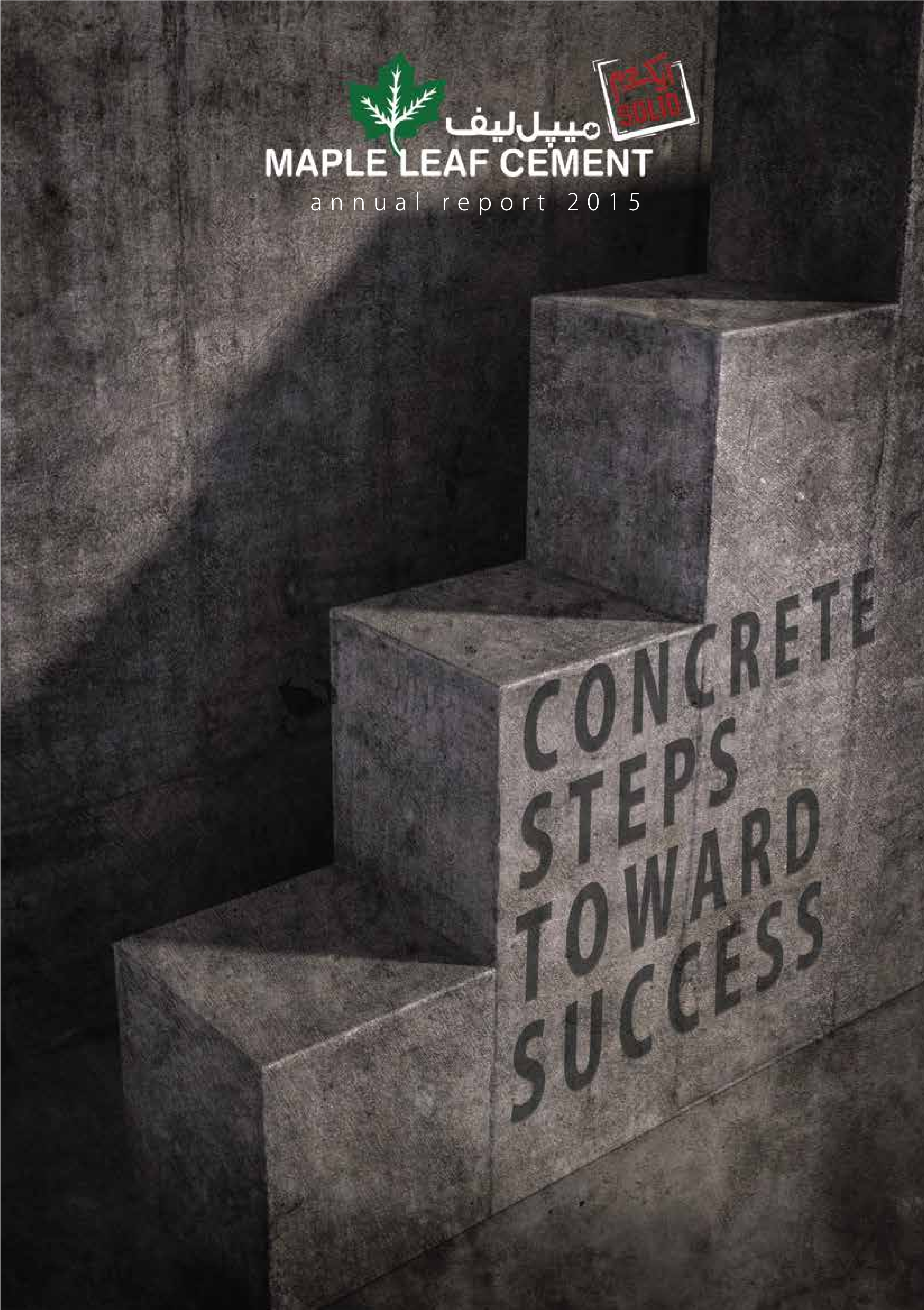
میپل لیف

MAPLE LEAF CEMENT

annual report 2015



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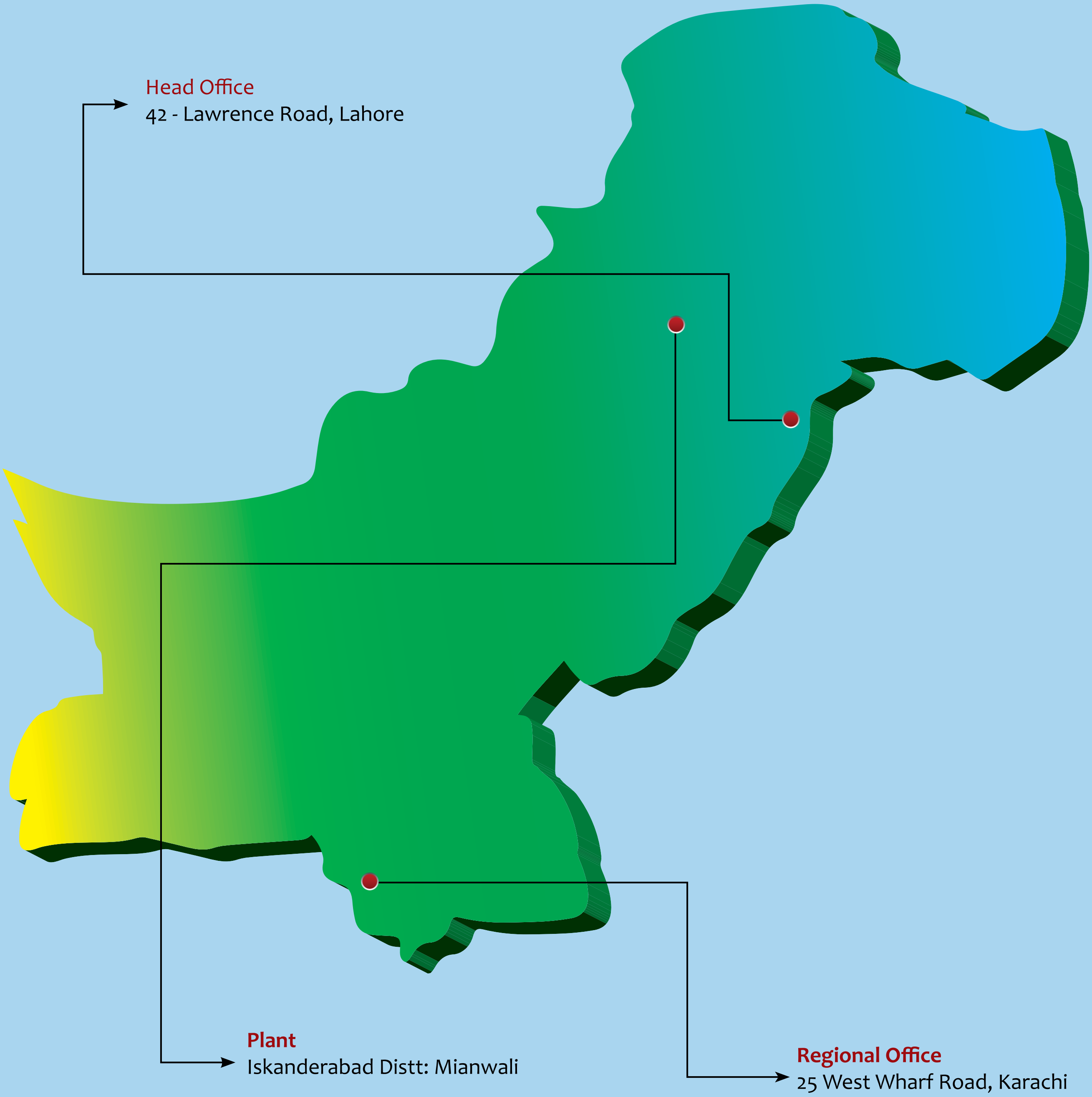
Financial Highlights
2015 Vs 2014
EBITDA
9%
Sales Revenue
9%
Operating Profit
10%
Earnings Per Share
22%
Profit After Tax
22%
Shareholders' Equity
32%
Interest Coverage
49%
Market Capitalization
161%

