeemable preference shares of Rs. 10 each		1,000,000	1,000,000
		15,000,000	15,000,000
Issued, subscribed and paid-up share capital 1,047,562,608 (2023: 1,073,346,232) ordinary shares of Rs. 10 each	5	10,475,626	10,733,462
Capital reserves	6	33,197,422	6,363,952
Revenue reserve: Un-appropriated profits		9,543,934	28,921,425
Surplus on revaluation of fixed assets	7	4,397,948	1,900,302
Non-controlling interests		28,713	-
Total equity		57,643,643	47,919,141
NON-CURRENT LIABILITIES			
Long term loans from financial institutions - secured	8	9,785,786	15,233,337
Deferred government grant	9	450,487	605,926
Lease liabilities	10	50,881	31,408
Long term deposits	11	8,214	8,214
Deferred taxation	12	13,048,262	8,707,481
Retention money	13	-	1,752,988
Employee benefits obligations	14	328,527	278,492
		23,672,157	26,617,846
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institutions - secured	8	3,407,702	2,599,401
- Deferred government grant	9	155,439	179,766
- Lease liabilities	10	31,828	10,257
Trade and other payables	15	13,083,068	11,445,190
Provision for taxation	16	68,857	21,342
Unclaimed dividend		27,255	27,378
Mark-up accrued on borrowings	17	608,721	764,955
Short term borrowings from financial institutions - secured	18	1,645,316	-
		19,028,186	15,048,289
CONTINGENCIES AND COMMITMENTS	19		
		100,343,986	89,585,276

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

DIRECTOR | CHIEF FINANCIAL OFFICER | DIRECTOR

	Note	2024	2023
		(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	20	72,786,438	66,746,105
Intangible assets	21	84,810	6,946
Long term loans to employees - secured	22	31,228	18,089
Long term deposits	23	66,635	58,401
		72,969,111	66,829,541
CURRENT ASSETS			
Stores, spare parts and loose tools	24	12,836,410	10,462,363
Stock-in-trade	25	3,176,688	3,814,163
Trade debts	26	4,188,745	2,600,988
Loans and advances	27	513,922	900,460
Short term investments	28	4,231,462	3,698,556
Short term deposits and prepayments	29	998,350	497,930
Accrued profit	30	20,400	9,118
Other receivables	31	129,474	21,905
Cash and bank balances	32	1,279,424	750,252
		27,374,875	22,755,735
		100,343,986	89,585,276

DIRECTOR   CHIEF FINANCIAL OFFICER   DIRECTOR

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Revenue	33	66,452,348	62,075,259
Cost of sales	34	(44,021,883)	(42,712,117)
Gross profit		22,430,465	19,363,142
Selling and distribution expenses	35	(5,471,808)	(3,751,096)
Administrative expenses	36	(1,987,637)	(1,398,611)
Net impairment loss on financial assets	26.1	(357,191)	(191,421)
Other expenses	37	(699,345)	(1,094,867)
Other income	38	426,707	147,320
Operating profit		14,341,191	13,074,467
Finance cost	39	(3,535,084)	(2,380,827)
Profit before final taxes and income tax		10,806,107	10,693,640
Final taxes	40	(45,804)	(12,192)
Profit before income tax		10,760,303	10,681,448
Income tax	40	(3,840,526)	(4,910,686)
Profit for the year		6,919,777	5,770,762
Profit is attributable to:			
Equity holders of the Holding Company		6,891,064	5,770,762
Non-controlling interests		28,713	-
		6,919,777	5,770,762
		------------- Rupees -------------	
Earnings per share for profit attributable to the equity holders of the Holding Company - basic and diluted	41	6.51	5.38

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

DIRECTOR **CHIEF FINANCIAL OFFICER** **DIRECTOR**

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Profit for the year		6,919,777	5,770,762
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:		-	-
Items that will not be subsequently reclassified to statement of profit or loss:			
Remeasurement of retirement benefits	14	(18,730)	(18,830)
Tax effect of remeasurement of retirement benefits		5,432	6,977
		(13,298)	(11,853)
Change in fair value of investments at fair value through other comprehensive income (OCI)	28	1,146,535	263,437
Tax effect of change in fair value of investment at fair value through OCI		(313,065)	(65,859)
		833,470	197,578
Surplus on revaluation of fixed assets	7	4,676,449	-
Tax effect of surplus on revaluation of fixed assets		(1,661,884)	-
Effect on deferred tax due to change in effective tax rate		(30,867)	(147,884)
		2,983,698	(147,884)
Other comprehensive income for the year		3,803,870	37,841
Total comprehensive income for the year		10,723,647	5,808,603
Total comprehensive income is attributable to:			
Equity holders of the Holding Company		10,694,934	5,808,603
Non-controlling interests		28,713	-
		10,723,647	5,808,603

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

DIRECTOR | CHIEF FINANCIAL OFFICER | DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	42	14,348,743	19,611,501
(Increase)/decrease in long term loans to employees		(13,139)	1,277
Decrease in long term deposits to suppliers		(8,234)	(801)
Increase in retention money payable		-	1,750,198
Employee benefit obligations paid		(47,729)	(53,881)
Income tax and final taxes paid		(1,498,408)	(1,461,571)
Net cash inflow from operating activities		12,781,233	19,846,723
Cash flows from investing activities			
Payments for property, plant and equipment		(5,453,903)	(9,080,092)
Payments for acquisition of intangibles		(89,828)	-
Dividends received		86,605	-
Proceeds from disposal of property, plant and equipment		367,153	91,140
Purchase of short term investments		(1,625,808)	(3,243,546)
Proceeds from sale of short term investment		2,475,461	-
Short term loan to Maple Leaf Capital Limited		500,000	-
Repayment of short term loan by Maple Leaf Capital Limited		(500,000)	-
Profit received on short term loan to Maple Leaf Capital Limited		11,409	-
Profit received on bank deposits		99,930	53,712
Net cash outflow from investing activities		(4,128,981)	(12,178,786)
Cash flows from financing activities			
Repayment of long term loans from financial institutions - secured		(4,819,016)	(1,720,571)
Short term borrowings - net		-	(2,174,578)
Finance cost paid		(3,682,164)	(2,240,664)
Lease rentals paid		(32,329)	(14,611)
Payments for shares bought back		(999,145)	(194,661)
Redemption of preference shares		(12)	(5)
Dividend paid		(123)	(191)
Net cash outflow from financing activities		(9,532,789)	(6,345,281)
Net (decrease) / increase in cash and cash equivalents		(880,537)	1,322,656
Cash and cash equivalents at beginning of the year		750,252	(580,251)
Effects of exchange rate changes on cash and cash equivalents		2,893	7,847
Cash and cash equivalents at end of the year	43	(127,392)	750,252

Refer note 50 for reconciliation of liabilities arising from financing activities.

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

DIRECTOR **CHIEF FINANCIAL OFFICER** **DIRECTOR**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

	Share Capital	Capital Reserves								Revenue Reserve	Equity attributable to Holding Company	Equity attributable to NCI	Total Equity
		Share premium	Capital redemption reserve	FVOCI reserve	Own shares purchased for cancellation	Capital expansion	Long term investments	Sub-total	Surplus on revaluation of fixed assets - net of tax	Un-appropriated profits			
	Rupees in thousand												
Balance as on July 01, 2022	10,983,462	6,060,550	528,263	-	(496,429)	-	-	6,092,384	2,503,583	22,707,119	42,286,548	-	42,286,548
Own shares purchased during the year for cancellation	(250,000)	-	(422,439)	-	496,429	-	-	73,990	-	-	(176,010)	-	(176,010)
Total comprehensive income for the year													
Profit for the year ended June 30, 2023	-	-	-	-	-	-	-	-	-	5,770,762	5,770,762	-	5,770,762
Other comprehensive income for the year ended June 30, 2023	-	-	-	197,578	-	-	-	197,578	(147,884)	(11,853)	37,841	-	37,841
	-	-	-	197,578	-	-	-	197,578	(147,884)	5,758,909	5,808,603	-	5,808,603
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	-	(455,012)	455,012	-	-	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	-	-	-	(385)	385	-	-	-
Balance as at June 30, 2023	10,733,462	6,060,550	105,824	197,578	-	-	-	6,363,952	1,900,302	28,921,425	47,919,141	-	47,919,141
Own shares purchased during the year for cancellation	(257,836)	-	-	-	-	-	-	-	-	(741,309)	(999,145)	-	(999,145)
Re-classification of un-appropriated profits to Capital Reserves	-	-	-	-	1,000,000	20,000,000	5,000,000	26,000,000	-	(26,000,000)	-	-	-
Total comprehensive income for the year													
Profit for the year ended June 30, 2024	-	-	-	-	-	-	-	-	-	6,891,064	6,891,064	28,713	6,919,777
Other comprehensive income for the year ended June 30, 2024	-	-	-	833,470	-	-	-	833,470	2,983,698	(13,298)	3,803,870	-	3,803,870
	-	-	-	833,470	-	-	-	833,470	2,983,698	6,877,766	10,694,934	28,713	10,723,647
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	-	(484,675)	484,675	-	-	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	-	-	-	(1,377)	1,377	-	-	-
Balance as at June 30, 2024	10,475,626	6,060,550	105,824	1,031,048	1,000,000	20,000,000	5,000,000	33,197,422	4,397,948	9,543,934	57,614,930	28,713	57,643,643

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

DIRECTOR

CHIEF FINANCIAL OFFICER

DIRECTOR

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. THE GROUP AND ITS OPERATIONS

The Group comprises of:
- Maple Leaf Cement Factory Limited;
- Maple Leaf Power Limited;
- Maple Leaf Industries Limited; and
- Novacare Hospitals (Private) Limited.

1.1 Maple Leaf Cement Factory Limited (the 'Holding Company') is a public company limited by shares incorporated in Pakistan on April 13, 1960 under the repealed Companies Act, 1913 (now, the Companies Act, 2017, hereinafter may be referred to as the 'Act'). Its ordinary shares are listed on the Pakistan Stock Exchange Limited. It's registered office is situated at 42 - Lawrence Road, Lahore, Pakistan. It has one cement plant which is located at Iskanderabad, District Mianwali, in the province of Punjab. It is principally engaged in the production and sale of cement and wall putty. It is a subsidiary of Kohinoor Textile Mills Limited ("the Ultimate Holding Company").

1.2 Maple Leaf Power Limited ('MLPL') was incorporated in Pakistan on October 15, 2015, as a public company limited by shares, under the repealed Companies Ordinance, 1984 (now, the Act). The registered office of MLPL is located at 42-Lawrence Road, Lahore.

The principal objective of MLPL is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity to the Holding Company. MLPL operates a 40 megawatt Coal Fired Power Generation Plant and a 7.9 megawatt Solar Power Plant at Iskanderabad, District Mianwali, Punjab, Pakistan for generation of electricity.

MLPL is registered as a Captive Power Producer ('CPP') and has obtained electricity generation licenses from the National Electric Power Regulatory Authority ('NEPRA'). A generation license for a 40 megawatt Coal Fired Power Plant was granted on December 20, 2016, and for a 25 megawatt Solar Power Plant on May 31, 2024. MLPL entered into power and steam purchase agreements with the Holding Company on July 4, 2017, and October 31, 2019, respectively. These agreements are valid for 20 years.

1.3 Maple Leaf Industries Limited ("MLIL") is a public company limited by shares incorporated in Pakistan on September 21, 2022, under the Companies Act, 2017. The registered office of MLIL is located at 42-Lawrence Road, Lahore, Pakistan. As of the reporting date, MLIL has not commenced its commercial operations.

MLIL was incorporated with the primary objective of setting up a cement manufacturing facility in Special Economic Zone in Mianwali, Punjab. However, the Government of Pakistan did not allow for import of machinery for cement manufacturing line and consequently the Board of Directors of MLIL has decided to initiate the winding-up process of the Company as at March 31, 2024. MLIL does not have any commercial operations, activities or employees.

1.4 Novacare Hospitals (Private) Limited ("NHPL") was incorporated in Pakistan on March 21, 2023, by Andalus Holdings (ADGM) Limited ("Andalus"), represented by directors Mr. Faraz Minai and Mr. Ghalib Hafiz, each holding 2,500 shares. Andalus, based in Abu Dhabi, is incorporating a company in Pakistan to which these shares will be transferred. On May 10, 2023, Andalus entered into an agreement with the Holding Company that alongwith its affiliates, Holding Company would invest in NHPL, maintaining at least a 66.66% shareholding. The agreement, granting the Holding Company ordinary shares, has a term of eight years with a one-year extension option.

The principal line of business of NHPL is to establish, manage, and operate healthcare facilities, including hospitals, pharmacies, nursing homes, clinics, laboratories, dental clinics, and healthcare centres. NHPL aims to provide healthcare and surgical services, including the treatment of various diseases. NHPL is currently in the pre-commencement phase and has purchased land for hospital on which it has begun construction work. The registered office of NHPL is situated at 1st Floor, F-J Plaza, Block No. 2, Markaz F-7, Islamabad Capital Territory (I.C.T), Pakistan.

The Holding Company's shareholding in its subsidiaries is as follows:

	Shareholding
- Maple Leaf Power Limited	100%
- Maple Leaf Industries Limited	100%
- Novacare Hospitals (Private) Limited	99.59%

The Group has regional offices located across Pakistan, the geographical locations of which are listed below:

Regional office	Geographical location
Lahore region	304-B, 3rd Floor, City Tower, Main Boulevard, Gulberg II, Lahore
Multan region	Office No. 708, 7th Floor, the United Mall, Abdali Road, Multan
Sargodha region	Office No. 59, 2nd Floor, Al Rehman Trade Centre University Road, Sargodha
Rawalpindi region	Kohinoor Textile Mills Limited, Peshawar Road, Rawalpindi
Karachi region	25-West Wharf Road, Industrial Area, Karachi
Faisalabad region	Office No. 10, 3rd Floor, Legacy Tower, Kohinoor City, Jaranwala Road, Faisalabad

2. BASIS OF PREPARATION

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 (the 'Act'); and
- Provisions of and directives issued under the Act.

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

2.1.1 Application guidance on accounting for minimum and final taxes

The Institute of Chartered Accountants of Pakistan ('ICAP') has issued application guidance on accounting of minimum and final taxes vide its circular No. 07/2024 dated May 15, 2024 ('the Guidance'). According to the Guidance, the minimum taxes in excess of normal tax liability and tax deducted at source other than from dividends from subsidiaries, joint ventures and associates under final tax regime, are out of scope of IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Accordingly, the Group has changed its accounting policy to recognise such taxes as 'levies' which were previously being recognised as 'income tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". There has been no effect on the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and earnings per share as a result of this change.

The effects of change in accounting policy are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
		(Rupees in thousand)	
Effects on statement of profit or loss			
For the year ended June 30, 2024			
Final taxes	-	45,804	45,804
Profit before income tax	10,806,107	(45,804)	10,760,303
Income tax	(3,886,330)	45,804	(3,840,526)
For the year ended June 30, 2023			
Final taxes	-	12,192	12,192
Profit before income tax	10,693,640	(12,192)	10,681,448
Income tax	(4,922,878)	12,192	(4,910,686)

This change in accounting policy does not impact the earnings per share or diluted earnings per share of the Group.

2.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Group's consolidated financial statements covering annual periods, beginning on or after the following dates:

2.2.1 Standards, amendments to published standards and interpretations that are effective in the current year

Certain standards, amendments and interpretations to IFRS are effective for accounting period beginning on July 01, 2023 but are considered not to be relevant to the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

a) Narrow scope amendments to International Accounting Standard (IAS) 1 Practice Statement 2 and International Accounting Standard (IAS) 8

The IASB amended IAS 1 to require entities to disclose their 'material' rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 'Making Materiality Judgements' to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from July 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in note 4 to the financial statements.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

(a) Amendment to International Accounting Standard (IAS) 1 – Non-current liabilities with covenants (effective for annual period beginning on July 01, 2024)

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. Covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

The amendments also introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

These amendments are not expected to have a material impact on the Group's financial statements when they become effective.

(b) International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability-related financial information and International Financial Reporting Standard (IFRS) S2, 'Climate-related disclosures'

The International Sustainability Standards Board (ISSB) issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after January 01, 2024, subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas (GHG) emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The aforementioned standards have not been notified locally or declared exempt, in relation to the Group, by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024.

(c) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual period beginning on January 01, 2026)

On May 30, 2024, the IASB issued targeted amendments to IFRS 9, 'Financial Instruments', and IFRS 7, 'Financial Instruments: Disclosures'. The amendments respond to recent questions arising in practice, and include new requirements not only for financial institutions but also for corporate entities. These new requirements serve the following purposes:

(a) clarification of the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

(b) clarification and addition of further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

(c) addition of new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and

(d) update in the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group is yet to assess the impact of these amendments on its financial statements.

(d) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual period beginning on January 01, 2027)

The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 will replace IAS 1 'Presentation of financial statements', introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will apply for reporting periods beginning on or after January 01, 2027 and also applies to comparative information. However, the standard has not yet been notified locally, in relation to the Group, by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024.

The Group is yet to assess the impact of this standard on its financial statements.

3. BASIS OF MEASUREMENT

3.1 These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated.

3.2 Critical accounting estimates and judgments

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Following are the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to the estimates and assumptions turning out to be wrong.

- Employee benefits obligations - notes 4.2 and 14
- Provision for taxation - notes 4.3, 12 and 40
- Revaluation of property, plant and equipment - notes 4.5.1, 7 and 20.1
- Useful lives and residual values of property, plant & equipment - notes 4.5.1 and 20.1
- Expected credit loss against trade debts, deposits and other receivables - notes 4.10.4 and 26
- Estimation of quantity of stockpiles - note 4.9
- Contingent taxation liabilities - note 19

3.3 Changes in accounting estimates

3.3.1 Revision of useful lives of operating fixed assets

During the year, following an annual assessment and review of the remaining useful lives of operating fixed assets, management determined that the useful lives of certain items of plant and machinery, factory buildings roads, bridges and railway sidings required an upward revision.

As a result, the useful lives of certain items of plant and machinery, factory buildings roads, bridges and railway sidings have been increased.

This change has been treated as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The net effect on profit before tax for the year ended June 30, 2024, is nil. However, due to this change in accounting estimate, the profits before tax for the year 2025 are expected to increase by Rs. 739.510 million and by Rs. 673.116 million for the year 2026 and onwards.

3.3.2 Change in depreciation method

Previously, the Group used the reducing balance method to depreciate certain items of buildings on freehold land, roads, bridges, railway sidings, and plant and machinery. During the year, the Group changed its depreciation method for all these items from the reducing balance method to the straight-line basis. This change was made to better reflect the pattern of consumption of the assets' economic benefits.

The change has been applied prospectively, starting from July 1, 2023, and has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

As a result of this change, depreciation for the year increased by Rs. 162.128 million. The expected effect of this change on future periods is a Rs. 162.128 million decrease in depreciation. However, the year-by-year impact is impracticable to estimate.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 'Making Materiality Judgements') from July 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the consolidated financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

4.1 Principles of consolidation

a) Subsidiaries

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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the following:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests ('NCI') in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in consolidated statement of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in consolidated statement of comprehensive income are reclassified to consolidated statement of profit or loss.

4.2 Employee benefits

4.2.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

4.2.2 Post employment benefits

a) Defined contribution plan - Provident Fund

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.

b) Defined benefit plan - Gratuity

The Group operates approved funded gratuity scheme for all its workers who have completed the minimum qualifying period of service of three years. 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 most recent valuation was carried out as at June 30, 2024 using the "Projected Unit Credit Method".

The Group operates defined benefit gratuity plan in accordance with the local regulatory framework in Pakistan. The plan provides benefits to members in the form of a gratuity amount payable at the end of employment. This is a trustee-administered fund. Plan assets held by the fund are governed by local regulations and practice. Responsibility for governance of the plan – including investment decisions and contributions schedules – lies jointly with the board of trustees which are either directors, senior executives or employees of the Group in accordance with the plan's regulations.

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the Group as reduced by benefits paid during the year.

The Group ensures that its investment positions are managed within an asset-liability matching (ALM) framework developed to align with its gratuity obligations. Within this framework, the Group's ALM objective is to match assets to the gratuity obligations by investing in fixed-rate short-term funds. These funds carry lower risk and provide fixed returns, ensuring the preservation of the investment amount at maturity, which can then be reinvested. Additionally, they offer attractive returns compared to peers. The Group actively monitors how the duration and expected yield of these investments align with the expected cash outflows arising from the gratuity scheme obligations.

The Group has not changed the processes used to manage its risks from previous periods. The Group does not use derivatives to manage its risk. Investments are in rated financial institutions, such that the risk failure of the investments is minimal. A large portion of assets in 2024 consists of investment in open ended fixed rate return fund managed by NBP Fund Management Limited. The Group believes that such investments offer the best returns with an acceptable level of risk. The composition of plan assets has been disclosed in note 14.2.2.

The amount recognized in statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the year in which they arise. Past service costs are recognized immediately in the consolidated statement of profit or loss.

The future contribution rate of the plan includes allowances for deficit and surplus. Projected Unit Credit Method, using the following significant assumptions, has been used for valuation of this scheme:

	2024	2023
Discount rate per annum	16.25%	16.25%
Expected increase in eligible salary level per annum	13.75%	15.25%
Duration of plan (years)	4 years	4 years

The expected mortality rates assumed are based on the SLIC (2001-2005) mortality table set back one year.

c) Accumulating compensated absences

The Group accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provision to cover the obligations is made using the current salary level of employees. The unutilized leaves are accumulated subject to a maximum of 90 days. The unutilized accumulated leaves can be encashed at the time the employee leaves Group service.

Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to statement of profit or loss. The most recent valuation was carried out as at June 30, 2024 using the "Projected Unit Credit Method."

The amount recognised in the statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the consolidated statement of profit or loss immediately in the period when these occur.
Projected unit credit method, using the following significant assumptions, has been used for valuation of accumulating compensated absences:

	2024	2023
Discount rate per annum	16.25%	16.25%
Expected rate of increase in salary level per annum	13.75%	15.25%
Expected mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005
Duration of the plan (years)	8.6 years	10 years

4.3 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or comprehensive income as the case may be.

Current

The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Where there is uncertainty in income tax accounting i.e. when it is not probable that the tax authorities will accept the treatment, the impact of the uncertainty is measured and accounted for using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty. Such judgements are reassessed whenever circumstances have changed or there is new information that affects the judgements. Where, at the assessment stage, the taxation authorities have adopted a different tax treatment and the Group considers that the most likely outcome will be in favour of the Group, the amounts are shown as contingent liabilities. In making a judgment and / or estimate relating to probability of outcome, the management considers laws, statutory rules, regulations and their interpretations. Where, based on management's estimate, a provision is required, the same is recorded in the financial statements.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

4.4 Leases

4.4.1 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.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.
Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods covered by termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). While making this assessment, the Group considers significant penalties to terminate (or not extend) as well as the significant cost of business disruption.

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.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

4.5 Property, plant and equipment

4.5.1 Operating fixed assets

Operating fixed assets except freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery are stated at cost less accumulated depreciation and any identified impairment loss. Buildings on freehold land, roads, bridges and railway sidings and plant and machinery are stated at 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. Revaluation is carried out within five years to ensure that the carrying amount of the asset does not differ materially from its fair value. Latest revaluation of operating fixed assets was carried out by an independent professional valuer as on June 30, 2024.

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognised, net of tax, in other comprehensive income and accumulated in surplus on revaluation of fixed assets in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Each year, the difference between the depreciation calculated on the revalued carrying amount of an asset and the depreciation based on its original cost, after tax, is reclassified from the revaluation surplus to retained earnings. The Group adopts the gross method for presenting revaluation adjustments. On the revaluation date, both the accumulated depreciation and the gross carrying amount of the asset are restated to align with the revalued amount. When the asset is disposed off, any remaining balance in the revaluation surplus related to that asset is transferred to retained earnings.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as stated in note 4.12.

Proceeds from the sale of items while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management are not deducted from the cost of an item of property, plant and equipment. Instead, the Group recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are included in the statement of profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense, and the related surplus on revaluation of property, plant and equipment is transferred directly to retained earnings.

Depreciation on operating fixed assets is charged to profit or loss on the following methods and rates so as to write off the depreciable amounts of the assets over their estimated useful lives after taking into account their residual values:

Asset category	**Depreciation method**	**Annual depreciation rate**
Buildings on freehold land	Straight line	5% to 20%
Plant and machinery	-do-	5% to 20%
Roads, bridges and railway sidings	-do-	5% to 10%
Spares held for capital expenditure	-do-	10%
Furniture, fixtures and equipment	Reducing balance	10% to 30%
Quarry equipment	-do-	20%
Vehicles	-do-	20%
Share of joint assets	-do-	10%

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant. The Group's estimate of the useful lives and depreciation method of certain operating fixed assets during the year has been adjusted as explained in note 3.3.

4.5.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure including borrowing costs connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.5.3 Major spare parts and stand-by equipment

Major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them for more than one year. Transfers are made to operating assets category as and when such items are available for use. These spares parts are depreciated over a useful life of 10 years on a straight line basis.

4.6 Intangible assets

Intangible assets have a finite life and are 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.

4.7 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets. All other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

4.8 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at moving weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. For items which are slow moving and/or identified as obsolete, adequate provision is made for any excess book value over estimated realizable value. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

4.9 Stock-in-trade

Stocks are valued at the lower of cost and net realizable value. Cost is determined as follows:

Raw material	at weighted average cost
Packing material	at weighted average cost
Work in process	at weighted average manufacturing cost
Finished goods	at weighted average manufacturing cost

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads.

The Group reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Further, the Group's certain stock items [i.e. raw materials (limestone, clay and gypsum), work-in-process (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighing of these stock items is not practicable, the management assesses the reasonableness of the on-hand inventory by obtaining measurement of stockpiles and converting these measurements into unit of volume by using angle of repose and bulk density values.

4.10 Financial assets

4.10.1 Classification

The Group classifies its financial assets other than investments in subsidiaries in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss]; and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

4.10.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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.

4.10.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

i) Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

ii) FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as a separate line item in the statement of profit or loss.

iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.10.4 Impairment of financial assets other than investment in equity instruments

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Group applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables, while general 3-stage approach for deposits, loans, bank balances and other receivables i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:
- Trade debts;
- Deposits and other receivables;
- Term deposit receipts; and
- Bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. The Company considers a default on a financial asset is when the counterparty fails to make contractual payments within 360 days of when they fall due.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group recognises an impairment gain or loss in the consolidated statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.11 Financial liabilities

All financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest rate method. Gain and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the consolidated statement of profit or loss.

4.12 Impairment of non-financial assets

Non financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.13 Off setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to set off the recognised amount and the Group intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

4.14 Trade debts and other receivables

Trade debts are amounts due from customer for goods sold or services performed in ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Group holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method less loss allowance.

4.15 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the consolidated statement of financial position.

4.16 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, commissions and government levies. The credit term does not include any financing component.

Revenue is recognised at the time of despatch of goods from the factory and / or delivery at a specified location depending on the arrangement with the customers.

4.17 Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

4.18 Contract asset and contract liability

A contract asset is recognised for the Group's right to consideration in exchange for goods or services that it has transferred to a customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is recognised for the Group's obligation 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, or the Group has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Group transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

4.19 Foreign currency translations

a) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

b) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

4.20 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4.21 Trade and other payables

These represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.22 Provisions

Provisions for legal claims and make good obligations are recognised 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 the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4.23 Earnings per share ('EPS')

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of additional ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in consolidated profit or loss attributable to ordinary shareholders of the Group that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.24 Dividend

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.

4.25 Borrowing cost

General and specific 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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in consolidated statement of profit or loss in the period in which they are incurred.

4.26 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.27 Contingent liabilities and assets

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.

Contingent liabilities are not recognized. A contingent liability is disclosed unless the possibility of an outflow is remote.

Contingent asset is disclosed when an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements since this may result in recognition of income that may never be realised.

Contingent liabilities and assets are generally estimated using:

- The single most likely outcome; or
- A weighted average of all the possible outcomes (the 'expected value' method). This is likely to be the most appropriate method for a large population of similar claims, but can also be applied to a single obligation with various possible outcomes.

4.28 Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4.29 Own shares purchased for cancellation

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as own shares purchased for cancellation and are presented in the consolidated statement of changes in equity as a separate reserve.

4.30 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Makers (the CODMs) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Holding Company.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments.

The Group's strategic steering committee, consisting of the Board of Directors of the parent company, examines the Group's performance both from a product and geographic perspective and has identified two reportable segments of its business as detailed in note 47 to the consolidated financial statements.

4.31 Pre-operating administrative expenses

Pre-operating administrative expenses include costs incurred before the commencement of principal operations of NHPL, being expensed as incurred. These expenses do not meet the criteria for capitalization under IFRS, as they are not directly attributable to the construction of the hospital, the qualifying asset.

4.32 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand Rupees unless otherwise stated.

5. SHARE CAPITAL

5.1 Issued, subscribed and paid-up share capital

	Note	Number of shares	2024	2023
			(Rupees in thousand)	
Number of shares				
(2023: 835,972,162) ordinary shares of Rs. 10 each fully paid in cash		835,972,162	8,359,721	8,359,721
(2023: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	5.1.1 & 5.1.2	11,674,893	116,749	358,341
(2023: 46,069,400) ordinary of Rs. 10 each issued as fully paid bonus shares		46,069,400	460,694	460,694
(2023: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.1.3	153,846,153	1,538,462	1,538,462
(2023: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	5.1.4	-	-	16,244
	5.1.5	1,047,562,608	10,475,626	10,733,462

5.1.1 The Holding Company has bought back 24.159 million shares for the purpose of cancellation from October 27, 2023 to April 15, 2024 at market price prevailing at the date of purchase. The purchase was made pursuant to approvals of Board of Directors and the shareholders of the Holding Company in their meeting held on September 6, 2023 and October 19, 2023 respectively, where the Holding Company was allowed to purchase/buy back its issued ordinary shares up to the maximum of 100 million ordinary shares, through Pakistan Stock Exchange Limited, at spot/current share price prevailing during the period from October 27, 2023 to April 15, 2024. These shares were cancelled on April 24, 2024.

5.1.2 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 Company Limited respectively. Further, during financial year 2001, pursuant to merger of Maple Leaf Electric 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 Company Limited. The shares were issued in accordance with the schemes of merger approved by the shareholders of the Holding Company.

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

5.1.4 During the current year, 1,624,417 ordinary shares issued against the conversion of preference shares were cancelled against buy back of shares.

5.1.5 Movement of issued, subscribed and paid-up share capital	Number of shares	2024	2023
		(Rupees in thwousand)	
At beginning of the year	1,073,346,232	10,733,462	10,983,462
Own shares purchased during the year	(25,783,624)	(257,836)	(250,000)
At end of the year	1,047,562,608	10,475,626	10,733,462

5.2 The Ultimate Holding Company holds 606,497,944 (2023: 606,497,944) ordinary shares, which represents 57.89% (2023: 56.51%) of total ordinary issued, subscribed and paid-up share capital of the Holding Company.

5.3 Directors of the Holding Company hold 96,706 (2023: 96,706) ordinary shares of Rs. 10 each of the Holding Company.

6. CAPITAL RESERVES

	Note	2024	2023
		(Rupees in thousand)	
Capital redemption reserve	6.1	105,824	105,824
Share premium reserve	6.2	6,060,550	6,060,550
FVOCI reserve	6.3	1,031,048	197,578
Own shares purchased for cancellation	6.4	1,000,000	-
Capacity expansion reserve	6.5	20,000,000	-
Long term investments reserve	6.6	5,000,000	-
		33,197,422	6,363,952

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 Holding Company only for the purpose specified in section 81(2) of the Companies Act, 2017.

6.3 This represents the unrealised gain on remeasurement of equity investments at fair value through other comprehensive income and is not available for distribution.

6.4 This reserve has been created by reclassification of unappropriated profits for the purpose of buy back of shares and is not available for distribution.

6.5 This reserve has been created by reclassification of unappropriated profits for the purpose of capacity expansion and is not available for distribution.

6.6 This reserve has been created by reclassification of unappropriated profits for the purpose of long term investments and is not available for distribution.

	Note	2024	2023
		(Rupees in thousand)	
7. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX			
At beginning of the year		2,785,266	3,501,994
Surplus on revaluation during the year	7.1	4,676,449	-
Surplus on disposal of fixed assets during the year		(2,257)	(611)
Transfer to unappropriated profit in respect of incremental depreciation charged during the year		(763,124)	(716,117)
At end of the year		6,696,334	2,785,266
Deferred tax liability on revaluation surplus			
At beginning of the year		884,964	998,411
Tax effect of surplus on revaluation of fixed assets		1,661,884	-
Transferred to unappropriated profit in respect of disposal of fixed assets during the year		(880)	(226)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(278,449)	(261,105)
Effect of change in effective tax rate		30,867	147,884
At end of the year		2,298,386	884,964
		4,397,948	1,900,302

7.1 The Group's freehold land, buildings on freehold land, roads, bridges and railway sidings and plant and machinery were revalued by Tristar International Consultant (Private) Limited, an independent professional valuer, as at June 30, 2024, as detailed in note 49.

8. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Sanctioned Limit	2024	2023	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		---------------- Rupees in '000'		----------------			
1	Askari Bank Limited - Term Finance	1,000,000	388,921	459,634	10 equal quarterly instalments ending on December 28, 2026	3-month KIBOR + 125 basis points ('bps') per annum ('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 Parri Passu ('JPP') charge of Rs. 1,334 million, margin 25% over fixed assets of the Holding Company as below: 1. Hypothecation charge over all present and future plant and machinery of the Holding Company. 2. Land and building of cement unit phase-II and additional bare and ad measuring 30 kanals adjacent to it.
2	Bank of Punjab - Demand Finance	2,000,000	689,216	814,528	11 equal quarterly instalments ending on February 27, 2027	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	1st JPP charge over all present and future fixed assets of the Holding Company with 25% margin facility coverage of amounting to Rs. 4,000 Million (Bank of Punjab charge value Rs. 7,903,000 million).
3	MCB Bank Limited - Demand Finance	2,000,000	707,254	775,650	11 equal quarterly instalments ending on March 23, 2027	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each quarter.	First Parri Passu (FPP) charge over all present and future fixed assets at 25% margin.
4	National Bank of Pakistan - Demand Finance	5,500,000	1,280,001	1,280,001	09 equal quarterly instalments ending on September 30, 2026	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.	FPP / JPP charge of Rs. 5,333.33 million over all present and future fixed assets (including land, buildings, plant and machinery) of the Holding Company. Personal Guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
5	Samba Bank Limited - Term Finance	750,000	112,500	262,500	03 equal quarterly instalments ending on January 01, 2025	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each calendar quarter	JPP charge of Rs. 600 Million on entire present and future fixed assets of the Holding Company including land, plant and machinery, buildings and all fixed assets under lien to other long term lenders.

	Lender	Sanctioned Limit	2024	2023	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		---------------- Rupees in '000'		----------------			
6	MCB Islamic Bank Limited - Diminishing Musharakah	1,500,000	570,614	822,807	Repayment will made in following tranches Tranche 1 08 equal quarterly instalments ending on May 23, 2026 Tranche 2 08 equal quarterly instalments ending on May 30, 2026 Tranche 3 09 equal quarterly instalments ending on June 28, 2026 Tranche 4 09 equal quarterly instalments ending on September 14, 2026 Tranche 5 09 equal quarterly instalments ending on September 17, 2026 Tranche 6 11 equal quarterly instalments ending on December 28, 2026	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.	First Joint Parri Passu charge of Rs. 2,000 million over all present and future fixed assets of the Holding Company including land and buildings Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
7	Askari Bank Limited - Temporary Economic Refinance Facility ('TERF')	900,000	310,464	448,448	09 equal quarterly instalments ending on August 17, 2026	SBP Rate + 200 bps p.a, payable quarterly in arrears	First Joint Parri Passu charge of Rs. 2,000 million to the extent of Rs. 890.493 million with 25% Margin over fixed assets of Holding Company as below: a. Hypothecation charge over all present and future plant and machinery of the Holding Company. b. Land and building of the cement unit Phase II and additional bare land measuring 30 kanals adjacent to it. Ranking hypothecation charge of Rs. 310 million with a 25% margin over all present and future fixed assets (excluding land and building) of the Holding Company to be registered with SECP.
8	Bank of Punjab - Demand Finance	600,000	189,122	243,157	14 equal quarterly instalments ending on December 13, 2027	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.	First JPP 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).

	Lender	Sanctioned Limit	2024	2023	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		---------------- Rupees in '000' ----------------					
9	National Bank of Pakistan - Demand Finance	1,220,497	624,843	714,106	28 equal quarterly instalments ending on June 20, 2031	3-month KIBOR + 125 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	FPP /JPP charge on present and future fixed assets of the Holding Company with 25% margin. Personal Guarantees of Sponsor Directors i.e, Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
10	National Bank of Pakistan - TERF	1,779,503	1,507,652	1,730,090	28 equal quarterly instalments ending on June 18, 2031	SBP rate + 150 bps p.a, payable quarterly in arrears	FPP / JPP charge on present and future fixed assets of the Holding Company with 25% margin. Personal Guarantees of sponsoring directors Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol
11	Bank of Punjab - Demand Finance	2,500,000	2,014,372	2,222,753	29 equal quarterly instalments ending on August 23, 2031	3-month KIBOR + 90 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	FJPP 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).
12	Bank of Punjab - TERF	500,000	453,125	500,000	29 equal quarterly instalments ending on June 29, 2031	SBP Rate + 150 bps p.a payable quarterly in arrears	First Joint Parri Passu charge of Rs. 7,903 million over all present and future fixed assets of the Holding Company with 25% margin. Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
13	MCB Bank Limited - Long term financing facility ('LTFF')	805,806	746,885	805,806	28 equal quarterly instalments ending on June 18, 2031	SBP Rate + 150 bps p.a, payable quarterly in arrears	First Joint Parri Passu over all present and future fixed assets of the Holding Company of PKR 38,051 million with 25% margin.
14	MCB Bank Limited - Demand Finance	1,194,194	539,536	617,007	28 equal quarterly instalments ending on June 18, 2031	3-month KIBOR + 75 bps p.a payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	First Joint Parri Passu charge of Rs. 38,051 million (MCB share Rs. 4,500 million) over all present and future fixed assets of the Holding Company.

	Lender	Sanctioned Limit	2024	2023	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		---------------- Rupees in '000' ----------------					
15	Habib Bank Limited - LTFF	560,705	448,564	560,705	16 equal quarterly instalments ending on June 25, 2028	SBP + 150 bps p.a, payable quarterly in arrears	First Joint Parri Passu charge of Rs. 4,000 million over all present and future fixed assets of the Holding Company including land measuring 2,097 kanals and 9 Marlas, buildings, plant and machinery.
16	Habib Bank Limited - Term Finance	2,439,295	-	1,974,686	This loan has been fully repaid during the year.	3-month KIBOR + 150 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	First Joint Parri Passu charge of Rs. 4,000 million over all present and future fixed assets of the Holding Company including land measuring 2,097 kanals and 9 Marlas, buildings, plant and machinery.
17	Allied Bank Limited -Term Finance	518,575	308,662	365,473	Repayment will made in following tranches: Tranche 1 20 equal quarterly instalments ending on June 30, 2029 Tranche 2 18 equal quarterly instalments ending on November 22, 2028 Tranche 3 21 equal quarterly instalments ending on September 19, 2029	3-month KIBOR + 100 bps p.a, payable quarterly in arrears, markup to be reset on last working day of preceding calendar quarter.	Joint Parri Passu charge of Rs. 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Holding Company.
18	Allied Bank Limited - LTFF	121,425	91,069	111,306	Tranche 1 18 equal quarterly instalments ending on November 22, 2028 Tranche 2 18 equal quarterly instalments ending on November 22, 2028	Tranche 1 SBP + 100 BPS Tranche 2 SBP + 400 BPS p.a, payable quarterly in arrears.	Joint Parri Passu charge of Rs. 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the Holding Company.
19	Faysal Bank Limited - Diminishing Musharakah	2,000,000	1,156,029	1,428,036	17 equal quarterly instalments ending on August 31, 2028	3-month KIBOR + 50 bps p.a, payable quarterly in arrears.	Joint Parri Passu Charge over all present and future fixed assets of the Holding Company with 25% margin.
20	MCB Islamic Bank Limited - Diminishing Musharakah	350,000	212,737	331,528	Repayment will made on following tranches. Tranche 1 05 equal quarterly instalments ending on October 01, 2025 Tranche 2 05 equal quarterly instalments ending on September 30, 2025 Tranche 3 08 equal quarterly instalments ending on April 26, 2026	SBP Rate + 150 bps p.a, payable quarterly in arrears.	Joint Parri Passu charge over fixed assets of the Holding Company including land, buildings and plant and machinery with 25% margin.
21	MCB Bank Limited - Demand Finance	500,000	333,278	333,278	16 equal quarterly instalments starting from May 28, 2025	3-month KIBOR + 70 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.	First Joint Parri Passu charge of Rs. 2,000 million over all present and future fixed assets of the Holding Company including land and building. Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

	Lender	Sanctioned Limit	2024	2023	Remaining Tenor of Principal Repayments	Mark-up as per Agreement	Security
		Rupees in '000'					
22	Askari Bank Limited - Term Finance	1,000,000	270,820	816,931	20 quarterly instalments have been re paid in advance on June 30, 2024. The remaining 11 equal quarterly instalments will start from September 09, 2029	3-month KIBOR + 125 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.	First Joint Parri 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.
23	Allied Bank Limited -Term Finance	1,000,000	843,750	1,000,000	Repayment will made in following tranches: Tranche 1 13 equal quarterly instalments ending on August 4, 2027 Tranche 2 14 equal quarterly instalments ending on December 12, 2027	3-month KIBOR + 70 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.	First Joint Parri Passu charge over fixed assets (plant and machinery) of the Holding Company with 25% margin. Disbursement will be made against ranking charge to be upgraded within 90 days from the date of initial disbursement.
	Total	30,740,000	13,799,414	18,618,430			
	Accrued mark up on long term loans		547,017	743,232			
	Amortized cost of long term loans		14,346,431	19,361,662			
	Impact of deferred government grant		(605,926)	(785,692)			
	Current portion of long term loans from financial institutions - secured (principal portion)		(3,407,702)	(2,599,401)			
	Current portion of long term loans from financial institutions - secured (accrued mark up portion)		(547,017)	(743,232)			
	Long term portion of loans from financial institutions		9,785,786	15,233,337			

The following instalments were due on June 30, 2024. The repayments were made subsequent to the year end due to closure of financial institutions on the last two days of June 2024 on account of weekend.

Bank	**Amount in Rupees**
Askari Bank Limited - Term Finance	35,356,469
MCB Islamic Bank Limited - Diminishing Musharakah	12,422,199
MCB Islamic Bank Limited - Diminishing Musharakah	10,416,667
	58,195,335

	Note	2024	2023
		(Rupees in thousand)	

9. DEFERRED GOVERNMENT GRANT

	Note	2024	2023
Balance as at 01 July	9.1 & 9.2	785,692	971,334
Amortisation during the year		(179,766)	(185,642)
Balance as at 30 June		605,926	785,692
Current portion		(155,439)	(179,766)
Non - current portion		450,487	605,926

9.1 This represents deferred grant related to loans obtained by the Group, during 2021, under "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 Group has obtained loans under "SBP Temporary Economic Refinance Facility" and "SBP Financing Scheme for Renewable energy" for setting up of Waste Heat Recovery Plant, for import and installation of cement production line (Line - IV) and for setting up Solar Energy Project. These facilities carry markup at the rate specified by State Bank of Pakistan plus spread of 0.50% to 1.50% per annum. The loan has been initially measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

10. LEASE LIABILITIES

	2024	2023
	(Rupees in thousand)	
The reconciliation of the carrying amount is as follows:		
Balance as at July 1	41,665	33,973
Addition during the year	66,056	17,666
Interest on lease liabilities	9,154	5,038
Payments made during the year	(32,329)	(14,611)
Leases terminated during the year	(1,837)	(401)
Balance as at June 30	82,709	41,665
Current maturity shown under current liabilities	(31,828)	(10,257)
	50,881	31,408
Maturity analysis of liability against right of use asset is as follows:		
Less than one year	36,812	14,325
One to five years	48,664	26,498
More than five years	33,418	30,226
	118,894	71,049
Future finance charge	(36,185)	(29,384)
Present value of liability against right of use asset	82,709	41,665

11. LONG TERM DEPOSITS

These include interest free security deposits from stockists and suppliers and are repayable on cancellation/withdrawal of the dealership or on cessation of business with the Group. As per the agreements signed with these parties, the Group has the right to utilise the amounts for the furtherance of their business, hence, the amounts are not required to be kept in a separate account maintained in a scheduled bank. Therefore, the Group is in compliance with section 217 of the Companies Act, 2017. These deposits have not been carried at amortised cost since the effect of discounting is immaterial in the context of these financial statements.

12. DEFERRED TAXATION

	2024	2023
	(Rupees in thousand)	
Deferred tax liability on taxable temporary differences arising in respect of:		
- Accelerated tax depreciation on fixed assets	10,644,893	9,884,656
- Surplus on revaluation of fixed assets	2,299,272	884,969
- Investment at FVOCI	378,925	65,859
	13,323,090	10,835,484
Deferred tax asset on deductible temporary differences arising in respect of:		
- Provision against expected credit loss	(229,024)	(89,719)
- Unused tax losses	-	(479,209)
- Minimum tax	-	(493,792)
- Alternative corporate tax	-	(1,013,692)
- Employees' retirement benefits	(14,657)	(51,591)
- Deferred tax on unrealised profit on inventory	(31,147)	-
	(274,828)	(2,128,003)
	13,048,262	8,707,481

12.1 Movement in deferred tax balances is as follows:

	2024	2023
At beginning of the year	8,707,481	5,687,743
Recognized in statement of profit or loss:		
- Accelerated tax depreciation on fixed assets	1,041,047	3,708,299
- Surplus on revaluation of fixed assets	(524,970)	(261,326)
- Unused tax losses	475,609	495,654
- Employees' retirement benefits	15,592	(6,636)
- Minimum tax and Alternative corporate tax	1,503,569	(1,049,456)
- Deferred tax on unrealised profit on inventory	(31,146)	-
- Provision for expected credit loss	(139,304)	(73,564)
	2,340,397	2,812,971
Recognized in surplus on revaluation of fixed assets		
- Effect of change in rate	35,520	147,885
- Surplus on revaluation of fixed assets	1,657,231	-
Recognized in other comprehensive income:		
- Employees' retirement benefits	(5,432)	(6,977)
- Investment at fair value through OCI	313,065	65,859
	13,048,262	8,707,481

12.2 The pre-commencement expenditure of NHPL available for carry forward is estimated at Rs. 121.842 million (2023: Nil). Management considers that the pre-commencement expenditure available for carry forward may not be utilized in the foreseeable future. Consequently, on prudence basis, deferred tax asset of Rs. 35.334 million (2023: Nil) has not been recognised in these consolidated financial statements.

13. RETENTION MONEY PAYABLE

This represents retention money payable by the Group to M/s Chengdu Design & Research Institute of Building Materials Industry Co., Limited, amounting to CNY 38.433 million (2023: CNY 38.410 million) equivalent to Rs. 1,481.864 million (2023: Rs 1,535.635 million) against Line-IV after 18 months of last major shipment and remaining amount is payable to M/s Sinoma Energy Conservation Limited against Line-IV Waste Heat Recovery Plant amounting to CNY 5.437 million (2023: CNY 5.437 million) equivalent to Rs. 209.469 million (2023: Rs. 217.353 million). This amount will be payable on issuance of certificate of performance test acceptance by the Group. As of the reporting date, this amount has been classified in current liabilities under 'trade and other payables' as the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

		2024	2023
		(Rupees in thousand)	
14. EMPLOYEE BENEFITS OBLIGATIONS			
Accumulating compensated absences	14.1	253,363	213,284
Gratuity	14.2	75,164	65,208
		328,527	278,492

14.1 Accumulating compensated absences

	2024	2023
Opening liability	213,284	165,416
Charged to profit or loss	64,947	65,806
Payments made during the year	(24,868)	(17,938)
Liability as at year end	253,363	213,284

14.1.1 Movement in liability for accumulating compensated absences

	2024	2023
Present value of defined benefit obligations at beginning of the year	213,284	165,416
Current service cost for the year	12,765	11,103
Interest cost for the year	32,638	20,729
Benefits paid during the year	(24,868)	(17,938)
Remeasurements:		
Actuarial loss from changes in demographic assumptions	2,662	-
Experience adjustments	16,882	33,974
Present value of accumulating compensated absences as at year end	253,363	213,284

14.1.2 Charge for the year

	2024	2023
Current service cost for the year	12,765	11,103
Interest cost for the year	32,638	20,729
Actuarial losses on present value of defined benefit obligations	19,544	33,974
	64,947	65,806

At 30 June 2024, the average duration of the defined benefit obligation was 8.6 years.

14.1.3 Actuarial assumptions

The principal actuarial assumptions used in the actuarial valuation of this scheme by applying projected unit credit method as on June 30 are as follows:

	2024	2023
Discount rate used for interest cost	16.25%	13.25%
Discount rate used for year end obligations	14.75%	16.25%
Expected rate of growth per annum in future salaries	13.75%	15.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumption	60 Years	60 Years
Average duration	8.6 years	10 years

14.1.4 Sensitivity analysis

Significant assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Accumulating compensated absences	
	Present value of defined benefit obligation	
	Increase in assumption	Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	233,203	276,647
Future salary increase + 100 bps	276,168	233,309

14.1.5 Risks associated with the accumulating compensated absences

- Final Salary Risk (linked to inflation risk) - the risk that the final salary at the time of cessation of service is greater than what we assumed. Since, the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

- Demographic risks
Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

14.2 Gratuity

The latest actuarial valuation of the Group's defined benefit plan, was conducted on June 30, 2024 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

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

	Note	2024	2023
		(Rupees in thousand)	
Present value of defined benefit obligation	14.2.1	183,179	162,625
Fair value of plan assets	14.2.2	(120,047)	(99,816)
Add: Payable to ex-employees		12,032	2,399
Net liability at end of the year		75,164	65,208
Net liability at beginning of the year		65,208	69,913
Charge to statement of profit or loss for the year	14.2.3	14,087	12,405
Charge to othe comprehensive income for the year	14.2.3	18,730	18,830
Contribution made during the year		(22,861)	(35,940)
Gratuity due but not paid		-	-
Net liability at end of the year		75,164	65,208

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

	2024	2023
Present value of defined benefit obligations at:		
beginning of the year	162,625	153,729
Current service cost	6,619	6,029
Interest cost	23,785	17,829
Benefits due but not paid	(10,835)	(2,399)
Adjustment against payables	21	-
Benefits paid during the year	(21,680)	(35,940)
Remeasurements:		
Actuarial losses from changes in demographic assumptions	200	-
Actuarial losses from changes in financial assumptions	1,274	183
Experience adjustments	21,170	23,194
Present value of defined benefit obligation at end of the year	183,179	162,625

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

	2024	2023
Fair value of plan assets at beginning of the year	99,816	83,816
Contributions made during the year	22,861	41,171
Expected return on plan assets for the year	16,317	11,453
Actuarial loss on plan assets	3,914	4,547
Benefits paid during the year	(22,861)	(41,171)
Fair value of plan assets at end of the year	120,047	99,816
Plan assets comprise of:		
NBP Mustahkam Fund - Fixed Term Munafa Plan V	119,615	98,859
Cash at bank	432	957
	120,047	99,816

	2024	2023
	(Percentage)	
Debt instruments	99.64%	99.04%
Cash at bank	0.36%	0.96%
	100.00%	100.00%

	2024	2023
	(Rupees in thousand)	

14.2.3 Charge for the year

	2024	2023
Consolidated statement of profit or loss		
Current service cost for the year	6,619	6,029
Interest cost for the year	23,785	17,829
Expected return on plan assets for the year	(16,317)	(11,453)
	14,087	12,405
Consolidated statement of comprehensive income		
Actuarial losses on retirement benefits - net	18,730	18,830
	32,817	31,235

Actuarial assumptions

The following are the principal actuarial assumptions at June 30:

	2024	2023
Discount rate used for year end obligations	16.25%	16.25%
Discount rate used for interest cost in profit or loss	13.75%	13.25%
Expected rate of growth per annum in future salaries	13.75%	15.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	60 Years
Average duration	4 Years	4 Years

14.2.4 This also includes payments made to employees with respect to gratuity due but not paid in 2023 amounting to Rs. 3.572 million.

14.3 The Group expects to charge Rs. 14.087 million to consolidated statement of profit or loss on account of defined benefit plan in the year ending June 30, 2025.

14.4 Sensitivity analysis

Significant assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Gratuity	
	Present value of defined benefit obligation	
	Increase in assumption	Decrease in assumption
	(Rupees in thousand)	
Discount rate + 100 bps	176,191	190,745
Future salary increase + 100 bps	190,845	175,978

14.5 Risks associated with the defined benefit plan

- Final salary risk (linked to inflation risk) – the risk that the final salary at the time of cessation of service is greater than what is currently assumed. Since, the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

- Demographic risks

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment risk – the risk of the investment underperforming and being not sufficient to meet the liabilities.

14.6 Compensated absences and gratuity charge to profit or loss for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales	34	51,925	41,000
Selling and distribution expenses	35	15,830	14,531
Administrative expenses	36	11,279	22,680
		79,034	78,211

15. TRADE AND OTHER PAYABLES

	Note	2024	2023
Trade creditors		4,185,869	3,412,227
Due to related party	15.1	288,741	-
Bills payable - secured		474,442	1,416,937
Accrued liabilities		1,642,353	1,879,568
Contract liabilities	15.2	352,641	445,838
Payable to Workers' Profit Participation Fund	15.3	2,127,605	1,903,611
Payable to Workers' Welfare Fund	15.4	511,983	329,660
Electricity duty payable	15.5	471,176	230,656
Payable to Provident Fund Trust		25,989	-
		10,080,799	9,618,497
Payable to Government on account of:			
Federal excise duty payable		58,507	374,455
Sales tax payable - net		104,005	783,157
Royalty and Excise Duty payable		400,439	35,059
Other taxes payable		296,493	183,622
		859,444	1,376,293
Contractors' retention money	15.6	2,029,626	360,396
Security deposits repayable on demand	15.7	97,138	76,723
Payable against redemption of preference shares		993	1,005
Other payables		15,068	12,276
		2,142,825	450,400
		13,083,068	11,445,190

15.1 Due to related party

This represents the amounts due in respect of transactions during the year as detailed in note 44 to the financial statements.

	Note	2024	2023
		(Rupees in thousand)	
Due to related party	15.1.1	278,377	-
Due to Ultimate Holding Company		10,364	-
		288,741	-

15.1.1 This represents health care management fee payable to Andalus Holdings (ADGM) Limited, a related party.

15.2 This represents contract liabilities of the Group towards various parties. Revenue recognised in the current year that was included in the contract liability balance at the beginning of the year amounts to Rs. 280.783 million (2023: Rs. 219.027 million).

	Note	2024	2023
		(Rupees in thousand)	
15.3 Payable to Workers' Profit Participation Fund			
Opening		1,903,611	1,889,435
Provision for the year	37	363,646	124,176
Payments		(139,652)	(110,000)
Closing balance		2,127,605	1,903,611
15.4 Workers' Welfare Fund			
Opening		329,660	175,669
Provision for the year	37	230,848	220,943
Paid during the year		(48,525)	(66,952)
Closing balance		511,983	329,660
15.5 Electricity duty payable			
Opening		346,983	180,652
Provision for the year		124,193	166,331
Closing balance		471,176	346,983

15.6 This represents retention monies withheld from contractors and are repayable after satisfactory completion of contracts. It also includes retention money payable as explained in note 13.

15.7 This represents security deposits received from distributors and contractors of the Group. Distributors and contractors have given the Group a right to utilize deposits in ordinary course of business.

16. PROVISION FOR TAXATION

	2024	2023
	(Rupees in thousand)	
At beginning of the year	21,342	(626,989)
Tax deducted / deposited at source	(913,368)	(717,347)
Advance income tax paid	(525,001)	(744,230)
Tax paid related to prior year	(60,039)	-
	(1,477,066)	(2,088,566)
Provision during the year - current tax for the year	1,545,923	2,109,908
	68,857	21,342

16.1 The Additional Commissioner Inland Revenue (ACIR) initiated proceedings related to the tax year 2017, vide order dated March 13, 2019 against the Group under section 122(5A) read with section 122(9) of the Income Tax Ordinance, 2001 ('Ordinance'). The notice was duly responded by tax advisor of the Group. The proceedings were concluded and ACIR raised an additional tax demand of Rs. 303.36 million through amendment order dated January 27, 2020 passed under section 122(5A) of the Ordinance. The Group preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) ('CIR(A)'). The CIR(A) through his order dated May 6, 2020, decided all the matters in favour of the Group 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 Group, as well as the tax authorities, have preferred appeals before the Appellant Tribunal Inland Revenue ('ATIR'), which are pending for adjudication at the year end.

However, being prudent the Group has recorded the provision of Rs. 46.880 million in these cosolidated financial statements. Management of the Group is confident of favourable outcome of the case. Therefore, no further provision has been incorporated in these cosolidated financial statements.

16.2 Through notices dated February 26, 2021, the Commissioner Inland Revenue (CIR) selected the Group's case for audit of its income tax affairs for the tax years 2015, 2016, 2017, 2018 & 2019. The Group challenged the vires of selection by the CIR before the honourable Lahore High Court, Lahore ('LHC') and the honourable LHC, vide interim order dated April 1, 2021, has directed that the audit proceedings shall continue, however, no final order shall be passed till the disposal of writ petition.

Subsequently, the tax authorities issued show cause notices under section 122(9) & section 111 of the Ordinance dated June 11, 2021 and June 25, 2021 respectively, for all five tax years which are yet to be responded to. The matter is pending before the honourable Lahore High Court, which has barred the tax authorities from passing any final order till the disposal.

16.3 Through notice dated October 9, 2020, the ACIR initiated proceedings against the Group under section 122(5A) read with section 122(9) of the Ordinance for tax year 2019.

The Group requested ACIR to merge such proceedings with the audit proceedings initiated under section 177 of the Ordinance for such tax year as the issues highlighted in the subject notice have also been confronted to the Group through audit proceedings. There has been no further correspondence from the department on this score. Through notice dated June 9, 2023, the ACIR, re-initiated proceedings against the Group under section 122(5A) read with section 122(9) of the Ordinance for tax year 2019. The proceedings were concluded by ACIR vide order dated October 5, 2023. Aggrieved by the order, the Group preferred an appeal before the CIR(A) which is pending for adjudication.

16.4 Through notice dated May 21, 2020, the ACIR initiated proceedings against the Group under section 122(5A) read with section 122(9) of the Ordinance. The notice was duly responded through letter dated August 25, 2020 for tax year 2018.

The above proceedings were concluded by the ACIR through amendment order dated September 2, 2020 passed under section 122(5A) of Ordinance through which income tax demand of Rs. 376.182 million was created against the Group. The Group preferred an appeal against the amendment order before CIR(A).

The CIR(A), through appellate order dated December 30, 2020, decided all the matters in favour of the Group except for issues relating to claim of depreciating & initial allowance, without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset, apportionment of Workers' Profit Participation Fund, computation of accounting income by apportioning deductions on account of donations, provision for Workers' Welfare Fund & loss on investments, and disallowance of claim of advances written off. The Group, as well as the tax authorities, have preferred appeals before the ATIR, which is pending adjudication.

16.5 The Deputy Commissioner Inland Revenue (DCIR) issued an appeal effect order on July 31, 2017, for the tax year 2015 under sections 124/129 of the Income Tax Ordinance, 2001, implementing an earlier order by CIR(A). However, the DCIR made certain errors in this order, which were challenged before CIR(A) in a second round of appeals.

In 2020, CIR(A) issued an order on April 17, 2020, addressing issues related to the enhancement of minimum tax liability and the apportionment of admissible deductions, totaling Rs. 180 million, against the Group. Aggrieved with this decision, the Group appealed to the ATIR, and the case is currently pending adjudication. The Group's management and tax advisor are optimistic about a favorable outcome, and thus, no provision has been created in these consolidated financial statements.

16.6 The Deputy Commissioner Inland Revenue, Audit – 2, Zone I, Large Taxpayers Unit, Lahore passed an appeal effect order dated July 31, 2017 under section 124/129 of the Ordinance for tax year 2015, giving effect to an earlier order passed by CIR(A). While passing the order, the assessing officer made certain errors which were assailed before CIR(A) in second round of appeal. The CIR(A), through order dated April 17, 2020, decided the issues relating to enhancement of minimum tax liability and apportionment of admissible deductions against the Group. Being aggrieved by the order of CIR(A), the Group has preferred an appeal before the ATIR, which is pending adjudication. On the basis of available valid precedents, the Group's management and tax advisor consider that the Group is likely to obtain relief from the appellate authorities.

16.7 Through order dated December 27, 2016, the deemed assessment for the tax year 2015 was amended by the ACIR under section 122(5A) of the Ordinance raising a tax demand of Rs. 241.736 million against the Group. Being aggrieved with the order, the Group filed an appeal with CIR(A), the appeal was disposed of by the CIR(A) through his order dated January 1, 2017. All the issues involved in the appeal were decided in favour of the Group except for the issue of inclusion of exchange gain relating to export sales for the purposes of computing apportionment ratios.

Departmental appeal before the ATIR in the matter of CIR(A) order dated January 5, 2017, for the subject tax year was taken up for hearing and disposed of in a slipshod manner vide an order dated February 27, 2024. Aggrieved by the order, the Group filed an application for rectification of such consolidated order, which has been decided through order dated May 6, 2024 whereby it has been held that the departmental appeal for tax year 2015 would be re-fixed for fresh adjudication. The appeal has not been fixed for fresh adjudication yet.

16.8 Through order dated July 31, 2017, the deemed assessment for the tax year 2016 was amended by the ACIR under section 122(5A) of the Ordinance raising a tax demand of Rs.

1,129.967 million against the Group. Being aggrieved with the order, the Group filed an appeal with CIR(A), the appeal was disposed of by the CIR(A) through appellate order dated December 5, 2017. Through such order all the issues involved in the appeal were decided in favour of the Group.

Aggrieved by such appellate order, the tax department filed an appeal before the ATIR which was decided vide order dated March 19, 2024, whereby the issues assailed in the appeal were partially decided in the favour of the Group. Aggrieved by the order, the Group filed an application for rectification of the appellate order, which was partially modified in favour of the Group vide order dated May 14, 2024. Simultaneously, the Group also assailed ATIR's order dated March 19, 2024 in appeal before the honourable Lahore High Court which is pending adjudication.

16.9 For tax year 2021, the Group received a notice dated January 20, 2022, whereby the ACIR initiated proceedings against the Group under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001. The Group responded to the notice vide letter dated June 23, 2022. The ACIR concluded the proceedings vide amendment order dated August 5, 2022, through which the income tax refund has been curtailed to Rs. 862.510 million. Being aggrieved, the Group filed an appeal against the amendment order before the CIR(A) that was disposed of vide order dated February 7, 2024 though which partial relief was granted. Aggrieved by such order, the Group has preferred an appeal before the ATIR which has not been taken over for hearing yet.

16.10 The Group filed writ petition challenging the legality and validity of amendments made in the Section 65B of the Ordinance through Finance Act, 2019 whereby rate of tax credit under Section 65B of the Ordinance for the tax year 2019 was reduced from 10% to 5%. Total amount of tax credit involved in the tilted petition is Rs. 1,757.293 million. The said petition is pending before Lahore High Court and next date is yet to be fixed for hearing.

16.11 During the year, the Deputy Commissioner Inland Revenue (DCIR) issued a series of show cause notices to the Group spanning the tax years 2017 through 2022, requiring the Group to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002 for each tax year. The Group fully complied with the notices, and the assessing officer finalized the proceedings, creating demands under Section 161 of the Income Tax Ordinance, 2001 for the tax years 2017, 2018, 2019, 2020, 2021, and 2022 amounting to Rs. 718.175 million, Rs. 349.742 million, Rs. 423.566 million, Rs. 271.714 million, Rs. 1,387.967 million and Rs. 168.650 million, inclusive of default surcharge, respectively. Further, refunds of Rs. 161.720 million for the tax year 2017, Rs. 23.617 million for the tax year 2018, and Rs. 43.611 million for the tax year 2019 are standing in the Group's financial statements.

Consequently, the total exposure as of June 30, 2024, stands at Rs. 879.895 million, Rs. 373.359 million, Rs. 467.177 million, Rs. 271.714 million, Rs. 1,387.967 million and Rs. 168.650 million for the tax years 2017, 2018, 2019, 2020, 2021, and 2022, respectively.

Aggrieved by these orders, the Group filed appeals before the Commissioner Inland Revenue - Appeals (CIR-A). After the Tax Laws Amendment Act 2024, the appeal was transferred to the Appellate Tribunal Inland Revenue (ATIR). The ATIR granted a conditional stay against the recovery proceedings until June 14, 2024. An appeal was filed in the Lahore High Court, which directed the ATIR to rectify its earlier order. The order of the ATIR is awaited.

Based on the advice of the taxation/legal advisors of the Group, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the consolidated financial statements.

17. MARK-UP ACCRUED ON BORROWINGS

	2024	2023
	(Rupees in thousand)	
Accrued mark-up on:		
- Long term loans from financial institutions - secured	547,017	743,232
- Short term borrowings	61,704	21,723
	608,721	764,955

17.1 Accrued mark-up on all loans includes Rs. 43.698 million (2023: Rs. 62.011 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. 5.561 million (2023: Nil) related to an arrangement permissible under Shariah. Remaining mark up pertains to the loans from conventional banks.

18. SHORT TERM BORROWINGS FROM FINANCIAL INSTITUTIONS - SECURED

	Note	2024	2023
		(Rupees in thousand)	
Banking and financial institutions:			
- Cash finance and others facilities availed	18.1	-	-
- Running finance	18.2	1,645,316	-
- Islamic mode of financing	18.3	-	-
		1,645,316	-

18.1 The Group has un-availed cash finance and other funded facilities aggregating Rs. 2,000 million (2023: Rs. 2,000 million) at the year end and un-availed facilities for opening letters of credit/ guarantee aggregating to Rs. 11,972 million (2023: Rs. 8,685 million) at the year end.

The cash finance and other facilities carry mark-up at rates ranging from 19.00% to 23.61% (2023: 3.00% to 22.70%) per annum, payable quarterly in arrears.

18.2 The Group has un-availed running finance funded facilities aggregating Rs. 898 million (2023: Rs. 950 million) at the year end.

The running finance carries mark-up at rates ranging from 21.96% to 24.16% (2023: 14.80% to 23.58%) 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 Holding Company amounting to Rs. 2,667 million. The Group has un-availed Islamic financing facilities aggregating to Rs. 1,011 million (2023: Rs. 2,000 million) at the year end.

The Islamic financing facilities carried profit expense at 20.27% per annum payable in arrears (2023: Nil).

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 The Group had filed an appeal before the Customs, Central Excise and Sales Tax Appellate Tribunal, Karachi (now, Customs, Excise & Sales Tax Appellate Tribunal, Karachi) against the order of the Deputy Collector Customs whereby the refund claim of the Group amounting to Rs. 12.350 million was rejected and the Group was held liable to pay an amount of Rs. 37.050 million by way of 10% customs duty allegedly leviable in terms of SRO 584(I)/95 and 585(I)/95 dated July 01, 1995. The impugned demand was raised by the department on the alleged ground that the Group was not entitled to exemption from payment of customs duty and sales tax in terms of SRO 279(I)/94 dated April 02, 1994.

The Honourable Lahore High Court, upon the Group's appeal, vide its order dated November 06, 2001, decided the matter in favour of the Group. However, the Collector of Customs preferred a petition before the Honourable Sindh High Court, which is pending adjudication. No provision has been made in these consolidated financial statements in respect of the above stated amount as the management and the Group's legal advisor are confident that the ultimate outcome of this case will be in favour of the Group.

19.1.2 A show cause notice was issued to the Group on December 04, 1999 and demand was raised by the Central Board of Revenue (now, the Federal Board of Revenue) for payment of duties and taxes on the plant and machinery imported by the Group (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. 1,386.720 million was raised by the Central Board of Revenue out of which an amount of Rs. 449.328 million was deposited by the Group (initially, the Group deposited Rs. 269.328 million and subsequently deposited further amount of Rs. 180.00 million). Initially, the matter was decided in favour of the Group as per the judgment of the Lahore High Court in writ petition no. 6794/2000. Against the aforesaid judgment of Lahore High Court, the Customs Department had filed appeal before the Supreme Court of Pakistan which was decided by the Honourable Supreme Court vide judgment dated December 21, 2011 with the direction to file reply to the Show Cause Notice before the Collector of Customs, Faisalabad.

The Group filed its reply before the Collector of Customs, Faisalabad who decided the same against the Group vide order no. 6/2014 dated July 09, 2014. The said order was challenged by the Group by way of filing of appeal no. 172/LB/2014 before the Customs Appellate Tribunal, Lahore who vide Judgment dated August 21, 2019 has granted partial relief to the Group with direction to the Customs Department to recalculate the customs duty in accordance with the list communicated by the Engineering Development Board vide letter dated June 21, 2006.

However, the Collector of Customs instead of making fresh calculations, through a demand notice CA-1946/2000(Pt-I)/8169 dated October 23, 2019 restored the original demand raised by the earlier order no. 06/2014 and directed the Group to pay the amount of Rs. 933.810 million within a period of seven days. The said demand of tax was challenged by the Group before the Honourable Lahore High Court, wherein stay against recovery was granted to it by the Honourable Lahore High Court vide order dated November 04, 2019. This matter is still pending before the Honourable Lahore High Court, Lahore, and next date of hearing is yet to be fixed by the office of the High Court. No provision has been made in these consolidated financial statements in respect of the above stated amount as the management and the legal advisor of the Group are confident that the ultimate outcome of this case will be in favour of the Group.

19.1.3 The Group has filed an appeal before the Honourable Supreme Court of Pakistan against the judgment of the Division Bench of the Honourable High Court of Sindh at Karachi. The Division Bench, in its judgment dated September 15, 2008, partly accepted the appeal by declaring that the levy and collection of infrastructure cess/fee prior to December 28, 2006, was illegal and ultra vires, while after December 28, 2006, it was legal and collected by the Excise Department in accordance with the law. The appeal challenges the declaration that the infrastructure cess/fee collected after December 28, 2006, was lawful. The Province of Sindh and the Excise and Taxation Department have also appealed against the judgment. The Honourable Supreme Court consolidated both appeals and set them aside. Subsequently, the law has been challenged in a constitutional petition in the Honourable Sindh High Court, Karachi. The Honourable High Court granted a stay on May 31, 2011, requiring payment of 50% of the cess to the Excise Department and furnishing a bank guarantee for the remaining 50%. The matter is pending adjudication, and the stay order remains in effect.

19.1.4 The Competition Commission of Pakistan, in an order dated August 27, 2009, imposed a penalty on twenty cement factories in Pakistan at a rate of 7.5% of their turnover. The penalty imposed on the Group amounts to Rs. 586.190 million. The Commission alleges a violation of section 4(1) of the Competition Commission Ordinance, 2007. However, following the abeyance by the Honourable Islamabad High Court pursuant to the Supreme Court of Pakistan's judgment dated July 31, 2009, the petition has become infructuous. The Group has filed writ petition no. 15618/2009 before the Honourable Lahore High Court. No provision has been made in these consolidated financial statements as the management and the Group's legal advisor are confident that the case's ultimate outcome will be in the Group's favor.

19.1.5 Surcharge of Rs. 154 million has been imposed by Mines and Minerals Department, Government of the Punjab under Rule 68(2) of Punjab Mining Concession Rules, 2002 ("Rules") against which the Group has filed writ petition against Government of the Punjab via writ petition No. 1008/2014 to challenge the basis of Rules. The Honourable Lahore High Court dismissed the petition and remanded the case back to the department since the matter was being reviewed by the relevant authority. Management and the Group's legal advisor are confident that the ultimate outcome of this case will be in favour of the Group.

19.1.6 The Federal Board of Revenue (FBR) selected the Group's case for audit of its sales tax affairs for the tax periods from July 2017 through June 2018 through computerized balloting which was intimated through notice dated February 10, 2021 issued by the office of the Commissioner Inland Revenue (CIR). Subsequently, the Deputy CIR issued audit report and show cause notice dated March 8, 2021 and March 17, 2021 respectively. The proceedings were finalized through order dated March 31, 2021 through which an aggregate sales tax demand of Rs. 1,399.890 million was created against the Group.

The Group preferred an appeal against the above referred order which was disposed of by the Commissioner Inland Revenue (Appeals) [CIR(A)] vide appellate order dated July 15, 2021. Through such appellate order, majority of the issues which were pressed in appeal were settled in favour of the Group. Regarding the issues decided against the Group, the Group is in the process of preferring an appeal before the Appellate Tribunal Inland Revenue (ATIR). No provision has been made in these consolidated financial statements as the management and the Group's legal advisor are confident that the Group is likely to obtain relief from the appellate authorities.

19.1.7 The Learned Additional Commissioner vide order no. ENF-III.50.2017 dated March 22, 2018 raised demand of Rs. 256 million against the Group, related to tax period from July 2015 to March 2017 on alleged non-deduction of withholding tax on services received by the Group. Being aggrieved, the Group filed an appeal before the Commissioner (Appeals), Punjab Revenue Authority. The Group also challenged the vires of Rule 6 of Punjab Sales Tax on Services (Withholding) Rules, 2002 before Honourable Lahore High Court (LHC) through constitutional petition no. 203460/2018. The Honourable Court issued notice to the department and suspended proceedings before the first appellate authority vide order dated May 23, 2018. The writ petition is pending adjudication. The Group and the tax/legal advisor of the Group are expecting favourable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

19.1.8 The Group was selected for audit under section 42B of Sales Tax Act, 1990 for tax period July 2017 to June 2018 intimated by letter dated December 8, 2020. The DCIR finalized the audit and created a demand of Rs. 690.520 million along with default surcharge and penalty, vide order no. 02 dated October 20, 2021. Being aggrieved, the Group 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 Group preferred an appeal before the ATIR which is pending adjudication. However, the management and the tax advisor of the Group are hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these consolidated financial statements.

19.1.9 The Group received show cause notice, dated April 17, 2022 as per which it was alleged that the Group's claim of input sales tax amounting to Rs. 85.980 million, for the tax periods January 2017 to August 2019, was illegal. The Group responded to the notice vide letter dated April 25, 2022. The proceedings were concluded by the DCIR and demand of Rs. 85.980 million along with default surcharge and penalty was raised by DCIR vide assessment order dated May 31, 2022, passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Group preferred an appeal before the CIR(A), which is pending adjudication. The management of the Group is hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these consolidated financial statements.

19.1.10 The Group received show cause notice dated April 7, 2022 as per which it was alleged that the Group's claim of input sales tax, amounting to Rs. 620.980 million, for the tax periods July 2019 to November 2021 was illegal. The Group responded to the notice vide letter dated March 25, 2022. The proceedings were concluded by the DCIR and demand of Rs. 580.060 million along with default surcharge and penalty was raised by DCIR vide assessment order dated May 31, 2022 passed under section 11 of the Sales Tax Act 1990. Being aggrieved, the Group preferred an appeal before the CIR(A), which has been decided by CIR(A) vide order dated November 8, 2022. Department has preferred an appeal before learned ATIR against the order of CIR(A). The management of the Group is hopeful of favourable outcome of the case, therefore, no provision has been recorded in these consolidated financial statements.

19.1.11 The Group received a demand notice dated February 17, 2011, from the Director General Mines and Minerals, Punjab, imposing a 1% per day penalty of Rs. 244.784 million for late payment of royalty. The Group has appealed to the Court of Secretary Mines, challenging the legality of the Mining Department's rules regarding the harsh penalty. Additionally, the Group has filed Writ Petition No. 16877 of 2024 in the Lahore High Court, which granted interim relief restraining the respondents from recovering the penalty. The petition is currently pending adjudication. The management is hopeful of a favorable outcome, so no provision has been recorded in these consolidated financial statements.

19.1.12 Various notices have been issued to the Group by different tax authorities, requiring the Group to explain its position regarding, allegedly, fake input sales tax credits claimed by a few suppliers of coal who supplied coal to the Group. The Group has responded to all such notices about its legal position, stating that it was in compliance with all applicable provisions of the Sales Tax Act, 1990, regarding these transactions, and has provided supporting documents to the relevant tax authorities.

There have been no further correspondences on the above notices, except for cases in which demand has been raised by the Large Taxpayer Unit (LTO) Lahore. LTO Lahore has issued orders numbered 22/2024, 23/2024, and 28/2024, dated June 14, 2024, June 16, 2024, and June 22, 2024, respectively, raising demands amounting to Rs 25.797 million, Rs. 302.606 million, and Rs. 379.040 million. Subsequent to the year end, the Group has received three additional orders numbered 31/2024,04/2024 and 06/2024, dated July 2, 2024, July 19, 2024 and August 30,2024, respectively, for demands amounting to Rs. 97.446 million, Rs 31.010 million and Rs. 19.932 million. The Group has filed appeals against all these cases before the Appellate Tribunal Inland Revenue (ATIR), which are pending adjudication. The Group and its tax advisor are confident that the ultimate outcome of the cases will be in the Group's favor. Therefore, no provision has been recognized in these consolidated financial statements.

19.1.13 The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice to the Group on November 29, 2022, requiring the Group to provide details and clarification on the adjustment of various inputs under Section 8 of the Sales Tax Act, 1990 (the 'Act') for the tax period from July 2019 to June 2020. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rs. 491.522 million.

Aggrieved by the order, the Group filed an appeal before the CIR(A). The CIR(A) heard the case and issued an order partially remanding it back to the department. The Group has contested the CIR(A)'s decision before the ATIR, and the case is still pending a hearing before the ATIR.

19.1.14 The DCIR issued a show cause notice to the Group on November 29, 2022, requiring the Group to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax period from July 2020 to June 2021. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rs. 500.060 million.

Aggrieved by the order, the Group filed an appeal before the CIR(A). The CIR(A) heard the case and issued an order partially remanding it back to the department. The Group has contested the CIR(A)'s decision before the ATIR, and the case is still pending a hearing before the ATIR.

19.1.15 The DCIR issued a show cause notice to the Group on March 16, 2021, requiring the Group to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax period from July 2017 to December 2020. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rs. 843.580 million.

Aggrieved by the order, the Group filed an appeal before the CIR(A). The CIR(A) confirmed the department's treatment to the tune of Rs. 580.286 million and annulled the remaining demand. The Group contested the CIR(A)'s decision before the ATIR, which remanded the order back to the department. The Group then appealed to the Lahore High Court (LHC), which also remanded the case back to the department.

The DCIR restarted the proceedings and issued a notice. The Group fully complied, and the DCIR passed an impugned order amounting to Rs. 158.150 million, against which the Group appealed before the CIR(A). Following the Tax Laws (Amendment) Act, 2024, the appeal was transferred to the ATIR, Lahore. The case is still pending a hearing before the ATIR.

19.1.16 The DCIR issued a show cause notice to the Group on March 18, 2021, requiring the Group to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax period from July 2016 to July 2017. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rs. 182.831 million.

Aggrieved by the order, the Group filed an appeal before the CIR(A). The CIR(A) confirmed the department's treatment to the tune of Rs. 96.352 million and annulled the remaining demand. The Group contested the CIR(A)'s decision before the ATIR, which remanded the order back to the department. The DCIR again finalised the proceedings and raised a demand of Rs. 182.831 million. Being aggrieved by the order of DCIR, the Group then appealed to the Lahore High Court (LHC), which also remanded the case back to the department.

The DCIR restarted the proceedings and issued a notice. The Group fully complied, and the DCIR passed an impugned order, against which the Group appealed before the CIR (A). Following the Tax Laws (Amendment) Act, 2024, the appeal was transferred to the ATIR, Lahore. The case is still pending a hearing before the ATIR.

19.1.17 The DCIR issued a show cause notice to the Group on November 16, 2021, requiring the Group to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax period from July 2019 to August 2019. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rs 6.792 million.

Aggrieved by the order, the Group filed an appeal before the CIR (A). The CIR(A) heard the case and confirmed the department's treatment. The Group contested the CIR(A) decision before the ATIR, which confirmed the order. Aggrieved, the Group has preferred an appeal before the Lahore High Court.

Based on the advice of the taxation/legal advisors of the Group, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the consolidated financial statements.

The Group's contingencies relating to income tax matters are disclosed in note 16 to these consolidated financial statements.

	2024	2023
	(Rupees in thousand)	
19.2 Commitments		
19.2.1 In respect of:		
- contracts for capital expenditure	2,363,973	3,257,391
- irrevocable letters of credit for spare parts	512,822	400,478
- purchase of coal	536,690	1,992,761
	3,413,485	5,650,630

19.2.2 Guarantees given by banks on behalf of the Group are Rs. 1,587.710 million (2023: Rs. 1,101.350 million) in favour of Sui Northern Gas Pipeline Limited and Government Institutions.

19.2.3 Corporate guarantee given by the Group to the financial institutions related to credit facilities amounting to Rs. 1,000 million (2023: Rs. 1,000 million).

20. PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		(Rupees in thousand)	
Operating fixed assets	20.1	71,306,232	64,787,958
Capital work in progress - at cost	20.2	1,345,073	1,676,796
Major spare parts and stand-by equipment	20.3	48,281	238,239
Right-of-use of assets	20.4	86,852	43,112
		72,786,438	66,746,105

20.1 Operating fixed assets

	Cost / Revalued amount							Depreciation					
	As at July 01, 2023	Revaluation	Additions	Transfers	Disposals	As at June 30, 2024	Annual Rate	As at July 01, 2023	Revaluation	For the year	Disposals	As at June 30, 2024	Net book value at June 30, 2024
	Rupees in thousand						Percentage	Rupees in thousand					
Owned													
Freehold land													
- cost	824,605	-	543,858	-	-	1,368,463	-	-	-	-	-	-	1,368,463
- surplus on revaluation	369,883	58,370	-	-	-	428,253	-	-	-	-	-	-	428,253
	1,194,488	58,370	543,858	-	-	1,796,716	-	-	-	-	-	-	1,796,716
Buildings on freehold land													
- cost	21,254,723	-	1,363,708	-	-	22,618,431	5 - 20	5,506,194	-	987,636	-	6,493,830	16,124,601
- surplus on revaluation	402,573	757,375	-	-	-	1,159,948	5 - 20	249,731	233,191	43,976	-	526,898	633,050
	21,657,296	757,375	1,363,708	-	-	23,778,379		5,755,925	233,191	1,031,612	-	7,020,728	16,757,651
Roads, bridges and railway sidings													
- cost	469,052	-	277,748	-	-	746,800	5 - 10	197,066	-	37,864	-	234,930	511,870
- surplus on revaluation	4,429	57,768	-	-	-	62,197	5 - 10	4,345	2,151	21	-	6,517	55,680
	473,481	57,768	277,748	-	-	808,997		201,411	2,151	37,885	-	241,447	567,550
Plant and machinery													
- cost	69,871,063	-	3,179,053	-	(288,837)	72,761,279	5 - 20	25,542,624	-	2,801,883	(75,267)	28,269,240	44,492,039
- surplus on revaluation	7,653,629	7,065,153	-	-	(11,848)	14,706,934	5 - 20	5,257,150	3,026,875	719,127	(9,591)	8,993,561	5,713,373
	77,524,692	7,065,153	3,179,053	-	(300,685)	87,468,213		30,799,774	3,026,875	3,521,010	(84,858)	37,262,801	50,205,412
Spares held for capital expenditure	-	-	-	999,991	-	999,991	10	-	-	67,767	-	67,767	932,224
Furniture, fixtures and equipment	591,263	-	98,416	-	(250)	689,429	10 - 30	450,218	-	36,063	(209)	486,072	203,357
Quarry equipment	194,144	-	-	-	-	194,144	20	181,817	-	2,465	-	184,282	9,862
Vehicles	765,258	-	460,690	-	(83,742)	1,142,206	20	223,518	-	139,122	(53,894)	308,746	833,460
Share of joint assets	6,000	-	-	-	-	6,000	10	6,000	-	-	-	6,000	-
	1,556,665	-	559,106	999,991	(83,992)	3,031,770		861,553	-	245,417	(54,103)	1,052,867	1,978,903
Total	102,406,622	7,938,666	5,923,473	999,991	(384,677)	116,884,075		37,618,663	3,262,217	4,835,924	(138,961)	45,577,843	71,306,232

	Cost / Revalued amount					Depreciation				
	As at July 01, 2022	Additions	Disposals	At June 30, 2023	Rate	At July 01, 2022	For the year	Disposals	At June 30, 2023	Net book value at June 30, 2023
	Rupees in thousand				Percentage	Rupees in thousand				
Owned										
Freehold land										
- cost	822,154	2,450	-	824,604	-	-	-	-	-	824,604
- surplus on revaluation	369,883	-	-	369,883	-	-	-	-	-	369,883
	1,192,037	2,450	-	1,194,487	-	-	-	-	-	1,194,487
Buildings on freehold land										
- cost	15,573,804	5,722,076	-	21,295,880	5 - 20	4,762,004	748,836	-	5,510,840	15,785,040
- surplus on revaluation	357,840	-	-	357,840	5 - 20	208,516	30,939	-	239,455	118,385
	15,931,644	5,722,076	-	21,653,720		4,970,520	779,775	-	5,750,295	15,903,425
Roads, bridges and railway sidings										
- cost	457,157	11,895	-	469,052	5 - 10	166,663	30,403	-	197,066	271,986
- surplus on revaluation	4,429	-	-	4,429	5 - 10	4,321	24	-	4,345	84
	461,586	11,895	-	473,481		170,984	30,427	-	201,411	272,070
Plant and machinery										
- cost	53,465,264	16,589,771	(49,067)	70,005,968	5 - 20	23,411,418	2,184,502	(18,014)	25,577,906	44,428,062
- surplus on revaluation	7,525,014	-	(1,782)	7,523,232	5 - 20	4,542,185	684,976	(992)	5,226,169	2,297,063
	60,990,278	16,589,771	(50,849)	77,529,200		27,953,603	2,869,478	(19,006)	30,804,075	46,725,125
Furniture's, fixtures and equipment	533,336	58,403	(476)	591,263	10 - 30	427,890	27,061	(312)	454,639	136,624
Quarry equipment	192,244	1,900	-	194,144	20	184,528	2,207	-	186,735	7,409
Vehicles	420,176	411,614	(66,532)	765,258	20	203,131	60,278	(46,969)	216,440	548,818
Share of joint assets	6,000	-	-	6,000	10	6,000	-	-	6,000	-
	1,151,756	471,917	(67,008)	1,556,665		821,549	89,546	(47,281)	863,814	692,851
	79,727,301	22,798,109	(117,857)	102,407,553		33,916,656	3,769,226	(66,287)	37,619,595	64,787,958

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

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales	34	4,690,857	3,686,523
Selling and distribution expenses	35	44,663	28,358
Administrative expenses	36	120,902	64,996
		4,856,422	3,779,877

20.1.2 Sale of operating fixed assets

For the year ended June 30, 2024

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss) on sale	Mode of sale	Particulars of purchaser
	----------------------- Rupees in thousand -----------------------						
Plant and Machinery							
Preventive Maintenance Kit	4,454	2,290	2,164	648	(1,516)	Negotiation	M/S.Muhammad Hayat Contractor
Preventive Maintenance Kit	4,454	2,290	2,164	648	(1,516)	-do-	M/S.Muhammad Hayat Contractor
Cables And Cable Trays	59,194	52,561	6,633	9,998	3,365	-do-	Mr. Ashiq
Complete Tertiary Air Duct	7,891	5,284	2,607	4,138	1,531	-do-	Mr. Abdur Rasheed
Roller Segment	12,585	2,329	10,256	6,600	(3,656)	-do-	Mr. Abdur Rasheed
Table Wear Segment	8,315	1,539	6,776	4,361	(2,415)	-do-	Mr. Abdur Rasheed
Gear Unit	837	193	644	526	(118)	-do-	Mr. Abdur Rasheed
Hmi For Loader	1,056	59	997	3	(994)	-do-	Mr. Abdur Rasheed
Lid For Explosion Door	3,897	896	3,001	2,447	(554)	-do-	Mr. Abdur Rasheed
Hoisting Damper Tongue For Tad Duct	2,519	142	2,377	2,884	507	-do-	Mr. Abdur Rasheed
Vehicles							
							Key Management Personnel
Toyota Prado	12,780	10,988	1,792	9,500	7,708	As per Group's Policy	Mr. Mohsin Raza Naqvi
Honda Civic	2,930	1,915	1,015	2,900	1,885	-do-	Mr. Tariq Ahmed Mir
Honda Civic	2,929	1,943	986	2,870	1,884	-do-	Mr. Amer Bilal
Honda Civic	2,927	1,953	974	2,850	1,876	-do-	Mr. M.Basharat
Toyota Corolla	2,918	1,939	979	2,810	1,831	-do-	Mr. Nasir Iqbal
Honda Civic Oriel	2,929	1,964	965	2,910	1,945	-do-	Mr. Zeeshan Malik Bhutta
Audi	6,587	4,802	1,785	6,450	4,665	-do-	Mr. Sohail Sadiq
Audi	6,538	4,760	1,778	6,500	4,722	-do-	Mr. Yahya Hamid
							Others
Suzuki Cultus	1,603	1,061	542	1,520	978	-do-	Mr. Nauman Javaid
Honda Civic	2,930	1,943	987	2,630	1,643	-do-	Mr. Abdul Hanan Khan
Honda Civic	2,827	1,262	1,565	2,040	475	-do-	Mr. Sohaib Khakwani
Toyota Corolla	2,465	1,639	826	3,500	2,674	-do-	Mr. Aslam Khan
Suzuki Cultus	2,350	1,061	1,289	2,400	1,111	-do-	Mr. Muhammad Usman Javaid
Suzuki Cultus	2,350	1,057	1,293	2,400	1,107	-do-	Mr. Zeeshan Ali Ahmed
Toyota Corolla	7,779	-	7,779	7,510	(269)	-do-	Mr. Malik Asghar Ali

Particulars	Cost	Accumulated depreciation	Net book value	Sale value	Gain / (loss) on sale	Mode of sale	Particulars of purchaser
	----------------------- Rupees in thousand -----------------------						
For the year ended June 30, 2023:							
Plant and Machinery							
Feed Screw Conveyor	2,478	1,657	821	212	(609)	Negotiation	M/S.Muhammad Hayat Contractor
Clamp For Wear Segment	1,871	283	1,588	1,142	(446)	Negotiation	M/S Ghulam Akbar
Vehicles							
							Key Management Personnel
Honda Civic	3,640	2,816	824	3,040	2,216	As per Group's Policy	Mr. Sohail Sadiq
							Others
Honda Civic	2,936	1,608	1,328	3,600	2,272	As per Group's Policy	Mr. Nauman Ahmed
Toyota Yaris	2,815	592	2,223	2,250	27	-do-	Miss Amna Nauman
Suzuki Cultus	1,603	997	606	1,565	959	-do-	Mr. Mohammad Tahir
Suzuki Cultus	1,603	1,001	602	1,540	938	-do-	Mr. Shabi ul Hassan
Suzuki Cultus	1,643	998	645	1,500	855	-do-	Mr. Omer Farooq
Suzuki Cultus	1,674	976	698	1,570	872	-do-	Mr. Shaukat Nadeem
Suzuki Cultus	1,558	999	559	1,450	891	Auction	M/S Dewan Enterprises
Suzuki Cultus	1,672	976	696	1,540	844	Buy Back	Mr. Waqas Hassan

20.1.3 Additions in operating fixed assets include transfers from capital work-in-progress amounting to Rs. 4,916 million (2023: Rs. 22,593 million).

20.1.4 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.

20.1.5 Buildings, roads, bridges and railway sidings, plant and machinery are located at freehold land measuring 10,185 kanals located at Iskanderabad, District Mianwali.

20.1.6 Included in freehold land is a plot measuring 50 kanals located in Defence Housing Authority (DHA) Phase V, Islamabad. An agreement was signed between NHPL and DHA Islamabad on June 15, 2023, for the purchase of this plot with the intent to establish a hospital. The plot was officially allotted to NHPL on January 31, 2024, and is non-transferable. NHPL is strictly prohibited from using this plot for any purpose other than the hospital project. If the plot is used for any other purpose, DHA retains the absolute right to terminate the agreement and immediately repossess the plot.

20.1.7 Had the certain classes of operating fixed assets not been revalued the net book value would have been as follows:

	2024	2023
	(Rupees in thousand)	
Freehold land	1,368,463	824,604
Buildings on freehold land	16,124,601	15,785,041
Roads, bridges and railway sidings	511,870	271,986
Plant and machinery	44,492,039	44,428,063
	62,496,973	61,309,694

20.1.8 The latest valuation of Group's assets was carried as on June, 30 2024. The forced sale value of the assets as at that date is as follows:

	(Rupees in thousand)
Freehold land	1,082,156
Buildings on freehold land	14,233,595
Roads, bridges and railway sidings	441,670
Plant and machinery	40,113,391
	55,870,812

20.1.9 As of June 30, 2024, all of the Group's assets are located in Pakistan and are registered under the Group's name, except for the exception mentioned in note 20.1.4. These assets are also under charge against borrowings as detailed in note 8.

	Note	2024	2023
		(Rupees in thousand)	
20.2 Movement in capital work-in-progress - at cost			
At beginning of the year		1,676,796	15,352,800
Additions during the year		4,677,061	8,916,977
Transfers during the year to operating fixed assets	20.1.3	(4,916,453)	(22,592,981)
Transfers during the year to intangible assets	21	(89,828)	-
Charged off during the year		(2,503)	-
At end of the year		1,345,073	1,676,796
20.2.1 Capital work-in-progress - at cost			
Civil Works		872,583	372,317
Plant and machinery		46,490	588,012
Roads and bridges		71	12,952
Land		-	10,083
Intangible Assets - Oracle Finance / PXP System		-	47,661
IT equipment		30,467	-
Un Allocated capital expenditure		-	84,517
Vehicles		11,171	266
Advances to suppliers against:			
- civil works		268,892	130,188
- plant and machinery		29,238	409,274
- intangible Assets		-	19,575
- vehicles		86,161	1,951
		1,345,073	1,676,796

20.3 This represents stores held for capital expenditure related to Group's expansion project.

	2024	2023
	(Rupees in thousand)	
The reconciliation of carrying amount is as follows:		
Balance at the beginning of the year	238,239	280,655
Additions during the year	1,831,538	1,197,045
	2,069,777	1,477,700
Transfers made during the year	(2,021,496)	(1,239,461)
Balance at the end of the year	48,281	238,239

20.4 Right-of-use of assets

	2024	2023
The reconciliation of carrying amount is as follows:		
Balance at the beginning of the year	43,112	36,098
Additions during the year	66,056	17,666
Disposal during the year	(1,818)	-
Depreciation charged during the year	(20,498)	(10,652)
Balance at the end of the year	86,852	43,112

20.5 During the year, borrowing costs amounting to Rs. 7.564 million (2023: Rs. 1,083 million) were capitalised in operating fixed assets.

20.6 The average effective rate of the borrowing cost was 3% to 23.38% (2023: 2.50% to 23.69%).

21. INTANGIBLE ASSETS

	Note	2024	2023
		(Rupees in thousand)	
This includes computer software. The reconciliation of carrying amount is as follows:			
Cost			
Balance as on July 1		90,671	90,671
Additions during the year	20.2	89,828	-
Balance as on June 30		180,499	90,671
Amortisation			
Balance as on July 1		83,725	80,256
Charge for the year		11,964	3,469
Disposal during the year		95,689	83,725
Book value as at June 30		84,810	6,946
Annual amortisation rate - %		33%	33%

21.1 Amortization charge for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in thousand)	
Cost of sales	34	5,883	493
Administrative expenses	36	6,081	2,976
		11,964	3,469

	Note	2024	2023
		(Rupees in thousand)	

22. LONG TERM LOANS TO EMPLOYEES - SECURED

	Note	2024	2023
House building		29,518	3,610
Vehicles		2,205	1,761
Others		19,599	23,637
Balance as at June 30		51,322	29,008
Current portion presented under current assets	27	(20,094)	(10,919)
		31,228	18,089

22.1 These loans are secured against employees' retirement benefits and carry interest at the rate of 6% per annum (2023: 6% per annum). These loans are recoverable in 30 to 60 monthly installments.

22.2 This includes loans to key management personnel amounting to Rs. 18.508 million (2023: Rs .8.090 million). The maximum aggregate amount outstanding from key management personnel at any time during the year calculated with reference to month end balances is Rs. 19.953 million (2023: Rs. 9.630 million). Further, no amount is due from the Directors and the Chief Executive Officer as at June 30, 2024 (2023: Nil).

23. LONG TERM DEPOSITS

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

24. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2024 (Rupees in thousand)	2023
Stores		8,714,512	5,766,047
Spare parts		4,096,619	4,671,192
Loose tools		25,279	25,124
	24.1	12,836,410	10,462,363

24.1 This include items in transit amounting to Rs. 88.59 million (2023: Rs. 290.21 million).

25. STOCK-IN-TRADE

	Note	2024 (Rupees in thousand)	2023
Raw material		229,148	121,609
Packing material		471,239	1,160,644
Work-in-process		1,989,532	1,856,759
Finished goods		486,769	675,151
		3,176,688	3,814,163

26. TRADE DEBTS

	Note	2024	2023
Due from customers:			
- Local		4,660,247	2,805,724
- Export		115,547	25,313
Loss allowance	26.1	(587,049)	(230,049)
		4,188,745	2,600,988

	Note	2024	2023
		(Rupees in thousand)	

26.1 The reconciliation for loss allowance is as follow:

		2024	2023
Balance at beginning of the year		230,049	50,049
Loss allowance recognised during the year		357,191	191,421
Trade debts written off against provision		(191)	(11,421)
Balance at end of the year		587,049	230,049

27. LOANS AND ADVANCES

	Note	2024	2023
Current portion of long term loans to employees	22	20,094	10,919
Advances			
- To employees	27.1	25,489	35,242
- To suppliers	27.2 & 27.3	262,601	673,904
- To government authorities	27.4	185,396	180,395
		473,486	889,541
Sales tax recoverable	27.5	20,342	-
		513,922	900,460

27.1 This includes loans to key management personnel (Mr. Muhammad Basharat and Mr. Yahya Hamid) amounting to Rs. 1.333 million (2023: Rs. 2.970 million). The maximum aggregate amount outstanding from key management personnel (Mr. Muhammad Basharat, Mr. Tariq Ahmed Mir, Mr. Nasir Iqbal, Mr. Amir Feroze, Mr. Sayeed Tariq Saigol, Mr. Sohail Sadiq, Mr. Syed Mohsin Raza Naqvi, and Mr. Yahya Hamid) at any time during the year, calculated with reference to month-end balances, is Rs. 29.534 million (2023: Rs. 3.370 million). Furthermore, no amount is due from other directors at the year-end (2023: Rs Nil).

27.2 This includes an amount of Rs. 15.554 million (2023: Rs .20.212 million) advanced to the Ministry of Railways for transportation of coal and cement.

27.3 This includes payments made on behalf of Andalus Holdings (ADGM) Limited to certain contractors working on the construction site of the hospital building amounting to Rs. 13.022 million.

27.4 This represents amount paid to government under protest for various cases which have been decided in the Group's favour.

27.5 This represents deposit made with the Deputy Commissioner Inland Revenue (DCIR) in respect of input tax disallowed under section 8 of Sales Tax Act, 1990 as disclosed in note 19.1.16 and is not impaired.

28. SHORT TERM INVESTMENTS

	Note	2024	2023
		(Rupees in thousand)	
Investments at fair value through profit or loss			
Next Capital Limited:			
4,269,375 (2023: 4,269,375) fully paid ordinary shares of Rs. 10 each			
Equity held: 7.50% (2023: 7.50%)			
Fair value of investment: Rs. 19.596 million (2023: Rs. 22.073 million)			
Cost of investment		30,000	30,000
Mutual Funds:			
MCB Cash Management Optimizer		-	900,000
Alfalah GHP Money Market Fund		-	100,000
NBP Cash Plan - II		-	902,461
		-	1,902,461
Investments at fair value through OCI			
Pioneer Cement Limited			
17,321,046 (2023: 17,321,046) fully paid ordinary shares of Rs. 10 each			
Equity held: 7.63% (2023: 7.63%)			
Fair value of investment: Rs. 2,921.194 million (2023: Rs. 1,500.522 million)			
Cost of investment		1,237,085	1,237,085
Agritech Limited			
43,742,500 (2023: Nil) fully paid ordinary shares of Rs. 10 each			
Equity held: 10.30% (2023: Nil)			
Fair value of investment: Rs. 894.971 million (2023: Nil)			
Cost of investment		1,169,108	-
		2,436,193	3,169,546
Unrealized fair value gain / (loss)			
At beginning of the year		255,510	(1,154)
Fair value loss for the year - P&L	37	(2,476)	(6,773)
Fair value gain for the year - OCI		1,146,535	263,437
At end of the year		1,399,569	255,510
Closing balance		3,835,762	3,425,056
Investment at amortised cost - debt instrument			
Term deposit receipts	28.1& 28.2	395,700	273,500
		4,231,462	3,698,556

28.1 This represents term deposits having a maturity from one month to one year from March 13, 2024 till March 13, 2025 carrying mark-up at the rate ranging from 14.50% to 15.50% per annum (2023: 8.50% to 15.80%).

28.2 Term deposit receipts amounting to Rs. 384.5 million (2023 : Rs. 264.5 million) are held as margin guarantees with commercial banks. These margins are restricted and, therefore, not available for general use by other entities within the Group. Of these, Rs. 238.50 million (2023: Rs. 26 million) have an original maturity of three months or less.

29. SHORT TERM DEPOSITS AND PREPAYMENTS

	2024	2023
	(Rupees in thousand)	
Prepayments	296,894	17,850
Margin against:		
- letters of credit	65,210	18,078
- bank guarantees	634,613	461,907
Short term deposits	1,633	95
	998,350	497,930

30. ACCRUED PROFIT

This represents profit accrued on saving accounts and term deposit receipts at rates ranging from 8.75% to 20.50% (2023: 12.25% to 19.50%) per annum.

31. OTHER RECEIVABLES

	Note	2024	2023
		(Rupees in thousand)	
Due from related party - unsecured	31.1	-	11,666
Others	31.2	129,474	10,239
		129,474	21,905

31.1 This represents balance receivable from the Ultimate Holding Company amounting to Nil (2023: Rs. 11.666 million).

The maximum aggregate amount outstanding from the Ultimate Holding Company at any time during the year calculated with reference to month end balances is Rs. 10.255 million (2023: Rs. 43.930 million).

31.2 This includes Rs. 13.923 million (2023: Rs. 9.766 million) receivable against export rebate from government.

32. CASH AND BANK BALANCES

	Note	2024	2023
		(Rupees in thousand)	
At banks:			
Savings accounts	32.1	516,088	383,817
Current accounts:			
Foreign currency		79,896	29,912
Local currency		676,732	330,964
		756,628	360,876
		1,272,716	744,693
In hand			
Local currency		4,226	3,032
Foreign currency		2,482	2,527
		6,708	5,559
		1,279,424	750,252

32.1 The balances in saving accounts bear mark-up ranging from 8.75% to 20.50% (2023: 11.00% to 19.50%) per annum.

33. REVENUE

	2024	2023
	(Rupees in thousand)	
Gross local sales	88,609,781	82,063,434
Less:		
Federal excise duty	(7,763,020)	(6,911,333)
Sales tax	(15,088,469)	(13,494,564)
Discount and others	(1,200,134)	(952,543)
Commission	(397,200)	(355,676)
	(24,448,823)	(21,714,116)
Net local sales	64,160,958	60,349,318
Export sales	2,291,390	1,725,941
	66,452,348	62,075,259

33.1 Disaggregation of revenue (Gross sales)

Type of customers

	2024	2023
Government customers	2,896	25,796
Non-Government customers	90,898,275	83,763,579
	90,901,171	83,789,375

Primary geographical markets

	2024	2023
Pakistan	88,609,781	82,063,434
Afghanistan	2,159,479	1,596,388
Mozambique	-	2,553
Maldives	6,215	-
Ethiopia	-	2,741
Oman	33,072	11,553
Qatar	9,743	4,320
Seychelles	-	6,935
Sri Lanka	9,108	36,674
South Africa	1,809	-
United Arab Emirates	1,207	-
Yemen	10,995	-
Tanzania	59,762	64,777
	90,901,171	83,789,375

34. COST OF SALES

	Note	2024	2023
		(Rupees in thousand)	
Raw materials consumed	34.1	3,884,350	2,880,056
Packing materials consumed		3,539,273	3,376,679
Salaries, wages and other benefits	34.2	1,862,947	1,562,046
Fuel and power		26,618,964	29,087,219
Stores, spare parts and loose tools consumed		1,395,155	1,077,375
Rent, rates and taxes		2,766	9,377
Insurance		238,037	133,400
Repairs and maintenance		868,349	559,829
Depreciation on operating fixed assets	20.1.1	4,690,857	3,686,523
Amortization of intangibles	21.1	5,883	493
Vehicles running and maintenance		559,310	441,906
Other expenses	34.3	300,383	154,378
		43,966,274	42,969,281
Work in process:			
At beginning of the year		1,856,759	1,775,210
At end of the year		(1,989,532)	(1,856,759)
		(132,773)	(81,549)
Cost of goods manufactured		43,833,501	42,887,732
Finished goods:			
At beginning of the year		675,151	499,536
At end of the year		(486,769)	(675,151)
		188,382	(175,615)
Cost of sales		44,021,883	42,712,117

34.1 Raw materials consumed

	2024	2023
At beginning of the year	121,609	108,905
Purchases made during the year	4,019,806	2,916,720
	4,141,415	3,025,625
At end of the year	(229,148)	(121,609)
Raw materials consumed	3,912,267	2,904,016

34.2 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 87.299 million (2023: Rs. 71.904 million). Further, the provision for gratuity and accumulating compensated absence included in the above is mentioned in note 14.6 to these consolidated financial statements.

34.3 Other expenses include housing colony expenses aggregating to Rs. 224.456 million (2023: Rs. 99.016 million).

35. SELLING AND DISTRIBUTION EXPENSES

	Note	2024	2023
		(Rupees in thousand)	
Salaries, wages and other benefits	35.1	585,652	396,714
Travelling and conveyance		310,955	281,716
Vehicle running and maintenance		152,582	111,336
Postage, telephone and fax		16,460	10,086
Printing, stationery and office supplies		16,205	6,650
Entertainment		14,892	15,847
Repair and maintenance		23,001	10,873
Depreciation on operating fixed assets	20.1.1	44,663	28,358
Legal and professional charges		19,247	12,675
Advertisement and sale promotions		1,239,612	1,044,615
Fee and subscription		66,651	64,328
Freight and forwarding		2,958,327	1,749,597
Other expenses		23,561	18,301
		5,471,808	3,751,096

35.1 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 20.200 million (2023: Rs. 15.745 million). Further, the provision for gratuity and accumulating compensated absences included in the above is mentioned in note 14.6 to these consolidated financial statements.

36. ADMINISTRATIVE EXPENSES

	Note	2024	2023
		(Rupees in thousand)	
Salaries, wages and other benefits	36.1	1,052,888	734,406
Travelling		169,605	136,646
Vehicle running and maintenance		139,158	104,491
Postage, telephone and fax		22,170	18,987
Printing, stationery and office supplies		47,099	58,134
Entertainment		56,024	45,779
Utilities expenses		52,459	49,794
Repair and maintenance		63,074	23,159
Legal and professional charges	36.2	118,639	67,613
Consultancy fee and subscription		93,364	60,378
Depreciation on operating fixed assets	20.1.1	120,902	64,996
Amortization of intangibles	21.1	6,081	2,976
Advances / receivable written off		-	2,509
Rent, rates and taxes		17,265	8,512
Other expenses		28,909	20,231
	36.3&36.4	1,987,637	1,398,611

36.1 Salaries, wages and other benefits expense includes contribution to provident fund trust amounting to Rs. 38.403 million (2023: Rs. 30.185 million). Further, the provision for gratuity and accumulating compensated absences included in the above is mentioned in note 14.6 to these consolidated financial statements.

36.2 Legal and professional charges include the following in respect of auditor's remuneration (exclusive of sales tax) for:

	2024	2023
	(Rupees in thousand)	
Annual statutory audits	4,100	3,900
Interim review	650	650
Other certifications	900	900
Taxation services	37,004	18,365
Consultancy in respect of Information Technology services	41,334	2,625
Out of pocket expenses	925	825
	84,913	27,265

36.3 The Group has shared expenses aggregating Rs. 38.320 million (2023: Rs. 36.490 million) on account of combined offices with the Ultimate Holding Company. These expenses have been recorded in respective account.

36.4 Administrative expenses include pre-operative administrative expenses of Rs. 115.252 million (2023: Nil) in respect of NHPL, which is currently in the pre-commencement phase. These expenses are deductible when calculating taxable income, as detailed in note 12.2 of these consolidated financial statements.

37. OTHER EXPENSES

	Note	2024	2023
		(Rupees in thousand)	
Donations	37.1	52,819	42,355
Worker's Profit Participation Fund	15.3	363,646	124,176
Worker's Welfare Fund	15.4	230,848	220,943
Un-realised loss on investments	28	2,476	6,773
Exchange loss - net		10,757	700,620
Loss on disposal of sale of stores and spares	37.3	34,819	-
Others		3,980	-
		699,345	1,094,867

37.1 Donations for the year have been given to:

	2024	2023
Maple Corporate Social Responsibility Initiative	1,364	3,476
Daudkhel Police Station	1,912	248
Daudkhel Press Club	258	-
Sunshine Trust	2,000	5,000
Earth Quick in Turkey and Syria	-	1,410
Daudkhel Water Supply Project	1,475	365
Beaconhouse National University (Scholarship)	-	782
Akhuwat Islamic Micro Finance	-	15,000
Mr. Shafaullah	363	270
Local schools at Daud Khel	-	100
Kinnaird College Lahore	-	112
Aitchison College Lahore	42,806	-
Agha Khan Foundation	-	15,000
Miscellaneous donations in the form of cement	2,641	592
	52,819	42,355

37.2 None of the directors or their spouses have any interest in the donee.

37.3 This represents loss on stores and spares sold to the Ultimate Holding Company.

38. OTHER INCOME

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Profit on bank deposits	38.1	122,621	55,623
Interest on advances to related party		11,409	-
Interest on loans to employees		366	278
Dividend income		86,605	-
Gain on investment from mutual fund		65,838	8,429
Gain on disposal of operating fixed assets		109,644	39,568
Sale of scrap		5,503	4,753
Miscellaneous		24,721	38,669
		426,707	147,320

38.1 This includes profit earned on deposits under arrangements which are permissible under Shariah amounting to Rs. 1.116 million (2023: Rs. 0.590 million). The remaining profit relates to interest / mark-up based arrangements from conventional banks as mentioned in note 32.1.

39. FINANCE COST

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Profit / interest / mark up on:			
- Long term loans and finances - secured	8	3,202,258	1,960,526
- Short term borrowings	18	237,299	343,849
		3,439,557	2,304,375
Notional interest on unwinding of retention money payable		-	2,790
Notional interest on unwinding of payable to government authority		-	216
Interest on lease liabilities		9,154	5,038
Bank and other charges		86,373	68,408
		3,535,084	2,380,827

40. TAXATION

	Note	2024	2023
Final taxes	40.1	45,804	12,192
Income tax			
Current - for the year		1,500,119	2,097,716
Deferred		2,340,407	2,812,970
		3,840,526	4,910,686

40.1 This represents final taxes paid under section 150 and section 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

40.1.1 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the statement of profit or loss, is as follows:

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Current tax liability for the year as per applicable tax laws	1,545,923	2,109,908
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(1,500,119)	(2,097,716)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(45,804)	(12,192)
Difference	-	-

	2024	2023
	(Rupees in thousand)	

40.2 Tax charge reconciliation

40.2.1 Numerical reconciliation between tax expense and accounting profit:

	2024	2023
Profit before taxation	10,806,107	10,693,640
Applicable tax rate as per Income Tax Ordinance, 2001	29%	29%
Tax on accounting profit	3,133,771	3,101,156
- Exempt income	(392,836)	(297,698)
- Super tax	910,634	437,659
- Effect of final tax regime	(86,806)	(12,193)
- Change in tax rate and proportion of local and export sales	488,532	1,693,461
- Rate difference in current tax and deferred tax	26,226	-
- Items allowable for tax purposes	(43,830)	493
- Items not allowable for tax purposes	55,692	-
- Permanent differences	8,798	-
- Tax effect of prior year	(213,851)	-
	3,886,330	4,922,878

41. EARNINGS PER SHARE - BASIC AND DILUTED

41.1 Basic earnings per share

		2024	2023
Profit for the year equity holders of the Holding Company	Rupees in '000	6,891,064	5,770,762
Weighted average number of ordinary shares	No. of shares in '000	1,058,911	1,073,405
Earning per share - basic	Rupees	6.51	5.38

41.2 Weighted average number of ordinary shares

	2024	2023
	(Shares in thousand)	
Outstanding number of shares before right issue	1,073,405	1,097,524
Impact of own shares purchased	(14,494)	(24,119)
	1,058,911	1,073,405

41.3 A diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at June 30, 2024, and June 30, 2023, which would have any effect on the earnings per share if the option to convert is exercised.

42. CASH FLOW INFORMATION

42.1 Cash generated from operations

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Profit before final taxes and income tax		10,806,107	10,693,640
Adjustments for:			
- Depreciation on operating fixed assets	20.1.1	4,856,422	3,779,877
- Amortisation on intangible assets	21.1	11,964	3,469
- Provision for expected credit loss	26.1	357,000	180,000
- Bad debts written off	26.1	191	11,421
- Advances written off	36	-	2,509
- Gain on disposal of property, plant and equipment	38	(109,644)	(39,568)
- Exchange loss - net	37	10,757	700,620
- Loss on disposal of sale of stores and spares	37	34,819	-
- Exchange gain on cash and cash equivalents		(2,893)	(7,847)
- Loss on re-measurement of short term investments at fair value	37	2,476	6,773
- Notional interest on unwinding of retention money payable	39	-	2,790
- Notional interest on unwinding of payable to government authority	39	-	216
- Provision for retirement benefits	14	79,034	78,211
- Profit on bank deposits	38	(122,621)	(55,623)
- Dividend income	38	(86,605)	-
- Finance cost	39	3,535,084	2,380,827
		8,565,984	7,043,675
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets			
- Stores, spare parts and loose tools		(3,368,563)	2,862,963
- Stock-in-trade		637,475	(1,175,100)
- Trade debts		(1,944,948)	(726,197)
- Loans and advances		386,538	(296,981)
- Short term deposits and prepayments		(500,420)	59,685
- Other receivables		(107,569)	30,356
		(4,897,487)	754,726
- (Decrease) / increase in trade and other payables		(125,861)	1,119,460
		(5,023,348)	1,874,186
		14,348,743	19,611,501

43. CASH AND CASH EQUIVALENTS

	Note	2024	2023
Short term running finance	18.2	(1,645,316)	-
Cash and bank	32	1,279,424	750,252
Short term investments		238,500	-
		(127,392)	750,252

44. RELATED PARTY TRANSACTIONS

The related parties include the Ultimate Holding Company, related parties on the basis of common directorship, group companies, key management personnel of the Group and the Ultimate Holding Company, other related parties and post employment benefit plans. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise). The Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Related party transactions carried out during the year are as follows:

	Name of parties	Relationship	Transactions	2024	2023
				(Rupees in thousand)	
a)	**Kohinoor Textile Mills Limited**	Ultimate Holding Company			
			Sale of goods	2,419	2,142
			Purchase of fixed assets	-	6,022
			Sale of spares	11,792	-
			Expenses paid by related party on behalf of the Group	38,324	36,489
b)	**Maple Leaf Capital Limited**	Common directorship	Loan provided during the year	500,000	-
			Loan recovered during the year	500,000	-
			Markup received on loan	11,409	-
c)	**Andalus Holdings (ADGM) Limited**	Group Company	Health care management fee charged by the related party	278,377	-
d)	**Key management personnel**	Key management personnel	Remuneration and other benefits - note 44.1	622,150	456,046
e)	**Employee benefits**				
	Gratuity	Post employment benefit plan	Expense charged in respect of gratuity plan	22,861	41,171
	Provident fund trust	Post employment benefit plan	Expense charged in respect of provident fund	306,812	281,503

44.1 This represents remuneration of the Chief Executive, Directors and certain executives that are included in the remuneration disclosed in note 45 to these consolidated financial statements.

44.2 Transactions with related parties have been carried out on mutually agreed terms and conditions. The related parties with whom the Group had entered into transactions or had arrangements/agreements in place during the year have been disclosed below along with their basis of relationship:

Name	Relationship	% of shareholding in the Company
Kohinoor Textile Mills Limited	Ultimate Holding Company	57.89%
Maple Leaf Capital Limited	Common directorship	1.15%
Andalus Holdings (ADGM) Limited	Group Company	0.00%
Mr. Tariq Sayeed Saigol	Director / Key management personnel	0.0031%
Mr. Sayeed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Taufique Sayeed Saigol	Director / Key management personnel	0.0015%
Mr. Waleed Tariq Saigol	Director / Key management personnel	0.0011%
Mr. Danial Taufique Saigol	Director / Key management personnel	0.0005%
Ms. Jahanara Saigol	Director / Key management personnel	0.0002%
Mr. Shafiq Ahmed Khan	Director / Key management personnel	0.0015%
Mr. Zulfikar Monnoo	Director / Key management personnel	0.0003%
Mr. Syed Mohsin Raza Naqvi	Director / Key management personnel	N/A
Mr. Sohail Sadiq	Key management personnel	N/A
Mr. Yahya Hamid	Key management personnel	N/A
Mr. Amir Feroze	Key management personnel	N/A
Mr. Zeeshan Malik Bhutta	Key management personnel	N/A
Mr. Nasir Iqbal	Key management personnel	N/A
Mr. Tariq Ahmed Mir	Key management personnel	N/A
Mr. Amer Bilal	Key management personnel	N/A
Mr. Muhammad Basharat	Key management personnel	N/A
Employees Gratuity Fund	Post Employment Benefit Plan	N/A
Employees Provident Fund	Post Employment Benefit Plan	N/A

45. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the consolidated financial statements for the year for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Group are as follows:

	2024			
		Directors		Executives
	Chief Executive	Executive	Non-Executives	
	(---------------------- Rupees in thousand		----------------------)	
Short term benefits				
Managerial remuneration	244,034	38,805	-	725,993
House rent	7,215	3,104	-	123,038
Medical	7,215	3,104	-	51,586
Conveyance	3,633	2,182	-	123,192
Utilities	6,383	2,746	-	74,088
Perquisites and other benefits	-	-	-	22,603
Advisory arrangement	-	-	980	-
	268,480	49,941	980	1,120,500
Post employment benefits				
Contribution to Provident Fund Trust	7,215	3,104	-	53,825
	275,695	53,045	980	1,174,325
Number of persons	1	1	7	236

	2023			
		Directors		Executives
	Chief Executive	Executive	Non-Executives	
	(---------------------- Rupees in thousand		----------------------)	
Short term benefits				
Managerial remuneration	150,048	29,759	-	472,462
House rent	5,850	1,630	-	91,653
Medical	5,850	2,237	-	39,915
Conveyance	2,338	1,961	-	88,120
Utilities	5,175	1,746	-	60,962
Advisory arrangement	-	-	580	-
	169,261	37,333	580	753,112
Post employment benefits				
Contribution to Provident Fund Trust	5,850	2,237	-	39,824
	175,111	39,570	580	792,936
Number of persons	1	1	7	164

45.1 The Chief Executive, Directors and some Executives are also provided with the Group maintained cars in accordance with the respective policies.

45.2 Aggregate amount charged in these consolidated financial statements in respect of meeting fee paid to Directors is Rs. 0.980 million (2023: Rs. 0.580 million).

46. CAPACITY AND PRODUCTION

	Capacity		Actual Production	
	2024	2023	2024	2023
	Metric tons			
Clinker	7,800,000	7,100,000	3,625,857	3,928,830

Plant capacity is based on 300 working days, that can be exceeded if the plant is operational for more than 300 days during the year. Actual production is less than the installed capacity due to planned maintenance shutdown and gap between market demand.

	2024	2023	2024	2023
	MWh			
Coal fired power plant	316,800	316,800	251,815	201,531
Solar power plant	34,128	-	5,781	-

The normal capacity of coal fired power plant has been determined on the basis of 330 production days keeping in view the maintenance schedule of the plant. However, the solar power plant was installed on January 1, 2024 and was operated for a period of 180 days and therefore, its capacity in MWh is based on such days. Lower production of power plant is due to the lower number of production days on account of reduced demand.

47. SEGMENT REPORTING

47.1 Reportable segments

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments.

The Group's operations comprise of the following reportable business segments:

Reportable segments	Operation
Cement production	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 the production and sale of cement.
Power generation	Maple Leaf Power Limited ("MLPL") is operating as an electric power generation segment of the Group. The principal activity of MLPL is explained in note 1.2 to these financial statements. MLPL sold 100% electricity and steam to the Holding Company during the year.
All other segments	This includes other operating segments that are not reportable and are presented as "All other segments": - Maple Leaf Industries Limited ("MLIL"), incorporated with the primary objective of establishing a cement manufacturing facility. As of the reporting date, MLIL has not yet commenced commercial operations and initiated the winding-up process of as of March 31, 2024. - Novacare Hospitals (Private) Limited ("NHPL"), incorporated to establish, manage, and operate healthcare facilities, including hospitals, pharmacies, nursing homes, clinics, laboratories, dental clinics, and healthcare centers. NHPL is currently in the pre-commencement phase.

The identification of operating segments was based on the internal organisational and reporting structure, built on the different products and services within the Group. Allocation of the individual organisational entities to the operating segments was exclusively based on economic criteria, irrespective of the participation structure under the Companies Act, 2017.

47.2 Information about reportable segments

The information related to each reportable segment is based on the internal reporting to the Group Board of Directors, identified as CODM. Segment operating profit or loss as included in internal management reports reviewed by the CODM 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. This information is prepared under the IFRSs applicable to the consolidated financial statements:

	Cement production	Power generation	All other segments	Inter segment elimination	Total
	------------------------- (Rupees in thousand) -------------------------				
For the year ended June 30, 2024					
Revenue					
Revenue from external customers	66,452,348	-	-	-	66,452,348
Intersegment revenue	-	7,493,169	-	(7,493,169)	-
	66,452,348	7,493,169	-	(7,493,169)	66,452,348
Cost of sales	(45,488,064)	(6,035,965)	-	7,502,146	(44,021,883)
Selling and distribution expenses	(5,471,808)	-	-	-	(5,471,808)
Administrative expenses	(1,852,148)	(17,182)	(118,307)	-	(1,987,637)
Other expenses	(569,545)	(135,959)	-	6,159	(699,345)
Net impairment loss on financial assets	(357,191)	-	-	-	(357,191)
Other income					
Other income from external customer	356,142	75,428	5,757	(10,620)	426,707
Intersegment other income	-	636,938	-	(636,938)	-
	356,142	712,366	5,757	(647,558)	426,707
Finance cost	(4,138,286)	(3,434)	(2,385)	609,021	(3,535,084)
Profit before final taxes and income tax	8,931,448	2,012,995	(114,935)	(23,401)	10,806,107
Final tax	(45,804)	-	-	-	(45,804)
Profit before income tax	8,885,644	2,012,995	(114,935)	(23,401)	10,760,303
Taxation	(3,613,117)	(247,692)	-	20,283	(3,840,526)
Profit for the year	5,272,527	1,765,303	(114,935)	(3,118)	6,919,777
Reconciliation:					
Segment profit for the year					6,919,777
Other consolidation adjustment					-
Consolidated profit for the year					6,919,777

	Cement production	Power generation	All other segments	Inter segment elimination	Total
	------------------------- (Rupees in thousand) -------------------------				
For the year ended June 30, 2023					
Revenue					
Revenue from external customers	62,075,259	-	-	-	62,075,259
Intersegment revenue	-	6,064,205	-	(6,064,205)	-
	62,075,259	6,064,205	-	(6,064,205)	62,075,259
Cost of sales	(43,901,906)	(4,891,922)	-	6,081,711	(42,712,117)
Selling and distribution expenses	(3,751,096)	-	-	-	(3,751,096)
Administrative expenses	(1,380,607)	(16,100)	(1,904)	-	(1,398,611)
Other expenses	(995,460)	(99,407)	-	-	(1,094,867)
Net impairment loss on financial assets	(191,421)	-	-	-	(191,421)
Other income					
Other income from external customer	146,646	1,606	303	(1,235)	147,320
Intersegment other income	-	396,731	-	(396,731)	-
	146,646	398,337	303	(397,966)	147,320
Finance cost	(2,750,747)	(836)	-	370,756	(2,380,827)
Profit before final taxes and income tax	9,250,668	1,454,277	(1,601)	(9,704)	10,693,640
Final tax	(12,192)	-	-	-	(12,192)
Profit before income tax	9,238,476	1,454,277	(1,601)	(9,704)	10,681,448
Taxation	(4,746,810)	(163,876)	-	-	(4,910,686)
Profit for the year	4,491,666	1,290,401	(1,601)	(9,704)	5,770,762
Reconciliation:					
Segment profit for the year					5,770,762
Other consolidation adjustment					-
Consolidated profit for the year					5,770,762

47.2.1 The revenue reported above represents revenue generated from each segment and inter segment revenue eliminated.

47.2.2 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.

47.3 The accounting policies of the reportable segments are consistent with the Group's accounting policies described in Note 3 to these consolidated financial statements, except for the fact that NHPL's operating fixed assets are reported under the cost model in its financial statements. However, the Group estimates that the net book value of these operating fixed assets does not materially differ from their fair value as at June 30, 2024, as the assets were purchased during the current year.

47.4 Segment assets and liabilities

Reportable segment's assets and liabilities are reconciled to total assets and liabilities as follows:

	Cement Manufacturing	Power Generation	Other	Inter segment Elimination	Total
	(Rupees in thousand)				
For the year ended June 30, 2024					
Segment assets					
Current assets	26,867,837	1,760,089	161,742	(1,414,793)	27,374,875
Non-current assets	72,497,845	9,838,638	1,454,626	(10,821,998)	72,969,111
Segment liabilities					
Current liabilities	18,597,800	1,346,645	418,669	(1,334,928)	19,028,186
Non-current liabilities	28,151,974	35,118	16,211	(4,531,146)	23,672,157
For the year ended June 30, 2023					
Segment assets					
Current assets	22,239,667	2,579,211	10,304	(2,073,447)	22,755,735
Non-current assets	67,468,044	6,391,497	-	(7,030,000)	66,829,541
Segment liabilities					
Current liabilities	16,215,021	844,372	1,905	(2,013,009)	15,048,289
Non-current liabilities	28,579,576	38,270	-	(2,000,000)	26,617,846

47.4.1 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.

47.5 Other segment information

	Cement Manufacturing	Power Generation	Other	Inter segment Elimination	Total
	(Rupees in thousand)				
For the year ended June 30, 2024					
Capital expenditure	3,099,319	940,511	1,414,073	-	5,453,903
Depreciation	4,508,383	340,551	7,488	-	4,856,422
Amortisation	11,964	-	-	-	11,964
Finance cost	4,138,286	3,434	2,385	(609,021)	3,535,084
Non-cash items other than depreciation, amortization and finance cost	239,862	(680,613)	(5,756)	609,021	162,514
For the year ended June 30, 2023					
Capital expenditure	9,071,126	8,966	-	-	9,080,092
Depreciation	3,471,880	307,998	-	-	3,779,878
Amortization	3,469	-	-	-	3,469
Finance cost	2,750,748	836	-	(370,757)	2,380,827
Non-cash items other than depreciation, amortization and finance cost	877,988	(369,481)	238	370,757	879,502

47.6 Geographical information

The Group operates in two principal geographical areas, Asia and Africa other than Pakistan and revenue from continuing operations from external customers based on geographical areas is as follows:

Geographical area	2023	2024
	Percentage	
Asia	99.91%	99.96%
Africa	0.09%	0.04%
	100.00%	100.00%

47.6.1 All assets of the Group as at June 30, 2024 are located in Pakistan.

48. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

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:

(a) 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.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions and recognised assets and liabilities that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures. Currently, the Group's foreign exchange risk exposure is restricted to bank balances and amounts payable to/receivable from foreign entities.

Following significant exchange rates have been applied for translating material transactions/balances in foreign currency:

	Average rate for the year		**Spot rate**			
	2024	**2023**	**2024**		**2023**	
	Buying	**Selling**	**Buying**	**Selling**	**Buying**	**Selling**
EURO	307.31	200.16	297.88	298.41	313.72	314.27
USD	283.70	178.01	278.3	278.8	286.60	287.10
CNY	39.49	27.57	38.47	38.53	39.91	39.98

(i) Exposure to currency risk

	2024				
	Rupees	**GBP**	**CNY**	**EURO**	**USD**
	(in thousand)				
Assets					
Trade debts	115,547	-	-	-	415
Loans and advances	14,353	-	88	-	39
Cash and bank balances	82,378	-	-	2	279
	212,278	-	88	2	733
Liabilities					
Trade creditors and bills payable	(2,129,091)	-	(44,900)	(115)	(1,566)
Retention money payable	(1,691,334)	-	(43,840)	-	-
	(3,820,425)	-	(88,740)	(115)	(1,566)
Net Statement of financial position exposure	(3,608,147)	-	(88,652)	(113)	(833)

	2023				
	Rupees	GBP	CNY	EURO	USD
	(in thousand)				
Assets					
Trade debts	25,313	-	-	-	129
Cash and bank balances	32,439	2	-	-	111
	57,752	2	-	-	240
Liabilities					
Trade creditors and bills payable	(843,721)	-	-	-	(2,939)
Retention money payable	(1,752,988)	-	(43,840)	-	-
	(2,596,709)	-	(43,840)	-	(2,939)
Net statement of financial position exposure	(2,538,957)	2	(43,840)	-	(2,699)

Sensitivity analysis

At June 30, 2024, if the Rupee had (weakened)/strengthened by 10% against the following currencies with all other variables held constant, the effect on consolidated post-tax profit for the year would have been, as follows:

	Impact on post-tax profit	
	2024	2023
	(Rupees in thousand)	
USD/PKR exchange rate - PKR weakened	(14,189)	(72,313)
USD/PKR exchange rate - PKR strengthened	14,189	72,313
CNY/PKR exchange rate - PKR weakened	(206,944)	(162,328)
CNY/PKR exchange rate - PKR strengthened	206,944	162,328

The impact of remaining currencies is immaterial in respect to these consolidated financial statements.

(ii) 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.

Investments exposed to price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified through profit or loss and other comprehensive income. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. The primary goal of the Group's investment strategy is to maximise investment returns.

At the reporting date, the Group's investment in quoted equity securities is as follows:

	2024	2023
	(Rupees in thousand)	
Investment in equity securities	3,835,762	1,522,595

The above investments in equity instruments are publicly traded on the Pakistan Stock Exchange Limited.

The table below summarises the impact of increases/decreases of the KSE-100 index on the Group's equity. The analysis is based on the assumption that the KSE-100 index had increased/decreased by 10% with all other variables held constant and all the Group's equity investments moved according to the historical correlation with the index:

	Impact on profit or loss		Impact on other components of equity	
	2024	2023	2024	2023
	(Rupees in thousand)		(Rupees in thousand)	
Pakistan Stock Exchange Limited	1,960	2,207	381,616	150,053

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.

(iii) Cash flow and fair value interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk primarily arises from loan to related party, bank balances, short term and long-term borrowings. These borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Fixed rate financial instruments

	2024	2023
	(Rupees in thousand)	
Non-derivative financial instruments		
Financial assets		
Short term investment - term deposit receipt	395,700	273,500
Long term loans to employees - secured	51,322	29,008
Financial liabilities	-	-
Net exposure	447,022	302,508

The related mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the consolidated financial statements.

Floating rate financial instruments

		2024	2023
		(Rupees in thousand)	
Non-derivative financial instruments			
Financial assets			
Bank balances at deposit accounts	-	516,088	383,817
Financial liabilities			
Long term loans from banking companies-secured		(13,799,414)	(18,618,430)
Lease liabilities		(82,709)	(41,665)
Short term borrowings - Running Finance		(1,645,316)	-
		(15,527,439)	(18,660,095)
Net exposure		(15,011,351)	(18,276,278)

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

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2024, if interest rates on variable rate instruments had been 3% higher/lower with all other variables held constant, consolidated post-tax profit for the year would have been Rs. 274.708 million (2023: Rs. 111.485 million lower/higher if interest rates had been 1% higher/lower) lower/higher, mainly as a result of higher/lower interest expense on floating rate instruments.

b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk of the Group arises from deposits with banks and other financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

(i) 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:

	2024	2023
	(Rupees in thousand)	
Financial asset at amortized cost		
Long term deposits	66,635	58,401
Trade debts - net of loss allowance	4,188,745	2,600,988
Long term loans to employees	51,322	29,008
Short term investments	395,700	273,500
Margins and short term deposits	701,456	480,080
Accrued profit	20,400	9,118
Other receivables	129,474	21,905
Cash at bank	1,272,716	744,693
	6,826,448	4,217,693

(ii) 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:

	2024	2023
	(Rupees in thousand)	
Customers	4,188,745	2,600,988
Banking companies and financial institutions	2,388,639	1,498,273
Others	249,064	153,674
	6,826,448	4,252,935

(iii) Impairment of financial assets

The Group's financial assets, other than investments in equity instruments, are subject to the expected credit losses model. Financial assets other than trade debts are also subject to the impairment requirements of IFRS 9, however, the identified impairment loss was immaterial and are therefore not exposed to any material credit risk.

Trade debts

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained from these customers to calculate the net exposure towards these customers.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before June 30, 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade debts. The Group has identified the Gross Domestic Product and the Consumer Price Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The analysis of ages of trade debts and loss allowance using the aforementioned approach as at June 30, 2024 was determined as follows:

		2024			2023		
		Expected loss %	Gross carrying amount	Loss Allowance	Expected loss %	Gross carrying amount	Loss Allowance
The aging of trade debts at the reporting date is:							
Not past due		3.16%	2,359,730	74,549	0.80%	1,170,261	9,404
Past due:	1 - 90 days	3.16%	1,226,288	38,743	1.10%	1,269,257	14,021
	91 - 180 days	4.44%	617,407	27,392	14.62%	153,260	22,401
	181 - 270 days	29.02%	151,407	43,936	27.74%	36,071	10,006
	271 - 365 days	54.66%	40,872	22,339	32.91%	41,690	13,719
	366 - above days	100.00%	380,090	380,090	100.00%	160,498	160,498
			4,775,794	587,049		2,831,037	230,049

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and shipments to the export customers are generally covered by letters of credit or other form of credit insurance. Default is triggered when more than 360 days have passed.

(iv) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired (mainly bank balances) can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Banks	Rating			2024	2023
	Short term	Long term	Agency	(Rupees in tho usand)	
Bank balances					
Allied Bank Limited	A1+	AAA	PACRA	72,417	35,931
Askari Bank Limited	A1+	AAA	PACRA	38,801	33,356
Bank Al-Habib Limited	A1+	AAA	PACRA	142,719	69,523
Bank Alfalah Limited	A1+	AAA	PACRA	6,069	3,618
Bank Islami Pakistan Limited	A1+	AAA	PACRA	14,271	13,643
The Bank of Punjab	A1+	AA+	PACRA	14,472	4,388
AlBaraka Bank Limited	A1	A+	PACRA	9	9
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	127,601	2,580
Faysal Bank Limited	A1+	AA	PACRA	2	1,161
Finca Microfinance Bank Limited	A3	BBB+	PACRA	3,335	3,148
Habib Bank Limited	A1+	AAA	VIS	188,238	105,806
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	31,399	20,808
MCB Bank Limited	A1+	AAA	PACRA	537,544	372,709
National Bank of Pakistan	A1+	AAA	VIS	8,897	7,168
Samba Bank Limited	A1	AA	VIS	2,294	1,525
Silk Bank Limited	A2	A-	VIS	16	14
Soneri Bank Limited	A1+	AA-	PACRA	106	104
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,854	2,853
Summit Bank Limited	A3	BBB-	VIS	-	25
United Bank Limited	A1+	AAA	VIS	81,672	65,324
				1,272,716	743,693
Short term investment - Term deposit receipts					
The Bank of Punjab	A1+	AA+	PACRA	395,700	264,500
Accrued profit					
The Bank of Punjab	A1+	AA+	PACRA	20,400	8,792
Margin against bank guarantees					
Allied Bank Limited	A1+	AAA	PACRA	188,160	14,000
Askari Bank Limited	A1+	AAA	PACRA	275,000	275,000
Bank Makramah Limited	A-3	BBB-	VIS	31,055	31,214
United Bank Limited	A1+	AAA	VIS	43,492	44,788
Soneri Bank Limited	A1+	AA-	PACRA	5,000	5,000
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	1,964	1,964
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	39,942	39,942
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	50,000	50,000
				634,613	461,908
Margin against letters of credit					
Faysal Bank Limited	A1+	AA	PACRA	-	8,321
Allied Bank Limited	A1+	AAA	PACRA	47,658	-
The Bank of Punjab	A1+	AA+	PACRA	17,552	8,008
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	1,749
				65,210	18,078
Total				2,388,639	1,496,971

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavourable to the Group. Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in notes 8 and 18 to these consolidated financial statements is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

(i) 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.

	2024				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	(Rupees in thousand)				
Non-derivative financial liabilities					
Long term loans from financial institutions - secured	13,799,414	19,139,928	5,273,450	12,724,945	1,141,533
Long term deposits	8,214	8,214	-	8,214	-
Trade and other payables	8,760,219	8,760,219	8,760,219	-	-
Unclaimed dividend	27,255	27,255	27,255	-	-
Mark-up accrued on borrowings	608,721	608,721	608,721	-	-
Short term borrowings	1,645,316	1,645,316	1,645,316	-	-
	24,849,139	30,189,653	16,314,961	12,733,159	1,141,533

	2023				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	(Rupees in thousand)				
Non-derivative financial liabilities					
Long term loans from financial institutions - secured	18,618,430	28,397,321	5,974,273	19,881,580	2,541,468
Long term deposits	8,214	8,214	-	8,214	-
Retention money payable	1,752,988	1,752,988	-	1,752,988	-
Trade and other payables	7,159,132	7,159,132	7,159,132	-	-
Unclaimed dividend	27,378	27,378	27,378	-	-
Mark-up accrued on borrowings	764,955	764,955	764,955	-	-
	28,331,097	38,109,988	13,925,738	21,642,782	2,541,468

49. 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 under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy:

	Note	Carrying Amount					Fair Value		
		Fair Value through statement of other comprehensive income	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) - - - - - - - - - - - -							
June 30, 2024									
Financial assets at fair value									
Short term investments		3,808,238	27,524	-	-	3,835,762	3,835,762	-	-
Financial assets at amortised cost									
Cash and bank balances		-	-	1,272,716	-	1,272,716	-	-	-
Long term loans to employees		-	-	51,322	-	51,322	-	-	-
Short term investment - term deposit receipt		-	-	395,700	-	395,700	-	-	-
Margins and short term deposits		-	-	701,456	-	701,456	-	-	-
Other receivables		-	-	129,474	-	129,474	-	-	-
Accrued profit		-	-	20,400	-	20,400	-	-	-
Long term deposits		-	-	66,635	-	66,635	-	-	-
Trade debts		-	-	4,188,745	-	4,188,745	-	-	-
	49.1	3,808,238	27,524	6,826,448	-	10,662,210	3,835,762	-	-
Financial liabilities measured at fair value		-	-	-		-	-	-	-
Financial liabilities not measured at fair value									
Long term loans from financial institutions - secured		-	-	-	13,799,414	13,799,414	-	-	-
Long term deposits		-	-	-	8,214	8,214	-	-	-
Trade and other payables		-	-	-	8,760,219	8,760,219	-	-	-
Unclaimed dividend		-	-	-	27,255	27,255	-	-	-
Mark-up accrued on borrowings		-	-	-	608,721	608,721	-	-	-
Short term borrowings		-	-	-	1,645,316	1,645,316	-	-	-
		-	-	-	24,849,139	24,849,139	-	-	-

	Note	Carrying Amount					Fair Value		
		Fair Value through statement of other comprehensive income	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) - - - - - - - - - - - -							
June 30, 2023									
Financial assets measured at fair value									
Short term investments		1,925,688	1,499,368	-	-	3,425,056	3,425,056	-	-
Financial assets at amortised cost									
Cash and bank balances		-	-	744,693	-	744,693	-	-	-
Long term loans to employees		-	-	29,008	-	29,008	-	-	-
Short term investment - term deposit receipt		-	-	273,500	-	273,500	-	-	-
Margin and short term deposits		-	-	480,080	-	480,080	-	-	-
Other receivables		-	-	21,905	-	21,905	-	-	-
Accrued profit		-	-	9,118	-	9,118	-	-	-
Long term deposits		-	-	58,401	-	58,401	-	-	-
Trade debts		-	-	2,600,988	-	2,600,988	-	-	-
	49.1	1,925,688	1,499,368	4,217,693	-	7,642,749	3,425,056	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	
Financial liabilities not measured at fair value									
Long term loans from financial institutions - secured		-	-	-	18,618,430	18,618,430	-	-	-
Margins and short term deposits		-	-	-	8,214	8,214	-	-	-
Retention money payable		-	-	-	1,752,988	1,752,988	-	-	-
Trade and other payables		-	-	-	7,159,132	7,159,132	-	-	-
Unclaimed dividend		-	-	-	27,378	27,378	-	-	-
Mark-up accrued on borrowings		-	-	-	764,955	764,955	-	-	-
	49.1	-	-	-	28,331,097	28,331,097	-	-	-

	Total	Level 1	Level 2	Level 3
	- - - - (Rupees in thousand) - - - -			
Recurring fair value measurements of				
Land	1,796,716	-	1,796,716	-
Buildings on freehold land	16,757,651	-	-	16,757,651
Road, bridges and railway	567,550	-	-	567,550
Plant and machinery	50,205,412	-	-	50,205,412
	69,327,329	-	1,796,716	67,530,613

Other than certain classes of operating fixed assets, no other items are measured at fair value.

The Group obtains independent valuations for its freehold land, buildings on freehold land, roads, bridges and railway sidings and plant and machinery(classified as property, plant and equipment) at least every three to five years. The Group engages external, independent and qualified valuers to determine the fair value of the Group's Property, Plant and Equipment. As at June 30, 2024, the fair values of have been determined by Tristar International Consultant (Private) Limited.

The management updates its assessment of the fair value of each asset mentioned above, taking into account the most recent independent valuation. The management determines an asset's value within a range of reasonable fair value estimates.

Level 2 fair value of freehold land has been derived using a comparable transactions approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot.

Level 3 fair value of buildings on freehold land has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value.

Level 3 fair values of plant and machinery and roads, bridges and railway sidings have been determined using a depreciated replacement cost approach, whereby, the current replacement cost of plant and machinery, androads, bridges and railway sidings of similar make/origin, capacity and level of technology has been adjusted using a suitable depreciation rate on account of normal wear and tear.

Valuation inputs and relationship to fair value

The following table summarizes the quantitative and qualitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See paragraph above for the valuation techniques adopted.

Description	Fair value at		Significant unobservable inputs	Quantitative data / range and relationship to the fair value
	June 30, 2024	June 30, 2023		
	Rupees in thousands			
Freehold land	1,796,716	1,194,487	Cost of acquisition of similar land (valuation price per square foot) Attributes of the Group's freehold land.	The fair market value of land depends on several factors, including the availability of similar land in the area, the owner's intention to sell, the presence of interested buyers, the land's location, and the availability of infrastructure and utilities. In this case, the availability of such a large piece of land nearby is quite rare. Therefore, the current fair market value has been assessed based on the usual appreciation of land rates in the surrounding area, with particular consideration given to the large size of the land. Generally, the larger the plot, the lower the unit price of the land. Ultimately, the fair market value would be determined by the specific requirements and interests of the potential buyer. Higher the unit price, the higher the value of land.
Buildings on freehold land	16,757,651	15,903,425	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The cost of constructing a new, similar building is considered along with a reasonable annual depreciation rate. If the construction cost of a similar new building is high, the present market value will also be higher. Conversely, if a higher depreciation rate is applied, the building's value will be lower.

Roads, bridges and railway sidings	567,550	272,070	Cost of construction of new similar roads, bridges and railway sidings. Suitable depreciation rate to arrive at depreciated replacement value.	The cost of constructing new infrastructure such as roads, bridges, and railways is considered along with a reasonable annual depreciation rate. If the construction cost for similar infrastructure is high, the present market value will also be higher. Conversely, if a higher depreciation rate is applied, the value of the infrastructure will be lower.
Plant and machinery	50,205,412	46,725,125	Cost of acquisition of plant and machinery with similar level of technology. Suitable depreciation rate to arrived at depreciated replacement value. Expected wear and tear.	The market value of plant and machinery is determined by considering the cost of similar new machinery with equivalent efficiency and output, and then applying a standard rate of depreciation based on the remaining useful life and the expected wear and tear. If the depreciation rate is higher, the current value of the machinery will be lower. Conversely, if the cost to acquire similar machinery is higher, the current value will also be higher.

49.1 The fair values of these financial assets and liabilities are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

49.2 There were no transfers between Levels 1 and 2 & Levels 2 and 3 during the year and there were no changes in valuation techniques during the year.

49.3 The forced sale value of above mentioned assets has been disclosed in note 20.1.8.

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

	2024							
	Own shares purchased for cancellation	Unclaimed dividend	Liabilities against right of use assets	Payable against redemption of preference shares	Long term financing from financial institutions	Short term borrowings	Accrued markup	Total
	(Rupees in thousand)							
As at July 01, 2023	-	27,378	41,665	1,005	17,832,738	-	764,955	18,667,741
Changes from financing cash flows								
Dividend paid	-	(123)	-	-	-	-	-	(123)
Financial charges paid	-	-	-	-	-	-	(3,682,164)	(3,682,164)
Lease rentals paid during the year	-	-	(32,329)	-	-	-	-	(32,329)
Redemption of preference shares	-	-	-	(12)	-	-	-	(12)
Own share purchased for cancellation	(999,145)	-	-	-	-	-	-	(999,145)
Repayments of long term loans from financial institutions - secured - net	-	-	-	-	(4,819,016)	-	-	(4,819,016)
Total changes from financing cash flows	(999,145)	(123)	(32,329)	(12)	(4,819,016)	-	(3,682,164)	(9,532,789)
Other changes								
Deferred grant	-	-	-	-	179,766	-	-	179,766
Change in running finances	-	-	-	-	-	1,645,316	-	1,645,316
Recognized during the year	-	-	64,219	-	-	-	-	64,219
Cancelled during the year	999,145	-	-	-	-	-	-	999,145
Finance cost	-	-	9,154	-	-	-	3,525,930	3,535,084
Total liability related other changes	999,145	-	73,373	-	179,766	1,645,316	3,525,930	6,423,530
As at June 30, 2024	-	27,255	82,709	993	13,193,488	1,645,316	608,721	15,558,482

	2023							
	Own shares purchased for cancellation	Unclaimed dividend	Liabilities against right of use assets	Payable against redemption of preference shares	Long term financing from financial institutions	Short term borrowings	Accrued markup	Total
	(Rupees in thousand)							
As at July 01, 2022	(496,429)	27,569	33,973	1,010	19,367,667	3,572,073	632,836	23,138,699
Changes from financing cash flows								
Dividend paid	-	(191)	-	-	-	-	-	(191)
Redemption of preference shares	-	-	-	(5)	-	-	-	(5)
Proceeds from short term borrowings - net	-	-	-	-	-	(2,174,578)	-	(2,174,578)
Financial charges paid	-	-	-	-	-	-	(2,240,664)	(2,240,664)
Lease rentals paid during the year	-	-	(14,611)	-	-	-	-	(14,611)
Own share purchased for cancellation	(194,661)	-	-	-	-	-	-	(194,661)
Long term loans from financial institutions - secured - net	-	-	-	-	(1,720,571)	-	-	(1,720,571)
Total changes from financing cash flows	(194,661)	(191)	(14,611)	(5)	(1,720,571)	(2,174,578)	(2,240,664)	(6,345,281)
Other changes								
Deferred grant	-	-	-	-	185,642	-	-	185,642
Change in running finances and over draft balances	-	-	-	-	-	(1,397,495)	-	(1,397,495)
Cancelled during the year	691,090	-	-	-	-	-	-	691,090
Recognized during the year	-	-	17,265	-	-	-	-	17,265
Finance cost	-	-	5,038	-	-	-	2,372,783	2,377,821
Total liability related other changes	691,090	-	22,303	-	185,642	(1,397,495)	2,372,783	1,874,323
As at June 30, 2023	-	27,378	41,665	1,005	17,832,738	-	764,955	18,667,741

51. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in the statement of financial position). Net debt is calculated as total borrowings (including current and non-current borrowings, lease liabilities) excluding bank overdraft (if any) less cash and bank balances and liquid investments.

The gearing ratios as at June 30, 2024 and 2023 were as follows:

		2024	2023
		(Rupees in thousand)	
Borrowings		16,136,160	19,425,050
Cash and bank balances and liquid investments		(1,279,424)	(750,252)
Net debt		14,856,736	18,674,798
Total equity		57,643,643	47,919,141
Gearing ratio	Percentage	25.77%	38.97%

In accordance with the terms of agreements with the lenders of long term finances (as referred to in note 8 to these financial statements), the Group is required to comply with certain financial covenants. The Group has complied with these covenants throughout the reporting period.

52. PROVIDENT FUND TRUST

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

53. NUMBER OF EMPLOYEES

	2024	2023
Total number of employees as on June 30		
- Head office	539	426
- Factory	1,340	1,270
	1,879	1,696
Average number of employees during the year		
- Head office	508	386
- Factory	1,340	1,244
	1,848	1,630

54. DISCLOSURES BY GROUP LISTED ON ISLAMIC INDEX

	2024	2023
	(Rupees in thousand)	
Loans/advances obtained as per Islamic mode:		
Loans obtained as per Islamic mode	2,927,947	2,582,371
Shariah compliant bank deposits/bank balances		
Bank balances	150,017	39,814
Profit earned from shariah compliant bank deposits/bank balances		
Profit on deposits with banks	1,116	593
Gain or dividend earned from shariah compliant investments		
Dividend income	86,605	-
Mark-up paid on Islamic mode of financing	492,617	579,090
Interest paid on any conventional loan	68,631	54,727
Interest paid on loans	3,112,033	2,566,038

Relationship with shariah compliant banks

The Group has obtained short term borrowings and long term finances, and has maintained bank balances with shariah compliant banks.

55. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. However, there were no material re-arrangements, other than the following:

	Rupees in thousand
- Freight expense previously presented under 'Cost of Sales' is now presented under 'Selling and Distribution expenses'	1,749,597

56. EVENTS AFTER THE REPORTING PERIOD

There are no subsequent events after the reporting period other than those mentioned elsewhere in these consolidated financial statements.

57. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorised for issue by the Board of Directors of the Group in their meeting held on September 10, 2024. The Board of Directors have the power to amend and re-issue the financial statements.

DIRECTOR	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**

MAPLE LEAF CEMENT FACTORY LIMITED
42-LAWRENCE ROAD, LAHORE

PROXY FORM

I/We____

of____

being a member of **MAPLE LEAF CEMENT FACTORY LIMITED** hereby appoint______________________

____

Name (Folio / CDC A/c No., if Member)

of ____

or failing him/her ____

Name (Folio / CDC A/c No., if Member)

of ____

as my/our proxy to attend, speak and vote for and on my/our behalf at the 64th Annual General Meeting of the Company to be held at its Registered Office, 42-Lawrence Road, Lahore, on **Monday, October 28, 2024 at 10:00 AM** and/or any adjournment thereof.

As witness given under my/our hand(s) ________________ day of October 2024.

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 سوموار 28 اکتوبر 2024ء کو دن دس (10:00) بجے رجسٹرڈ آفس 42-لارنس روڈ، لاہور میں منعقدہ یا ملتوی ہونے والے 64 ویں سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

بطور گواہ میرے/ہمارے دستخط سے مورخہ __________ اکتوبر 2024ء کو دی گئی۔

۵۰ روپے کا رسیدی ٹکٹ چسپاں کر کے دستخط کریں

دستخط ______________________

(ممبر/مجاز افسر)

(کارپوریٹ ادارے کی صورت میں کمپنی کی مہر بھی لگائیں)

____

حامل عام حصص

۱۔ گواہ

دستخط : ______________________

نام : ______________________

شناختی کارڈ نمبر : ______________________

پتہ : ______________________

____

۲۔ گواہ

دستخط : ______________________

نام : ______________________

شناختی کارڈ نمبر : ______________________

پتہ : ______________________

____

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	شراکتی آئی ڈی	اکاؤنٹ نمبر

کمپیوٹرائزڈ شناختی کارڈ نمبر ☐☐☐☐☐-☐☐☐☐☐☐☐-☐

نوٹس:

(۱) پراکسیز کے مؤثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔

(۲) سی ڈی سی حصص داران اور پراکسی ہولڈرز اجلاس ہذا میں اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ ساتھ لائیں اور پراکسی کی صورت میں سی ڈی سی حصص داران اور پراکسی ہولڈرز اپنے کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ لگائیں۔

(۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمائندہ کے دستخط (اگر پہلے مہیا نہیں کی گئیں) پراکسی فارم کے ساتھ لف کرنے ہوں گے یا اجلاس ہذا کے وقت مہیا کر سکتے ہیں۔

AFFIX

CORRECT

POSTAGE

The Company Secretary

MAPLE LEAF CEMENT FACTORY LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36278904-05

نظرثانی اشتمال شدہ مالیاتی گوشواروں پر ڈائریکٹرز رپورٹ

ڈائریکٹرز میپل لیف سیمنٹ فیکٹری لمیٹڈ (دی ہولڈنگ کمپنی) اوراس کی مکمل ملکیتی ذیلی کمپنیوں میپل لیف پاور لمیٹڈ، میپل لیف انڈسٹریز لمیٹڈ اور نووا کیئر ہاسپٹلز (پرائیویٹ) لمیٹڈ (مجموعی طور پر ایک گروپ) کے 30 جون 2024 کو ختم ہونے والے سال کے لیے نظرثانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

گروپ کے نتائج

گروپ نے گزشتہ سال کے 19,363 ملین روپے کے مقابلے میں 22,430 ملین روپے کا مجموعی منافع کمایا ہے۔ گروپ نے اس مدت کے دوران 6,920 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جبکہ گزشتہ سال کے دوران بعد از ٹیکس منافع 5,771 ملین روپے تھا۔

گروپ کے مجموعی مالیاتی نتائج درج ذیل ہیں:

	30 جون 2024	30 جون 2023
	روپے ملین میں	
فروخت	66,452	62,075
مجموعی منافع	22,430	19,363
آپریشنز سے منافع	14,341	13,074
مالیاتی چارجز	3,535	2,381
بعد از ٹیکس منافع	6,920	5,771
	روپے	
فی شیئر آمدنی - بنیادی اور معتدل	6.51	5.38

ذیلی کمپنیاں

میپل لیف پاور لمیٹڈ (MLPL)

میپل لیف سیمنٹ فیکٹری لمیٹڈ نے "میپل لیف پاور لمیٹڈ (MLPL)" کے نام سے ایک ذیلی کمپنی بنائی ہے۔ MLPL ("ذیلی ادارہ") کو پاکستان میں 15 اکتوبر 2015 کو کمپنیز آرڈیننس، 1984 (اب کمپنیز ایکٹ، 2017) کے تحت پبلک لمیٹڈ کمپنی کے طور پر قائم کیا گیا تھا۔ MLPL کا بنیادی مقصد ہولڈنگ کمپنی کو بجلی پیدا، فروخت اور فراہمی کے کاروبار میں مشغول کرنے کے سلسلے میں یہ پلانٹ لگا کر برقی توانائی تیار، ڈیزائن کرنا، چلانا اور برقرار رکھنا ہے۔

میپل لیف انڈسٹریز لمیٹڈ- (MLIL)

میپل لیف انڈسٹریز لمیٹڈ ("ذیلی کمپنی") ایک لمیٹڈ کمپنی ہے جو پاکستان میں 21 ستمبر 2022 کمپنیز ایکٹ، 2017 کے تحت ایک پبلک لمیٹڈ کے طور پر قائم کی گئی ہے۔ یہ کمپنی میپل لیف سیمنٹ فیکٹری لمیٹڈ ("دی ہولڈنگ کمپنی") کی مکمل ملکیتی ذیلی کمپنی ہے جبکہ اس کی مجموعی پیرنٹ کمپنی کوہ نور ٹیکسٹائل ملز لمیٹڈ ("دی ہولڈنگ کمپنی") ہے۔ ذیلی کمپنی کا مقصد ہر قسم کے سیمنٹ اور اس سے منسلک مصنوعات پیدا کرنا، بنانا، تیار، ٹریٹ، پراسیس، ریفائن، اور ڈیل کرنا ہے۔ ذیلی کمپنی کا رجسٹرڈ آفس 42- لارنس روڈ، لاہور، پاکستان پر واقع ہے۔ ذیلی کمپنی نے ابھی تک اپنے تجارتی کام شروع نہیں کیے ہیں۔ چونکہ، حکومت پاکستان نے سیمنٹ مینوفیکچرنگ لائن کے لئے مشینری درآمد کرنے کی اجازت نہیں دی ہے اور لہذا MLIL کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2024 کو کمپنی کا وائنڈنگ اپ پراسیس شروع کرنے کا فیصلہ کیا ہے۔

نووا کیئر ہاسپٹلز (پرائیویٹ) لمیٹڈ (NHPL)

نووا کیئر ہاسپٹلز (پرائیویٹ) لمیٹڈ ("NHPL") کو 21 مارچ 2023 کو انڈس ہولڈنگز (ADGM) لمیٹڈ ("انڈس") کے ذریعے پاکستان میں قائم کیا گیا، جس کی نمائندگی ڈائریکٹرز جناب فراز منائی اور جناب غالب حفیظ نے کی، جن میں سے ہر ایک کے پاس 2,500 حصص ہیں۔ NHPL کے کاروبار کی بنیادی لائن ہسپتالوں، فارمیسیوں، نرسنگ ہوم، کلینکس، لیبارٹریوں، ڈینٹل کلینکس اور صحت کی دیکھ بھال کے مراکز سمیت صحت کی دیکھ بھال کی سہولیات قائم، ان کا انتظام کرنا اور چلانا ہے۔ NHPL کا مقصد صحت کی دیکھ بھال اور سرجیکل خدمات فراہم کرنا ہے، جس میں مختلف بیماریوں کا علاج بھی شامل ہے۔ NHPL فی الحال ابتدائی مرحلے میں ہے اور اس نے ہسپتال کے لئے زمین خرید لی ہے جس پر اس نے تعمیراتی کام شروع کر دیا ہے۔ NHPL کا رجسٹرڈ دفتر پہلی منزل ط- F پلازہ، بلاک نمبر 2، مرکز ایف-7، اسلام آباد کیپٹل ٹیریٹری (آئی سی ٹی)، پاکستان میں واقع ہے۔

کمپنیز ایکٹ، 2017 کی تعمیل میں، سیکشن 227 کے تمام متعلقہ امور شیئر ہولڈرز کو ہماری واحد ڈائریکٹرز رپورٹ میں بیان کئے گئے ہیں۔

اظہار تشکر

ڈائریکٹرز گروپ کے اراکین، مالیاتی اداروں، صارفین اور ملازمین کے تعاون اور حمایت کے شکر گزار ہیں۔ وہ مختلف کرداروں میں کام کرنے والے ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

منجانب بورڈ

(سید محسن رضا نقوی)
ڈائریکٹر

(سعید طارق سہگل)
چیف ایگزیکٹو آفیسر

لاہور: 10 ستمبر 2024

ڈائریکٹرز کا مشاہرہ

بورڈ آف ڈائریکٹرز نے ایک "ڈائریکٹرز ریمنریشن پالیسی" منظور کی ہے، جس کی خصوصیات درج ذیل ہیں:

☆ کوئی ڈائریکٹر خود اپنا مشاہرہ متعین نہیں کرے گا۔

☆ ریگولر پیڈ چیف ایگزیکٹو، سپانسرز اور/یا فیملی ڈائریکٹرز اور کل وقتی کام کرنے والے ڈائریکٹرز کے علاوہ ایک ڈائریکٹر کی اجلاس فیس بغیر ٹیکس خالص رقم -/100,000 روپے (ایک سو ہزار روپے صرف) فی اجلاس بورڈ کے اجلاس اور اسکی کمیٹی کے اجلاس میں شرکت کے لئے -/10,000 روپے (دس ہزار روپے صرف) یا بورڈ کی طرف سے وقتاً فوقتاً متعین کردہ کے مطابق ہوگی۔

☆ موجودہ وقت کے لئے اور/یا بعد میں ترمیم شدہ لاگو ایسی ادائیگی پر اگر کوئی ٹیکس کی ذمہ داری ہوئی تو کمپنی برداشت کرے گی۔

☆ کمپنی کے لئے اور کی جانب سے منعقدہ اجلاسوں میں شرکت اور دیگر امور کے لئے ڈائریکٹرز کی طرف سے خرچ کئے جانے والے تمام اخراجات، بشمول سفری، ہوٹل چارجز اور دیگر اخراجات کمپنی سے وصول کرنے کے اہل ہونگے۔

کمپنی کے چیئر مین اور چیف ایگزیکٹو سمیت ڈائریکٹرز کو ادا کئے جانے والے مشاہرہ کی تفصیلات کا انکشاف واحد مالی حسابات کے نوٹ 47 میں کیا گیا ہے۔

شیئر ہولڈنگ کا نمونہ

30 جون 2024 کے مطابق کمپنیز ایکٹ 2017 کے تحت کمپنی کے شیئر ہولڈنگ کا نمونہ منسلک کیا گیا ہے۔

اظہار تشکر

بورڈ اس موقع پر حصص داران، ملازمین، گاہکوں، بینکوں اور دیگر اسٹیک ہولڈرز کے اعتماد اور یقین جو انھوں نے ہمیشہ ہم پر کیا، کے لئے دل کی گہرائیوں سے شکریہ ادا کرتا ہے۔

منجانب بورڈ

(سعید طارق سہگل)
چیف ایگزیکٹو آفیسر

(سید محسن رضا نقوی)
ڈائریکٹر

لاہور: 10 ستمبر 2024ء

ڈائریکٹرز اور بورڈ کے اجلاس

زیرِ 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۔ سال کے دوران کسی بھی ڈائریکٹر کا کوئی عہدہ خالی نہیں ہوا ہے۔ ہر ایک ڈائریکٹرز کی حاضری حسبِ ذیل کے مطابق ہے:

کیٹگری	نام	اجلاسوں میں حاضری
آزاد ڈائریکٹرز	جناب شفیق احمد خان	3
	جناب ذوالفقار منو	4
دیگر نان ایگزیکٹو ڈائریکٹرز	جناب طارق سعید سہگل (چیئرمین)	4
	جناب توفیق سعید سہگل	4
	جناب ولید طارق سہگل	4
	جناب دانیال توفیق سہگل	4
ایگزیکٹو ڈائریکٹر	جناب سعید طارق سہگل (چیف ایگزیکٹو آفیسر)	4
	سید محسن رضا نقوی	4
خاتون ڈائریکٹر (نان ایگزیکٹو ڈائریکٹر)	محترمہ جہاں آراء سہگل	3

ڈائریکٹرز جو بورڈ کے اجلاس میں شرکت نہیں کر سکتے تھے کو غیر حاضری کی رخصت دی گئی۔

آڈٹ کمیٹی

مالی سال کے دوران، آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے ہیں۔ ہر ایک رکن کی حاضری حسبِ ذیل کے مطابق ہے:

نام	عہدہ	اجلاسوں میں حاضری کی تعداد
جناب شفیق احمد خان	چیئرمین (آزاد ڈائریکٹر)	3
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

ان ارکان کو غیر حاضری کی رخصت دی گئی جو آڈٹ کمیٹی کے اجلاسوں میں شرکت نہیں کر سکتے تھے۔

جناب شفیق احمد خان، چیئرمین آڈٹ کمیٹی نے 19 اکتوبر 2023 کو منعقدہ آخری AGM میں شرکت کی۔

بورڈ آڈٹ کمیٹی سمیت بورڈ کمیٹیوں کی کارکردگی کی سالانہ تشخیص کرتا ہے۔

ہیومن ریسورس اور ریمنریشن 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 جولائی 2023 کو منعقد ہوا اور جناب ذوالفقار منو اجلاس میں شریک نہیں ہوئے۔ تاہم، انہیں غیر حاضری کی رخصت دی گئی۔

بورڈ نامزدگی کمیٹی اور رسک مینجمنٹ کمیٹی کی تشکیل پر غور کرے گا اور مناسب وقت پر تعمیل کرے گا۔

اصل خطرات، مشکلات اور غیر یقینی

کمپنی کو مندرجہ ذیل اہم خطرات اور مشکلات در پیش ہیں:

i۔ روپیہ کی قدر میں کمی اور بین الاقوامی مارکیٹ میں کوئلہ کی قیمتوں میں اضافہ منافع مارجن کی کمی۔

ii۔ برآمدی فروخت پر کم مارجن، سیمنٹ درآمد کرنے والے ممالک کی طرف سے کھڑی کی گئی رکاوٹیں اور جنوبی افریقہ کی طرف سے عائد کی گئی اینٹی ڈمپنگ ڈیوٹی۔

iii۔ سود کی زیادہ شرح۔

iv۔ ایندھن کے زیادہ نرخ۔

v۔ آپریشنل اخراجات میں مجموعی طور پر افراط زر کا اضافہ۔

vi۔ سیمنٹ مینوفیکچررز کے درمیان صلاحیت میں زبردست اضافہ کی وجہ سے قیمت اور فروخت کے حوالے سے مسابقت۔

vii۔ تباہ کن سیلاب کے اثرات جس نے ملک کے بڑے علاقوں کو متاثر کیا ہے۔

آرگنائزیشن پیش آنے والے ممکنہ چیلنجوں اور غیر یقینی صورتحال جو کہ بڑھنے کا امکان ہے کا مقابلہ کرنے کے لئے مؤثر طریقے سے لیس ہے۔ مشترکہ تجربے، مہارت اور مؤثر کاروباری رپورٹنگ کے ذریعے، انتظامیہ ہمیشہ داخلی اور خارجی پیشرفتوں سے آگاہ رہتی ہے۔ کمپنی نے منفرد خصوصی کراس فنکشنل ٹیمیں تشکیل دی ہیں جو آگے کے نقطہ نظر کو اُجاگر کرنے کے لئے مستقل طور پر اہم امور اور خطرات کے بارے میں تبادلہ خیال کرتی ہیں۔ PSDP ایلوکیشن میں کمی اور برآمدی منڈیوں میں کم مارجن کے باعث، مینجمنٹ کی قیادت میں مارکیٹنگ ٹیم نے غیر استعمال شدہ مقامی مارکیٹوں میں اپنی موجودگی بڑھانے کے لئے مؤثر انداز سے مارکیٹ میں داخل ہونے اور ڈویلپرز، ڈیلرز اور ہاؤس کنزیومرز کے درمیان میپل لیف سیمنٹ فیکٹری لمیٹڈ کو ایک مشہور قابل اعتماد برانڈ بنانے کی حکمت عملی کا آغاز کیا ہے۔ مجموعی افراط زر کو پورا کرنے کے لئے، پورے سال میں لاگت بچانے کے اقدامات کیے 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 حسب ذیل ہے:

تفصیل	2024	2023
	---------روپے ہزاروں میں---------	
بعد از ٹیکس منافع	5,272,527	4,491,665
منافع منقسمہ	-	-
برقرار رکھی گئی آمدنی میں منتقلہ بیلنس	**5,272,527**	**4,491,665**

لیڈرشپ سٹرکچر

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی تشکیل

ڈائریکٹرز کی کل تعداد:

a)۔ مرد 8

b)۔ خاتون 1

ترتیب:

آزاد ڈائریکٹرز	02
دیگر نان ایگزیکٹو ڈائریکٹرز	04
ایگزیکٹو ڈائریکٹرز (بشمول سی ای او)	02
خاتون ڈائریکٹر (نان ایگزیکٹو)	01

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۔

حصص کی واپس خریداری

کمپنیز ایکٹ 2017ء کی دفعہ 88 کی تعمیل میں، کمپنی نے 19 اکتوبر 2023ء کو منعقد ہونے والے سالانہ اجلاس عام اجلاس میں کمپنی کے 100 ملین عام حصص کی خرید وفروخت کی منظور شدہ مقدار میں سے منسوخی کے مقصد کے لئے خریداری کی مدت کے دوران مجموعی طور پر جاری شدہ اور پیڈ اپ 25,783,624 عام حصص خریدے ہیں، جو 27 اکتوبر 2023 سے 15 اپریل 2024 تک پاکستان اسٹاک ایکسچینج لمیٹڈ کے ذریعے خریداری کی مدت کے دوران کمپنی کے جاری کردہ عام اور ادا شدہ حصص کے سرمائے کا 2.40 فیصد ہے۔ اس طرح خریدے گئے حصص کو بعد میں 24 اپریل 2024 کو منسوخ کر دیا گیا تھا۔ اس کے نتیجے میں کمپنی کی فی حصص آمدنی اور فی حصص بریک اپ ویلیو میں اضافہ ہوگا۔

غیر مالی کارکردگی

معیار، صارف کا اطمینان، ملازمین کی ترقی اور پیشہ ورانہ معیارات کمپنی کے کلیدی شعبے ہیں جہاں انتظامیہ نے ان کو بہتر بنانے کے لئے ضروری اقدامات اٹھائے ہیں۔ کمپنی اس وقت اعلی معیار کی مصنوعات تیار اور فراہم کر رہی ہے جو گاہکوں کے زیادہ سے زیادہ اطمینان کو یقینی بناتی ہیں۔ سال کے دوران، کمپنی نے موجودہ انسانی سرمائے کی ترقی کے لئے مختلف کارکردگی کی تشخیص کی ہے۔ کمپنی تمام اسٹیک ہولڈرز کے ساتھ انتہائی اطمینان بخش تعلقات کو برقرار رکھے ہوئے ہے۔ کمپنی نے مختلف کمیٹیاں تشکیل دی ہیں جو کلیدی شعبوں کی 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 کیمونٹیز کا تعمیری ممبر بننے کی کوشش کرتی ہے جہاں وہ موجود ہے۔

کمپنی نے میڈیکل سوشل سائنسز پراجیکٹ میں بھی حصہ لیا ہے اور اس سلسلے میں، کمپنی کے بورڈ آف ڈائریکٹرز اور ہولڈنگ کمپنی کے بورڈ نے مشترکہ طور پر گلاب دیوی چیسٹ ہسپتال (جی ڈی سی ایچ) لاہور میں العلیم میڈیکل کالج میں ایڈمن بلاک کی تعمیر کے لئے عطیہ کرنے کا فیصلہ کیا ہے۔

کمپنی نے ماضی میں بھی میڈیکل سوشل سائنسز پروجیکٹ میں حصہ لیا اور اس سلسلے میں، کمپنی نے گلاب دیوی چیسٹ ہاسپٹل (GDCH) لاہور میں سعید سہگل کارڈیک کمپلیکس تعمیر کر کے ایک جدید کارڈیک سہولت عطیہ کی تھی۔

کوہ نور میپل لیف گروپ نے متعدد سماجی ذمہ داریوں کی اپنی کارکردگی کی مد میں "تیرہواں 13th کارپوریٹ سماجی ذمہ داری نیشنل ایکسیلنس ایوارڈ" حاصل کیا ہے۔

ماحول پر اثرات اور صنعتی اثرات کو کنٹرول کرنے کے لئے مفاہمتی اقدامات

روایتی طور پر، سیمنٹ پلانٹس کو ماحول دوستی کا فقدان ہوتا ہے لیکن کمپنی نے صنعتی اثرات کو کنٹرول کرنے کے لئے جدید ترین آلات نصب کئے ہیں۔ 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 لگانے کا پروگرام جاری رکھا ہوا ہے۔

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۔

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز میسرز اے، ایف، فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، نے سال کے لئے کمپنی کے مالی گوشواروں پر اپنی آزاد آڈیٹر رپورٹ میں کمپنی کے امور پر ایک غیر کوالیفائیڈ رائے کا اظہار کیا ہے۔

آڈٹ کمیٹی کی تجویز کے مطابق بورڈ نے ریٹائر ہونے والے آڈیٹرز میسرز اے، ایف، فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے اور اہل ہونے کی وجہ سے انہوں نے آئندہ سالانہ عام اجلاس میں ممبران کی منظوری سے مشروط آئندہ سال کے لئے دوبارہ تقرری کی پیشکش کی ہے۔

ادائیگیوں، ڈیٹ / 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 / ڈیٹ کی ادائیگی پر کوئی نادہندگی درج نہیں کرائی گئی۔ مزید برآں، مالی سال کے اختتام پر ٹیکسز، ڈیوٹیز اور لیویز کی مد میں کوئی ادائیگی زائد المیعاد یا بقایا نہیں ہے۔

مستقبل کا نقطہ نظر

آگے بڑھتے ہوئے، مقامی مارکیٹ میں سیمنٹ کی طلب مزید کم ہو سکتی ہے۔ سیمنٹ سیکٹر کو انتہائی نازک صورتحال کا سامنا ہے جس میں بڑے عوامل کی شکل میں متعدد خطرات ہیں جن میں فیڈرل ایکسائز ڈیوٹی 2000 روپے فی ٹن سے بڑھا کر 4000 روپے فی ٹن کرنا، صوبائی حکومت کی جانب سے خام مال پر رائلٹی میں بھاری اضافہ، افراطِ زر میں اضافہ جس سے عوام کی قوت خرید بھی متاثر ہوتی ہے اور جارحانہ ٹیکس کے اقدامات اس کے منافع کو متاثر کر رہے ہیں۔ ان عوامل کا سیمنٹ مینوفیکچررز کے مارجن پر شدید اثر پڑتا ہے۔

تاہم، کمپنی اپنی لاگت کو کم کرنے اور مزید متبادل ایندھن کی تلاش اور روایتی کوئلے کی بجائے ان ماحول دوست بائیو ماس ایندھن پر اپنا انحصار بڑھا کر ماحولیات کے لیے مثبت کردار ادا کرنے پر مسلسل توجہ مرکوز کر رہی ہے۔

مزید برآں، آئندہ سالوں میں اسٹیٹ بینک آف پاکستان کی جانب سے مانیٹری پالیسی کی شرحوں میں متوقع کمی کمپنی کی مالیاتی لاگت میں کمی کے لیے مثبت کردار ادا کرے گی اور کمپنی کو، اگر ضرورت ہو تو، موجودہ میں مینوفیکچرنگ کی سہولیات میں سرمایہ کاری کرنے یا تنوع کے لیے مزید سرمایہ حاصل کرنے کا موقع فراہم کرے گی۔

کمپنی اپنے سرمایہ کاری پورٹ فولیو کو مزید متنوع بنانے کے لیے کھاد کی صنعت میں داخل ہو رہی ہے۔ کمپنی نے پہلے ہی ایگریٹیک لمیٹڈ میں سرمایہ کاری کا آغاز کر دیا ہے جو کہ یوریا اور فاسفیٹ کھادوں کی مینوفیکچرر ہے۔

مزید برآں، کمپنی کا پاکستان میں جدید ترین صحت کی سہولیات فراہم کرنے کے لیے صحت کے شعبے میں سرمایہ کاری کرنے کا وژن ہے جو ہمیشہ سے ہی عوام کا کلیدی مسئلہ رہا ہے۔ اس مقصد کے لیے، کمپنی نے اپنے ذیلی ادارے یعنی نووا کیئر ہاسپٹلز (پرائیویٹ) لمیٹڈ (NHPL) میں سرمایہ کاری کی ہے۔ NHPL اسلام آباد میں اپنا پہلا ہسپتال تعمیر کرے گا جس کے لیے زمین حاصل کر لی گئی ہے اور اس منصوبے پر مزید پیش رفت ہو رہی ہے۔

کمپنی کے سرمایہ کاری اخراجات / جاری توسیع کی کاروباری شرح

کمپنی اپنے پلانٹ سائٹ پر شمسی توانائی کے منصوبوں کی تنصیب کے ساتھ پائیدار اور قابل تجدید توانائی میں سرمایہ کاری کر رہی ہے۔ کمپنی نے سال کے دوران کل 20 میگاواٹ شمسی توانائی کے ذریعے سیمنٹ پروڈکشن لائنوں کو بجلی فراہم کرنے کے لئے موجودہ 12.5 میگاواٹ صلاحیت کے علاوہ، مزید 7.5 میگاواٹ کا سولر پاور پلانٹ نصب کیا ہے۔

بعد کے واقعات

مالی سال 24-2023 کے اختتام کے بعد کوئی قابل ذکر واقعات رُونما نہیں ہوئے ہیں۔

میں4,923 ملین روپے کے مجموعی ٹیکس چارج کے مقابلے میں رپورٹنگ سال کے لیے مجموعی ٹیکس کی رقم3,886 ملین روپے رہی ہے۔ ٹیکسیشن میں یہ اہم اضافہ ٹیکس سے پہلے منافع میں اضافے، وفاقی حکومت کی جانب سے 30 جون 2023 کو ختم ہونے والے مالی سال کی آمدنی پر فنانس ایکٹ 2023 کے ذریعے 10 فیصد شرح پر سپر ٹیکس کے نفاذ کی وجہ سے مؤخر ٹیکس اخراجات میں اضافہ کے نتیجے میں ہوا۔

درآمدشدہ کوئلہ سے چلنے والے 40 میگاواٹ کے ذاتی پاور پلانٹ MLPL کو انسٹال اور چلانے کے لئے قائم کردہ کمپنی کی مکمل ملکیتی ذیلی کمپنی میپل لیف پاور لمیٹڈ (ایم ایل پی ایل) سے حاصل کردہ منافع کو انکم ٹیکس کے عائد سے استثنیٰ حاصل ہے۔ تاہم، جزوی ٹیکس چارج دیگر آمدنی سے متعلق ہے۔ MLPL نے مالی سال24-2023 کے دوران1,765 ملین روپے کا خالص منافع کمایا ہے۔ سال کے دوران، MLPL نے 7.5MW صلاحیت کا سولر پاور پلانٹ نصب کیا، جس نے کمپنی کے مارجن میں موزوں حصہ شامل 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 سال کے لئے گزشتہ سال کی اسی مدت کے لئے زیریں لائن میں 5,771 ملین روپے مجموعی منافع کے مقابلے 6,920 ملین روپے منافع پر 19.91 فیصد اضافہ کے ساتھ ٹیکس کے بعد کی زیریں لائن کو متاثر کیا ہے۔

پورے سال کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کی شرح کا متعدد بار جائزہ لیا اور سال کے پہلے گیارہ میں کوئی تبدیلی نہیں کی گئی جس کے نتیجے سال کے دوران مالی لاگت زیادہ ہوئی باوجود اس حقیقت کے کہ کمپنی نے اپنے طویل مدتی قرضوں کی واپس ادائیگی کی ہے۔ تاہم، جون2024 میں مانیٹری پالیسی شرح مثبت اقتصادی بحالی اور زیادہ افراطِ زر کی شرح میں کمی کی وجہ سے150bps کی کمی سے 22% سے 20.50% کردی گئی۔ کمپنی کو اُمید ہے کہ مانیٹری پالیسی شرح آئندہ سالوں میں مزید کم ہوجائے گی جس سے کمپنی کے لئے مالی لاگت کا بوجھ مزید کم ہوجائے گا اور اس کے نتیجے زیریں لائنیں بہتر ہوجائیں گی۔

ڈیویڈینڈ

30 جون2024 کو ختم ہونے والے سال کے لیے ڈیویڈنڈ پاس اوور کرنے کا فیصلہ کیا گیا کیونکہ کمپنی نے اپنے قرضوں کو کم کرنے، نووا کیئر ہاسپٹلز (پرائیویٹ) لمیٹڈ (NHPL) کے ایک نئے منصوبہ کا آغاز کر کے ہیلتھ کیئر سہولیات میں سرمایہ کاری اور ایگریٹیک لمیٹڈ (AGL) میں سرمایہ کاری کرنے کے لیے آپریشنز سے پیدا شدہ اپنی نقد رقوم کو استعمال کیا ہے۔ مزید برآں، زیادہ شرح سود کی وجہ سے، کمپنی نے اپنی طویل مدتی فنانسنگ کا کچھ حصہ پری پیڈ کر دیا ہے۔ اس سے کمپنی کو پیداواری لاگت میں مسلسل اضافے اور افراطِ زر کے دیگر عوامل سے نمٹنے کے لیے ایک مالی مدد ملے گی۔ مجموعی طور پر بہتر معاشی اور سیمنٹ کے ترسیلی حالات مستقبل میں ڈیویڈنڈ کی ادائیگیوں کے امکانات کو سازگار بنائیں 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 گوشواروں کا سہ ماہی بنیاد پر جائزہ لیتی ہے۔

مالی گوشواروں کی تیاری اور پیش کرنے کی انتظامیہ کی ذمہ داری

پاکستان میں قابل اطلاق اور کمپنیز ایکٹ، 2017 (XIX of 2017) کی ضروریات کے مطابق مینجمنٹ اکاؤنٹنگ اور رپورٹنگ کے معیارات کے تحت مالی گوشواروں کی تیاری اور منصفانہ طور پر پیش کرنے کی اپنی ذمہ داری سے بخوبی آگاہ ہے اور انتظامیہ اس طرح کے داخلی کنٹرول کا تعین کرتی ہے جو مالی گوشواروں کی تیاری کے لئے ضروری ہے تاکہ وہ مادی غلط تشہیر سے پاک ہوں، چاہے دھوکہ دہی یا غلطی کی وجہ سے ہو۔

پائیداری کے خطرات اور مواقعوں سے نمٹنے میں بورڈ اور اس کے ممبران کا کردار

بورڈ طویل مدتی کارپوریٹ قدر پیدا کرنے کے لئے کمپنی کی پائیداری کی حکمت عملی، ترجیحات اور اہداف کا تعین کر کے کمپنی کے اندر پائیداری کے خطرات اور مواقعوں کی گورننس اور نگرانی کا ذمہ دار ہے، جس میں ماحولیاتی، معاشرتی اور گورننس کے معاملات شامل ہیں۔

بورڈ اس بات کو یقینی بناتا ہے کہ تنوع، مساوات اور شمولیت (ڈی ای اینڈ آئی) کو فروغ دینے کی پالیسیوں میں صنفی مرکزی دھارے میں لانے، صنفی مساوات اور کمپنی کے بورڈ، انتظامیہ اور افرادی قوت میں خواتین کی شرکت کی حوصلہ افزائی کی گئی ہے۔

مالی سال2023-24 کے دوران، پیداوار اور ترسیلات گزشتہ سال کی کارکردگی کے موازنہ میں کم ہوئیں، جیسا کہ درج ذیل اعداد وشمار سے ثابت ہوتا ہے:

	جولائی تا جون			
	2024	2023	تغیرات	فیصد
	------------------میٹرک ٹن------------------			
پیداوار				
کلنکر کی پیداوار	3,625,857	3,928,830	(302,973)	-7.71%
سیمنٹ کی پیداوار	4,051,726	4,253,451	(201,725)	-4.74%
فروخت				
مقامی	3,890,955	4,143,452	(252,497)	-6.09%
برآمدات	177,263	129,992	47,271	36.36%
	4,068,218	**4,273,444**	**(205,226)**	**-4.80%**

کل4,068,218 ٹن کا فروخت حجم گزشتہ مالی سال کے دوران فروخت شدہ4,273,444 ٹن سے4.80 فیصد کی کمی کو ظاہر کرتا ہے۔ مقامی فروخت حجم گزشتہ مالی سال سے6.09 فیصد کم ہوکر3,890,955 ٹن تک ہوا لیکن برآمدی فروخت حجم گزشتہ مالی سال کے 129,992 ٹن سے بڑھ کر177,263 ٹن ہوگیا، یعنی36.36 فیصد کا اضافہ ہوا ہے۔

سال2023-24 کے دوران، کمپنی نے گزشتہ سال میں62,075 ملین روپے کے مقابلے66,452 ملین روپے مجموعی خالص فروخت درج کی۔ کمپنی کی ٹاپ لائن میں7.05 فیصد اضافہ ہوا جس کی بنیادی وجہ مقامی مارکیٹ میں فروخت کی قیمتوں میں بہتری ہے۔ فروخت قیمتوں میں اضافہ بنیادی طور پر اِن پُٹ اخراجات، خاص طور ایندھن، توانائی، خام مال، پیکنگ میٹریل پر زیادہ مہنگائی کے اثرات اور زیادہ سود کی ادائیگیوں کی وجہ سے ہوا ہے۔ تعمیراتی شعبہ میں نمو بڑے پیمانے کے منصوبوں کے اطلاق کی کمی اور زیادہ ٹیکسوں کے باعث ہاؤسنگ سیکٹر میں متوقع طلب کم ہونے کی وجہ سے توقعات سے کم ہے۔

کمپنی کی برآمدات کا حجم گزشتہ اسی مدت کے129,992 میٹرک ٹن سے36.36 فیصد بڑھ کر177,263 میٹرک ٹن تک پہنچ گیا۔ گزشتہ سال کے مقابلے برآمدی فروخت میں اس اضافہ کے باوجود، افغانستان سے امریکی انخلاء سے برآمدات میں بہت زیادہ اضافہ نہیں ہوا ہے۔ عالمی منڈیوں کے مقابلے پاکستان میں پیداواری لاگت زیادہ اور علاقائی منڈیوں میں مسابقت کو متاثر کرنے والی شپنگ کی قیمتوں میں اضافے کی وجہ سے باقی دنیا میں سیمنٹ کی ترسیل ممکن نہیں تھی۔

مالی سال کی چوتھی سہ ماہی کے دوران عالمی کساد بازاری کے باعث طلب کی کمی کی وجہ سے کوئلے کی عالمی قیمتیں کم ہوگئیں اور اس وقت مقامی دستیاب افغانی کوئلہ کے مقابلے موزوں ہیں۔ مزید برآں، سال کے دوران، کمپنی نے مقامی کوئلہ اور دیگر دستیاب ایندھن پر زیادہ انحصار کیا۔

کمپنی کی انتظامیہ نے لاگت پر قابو پانے کے اقدامات شروع کیے ہیں اور تمام شعبوں میں متعدد اسکیمیں نافذ کی ہیں جس میں متبادل ایندھن کا استعمال اور مقررہ لاگت کو کم کرنے کی مخصوص توجہ کے ساتھ پلانٹ کے بہتر آپریشنز شامل ہیں۔

کمپنی اپنے بجلی پیدا کرنے کے ذرائع پر منحصر کرتے ہوئے ٹیرا کی شرح میں اضافہ کے ممکنہ منفی اثرات کو بڑی حد تک روکنے میں کامیاب رہی، جس میں کوئلے سے چلنے والے پاور پلانٹ (CFPP)، سولر پاور پلانٹس اور ویسٹ ہیٹ ریکوری پلانٹ شامل ہیں، جو کہ کمپنی کے لئے بجلی کا سب سے سستا ذریعہ ہے۔ ویسٹ ہیٹ ریکوری پلانٹ اب کمپنی کے پاور مکس کا نمایاں حصہ رکھتا ہے۔ اوپر بیان کردہ لاگت میں کمی کی تمام کوششوں نے پچھلے سال کے مقابلے مارجن میں زیادہ حصہ ڈالا ہے۔

پیداوار کی لاگت کو متاثر کرنے والے مذکورہ بالا عوامل کی بدولت، کمپنی نے سال کے دوران22,430 ملین روپے کا مجموعی منافع حاصل کیا، جو کہ گزشتہ سال میں بیان کردہ19,363 ملین روپے سے15.84 فیصد کا اضافہ ہے۔

کمپنی نے مالی سال2023-24 کے لیے10,806 ملین روپے کا مجموعی قبل از ٹیکس منافع درج کیا جو کہ گزشتہ سال میں10,694 ملین روپے سے1.05 فیصد زیادہ ہے۔ گزشتہ سال

حصص داران کے لئے ڈائریکٹرز رپورٹ

کمپنیز ایکٹ، 2017 کی دفعہ 227 کی تعمیل میں، آپ کی کمپنی کے ڈائریکٹرز 30 جون 2024 مختتمہ سال کیلئے 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 کمپنیوں میپل لیف پاور لمیٹڈ (MLPL) اور میپل لیف انڈسٹریز لمیٹڈ (MLIL) معہ اسکی ذیلی کمپنی نووا کیئر ہاسپٹلز (پرائیویٹ) لمیٹڈ (NHPL) کی مجموعی مالی جھلکیاں مندرجہ ذیل ہیں:-

میپل لیف سیمنٹ فیکٹری لمیٹڈ۔ مجموعی

	مختتمہ سال (جولائی تا جون)			
	2024	2023	تغیرات	فیصد
	(روپے ہزاروں میں)			
خالص فروخت آمدنی	66,452,348	62,075,259	4,377,089	7.05%
مجموعی منافع	22,430,465	19,363,142	3,067,323	15.84%
آپریٹنگ منافع	14,341,191	13,074,467	1,266,724	9.69%
مالی لاگت	3,535,084	2,380,827	1,154,257	48.48%
ٹیکس سے پہلے منافع	10,806,107	10,693,640	112,467	1.05%
ٹیکسیشن	3,886,330	4,922,878	(1,036,548)	-21.06
ٹیکس کے بعد منافع	6,919,777	5,770,762	1,149,015	19.91%
فی شیئر آمدنی (روپے)	6.51	5.38	1.13	21.00%

کمپنی کی غیر مجموعی مالی جھلکیاں مندرجہ ذیل ہیں:

میپل لیف سیمنٹ فیکٹری لمیٹڈ غیر مجموعی

	مختتمہ سال (جولائی تا جون)			
	2024	2023	تغیرات	فیصد
	(روپے ہزاروں میں)			
خالص فروخت آمدنی	66,452,348	62,075,259	4,377,089	7.05%
مجموعی منافع	20,964,284	18,173,353	2,790,931	15.36%
آپریٹنگ منافع	13,069,734	12,001,415	1,068,319	8.90%
مالی لاگت	4,138,286	2,750,748	1,387,538	50.44%
ٹیکس سے پہلے منافع	8,931,448	9,250,667	(319,219)	-3.45%
ٹیکسیشن	3,658,921	4,758,998	(1,100,077)	-23.12%
ٹیکس کے بعد منافع	5,272,527	4,491,669	780,858	17.38%
فی شیئر آمدنی (روپے)	4.98	4.18	0.80	19.14%

MAPLE LEAF CEMENT

A Kohinoor Maple Leaf Group Company
42-Lawrence Road, Lahore, Pakistan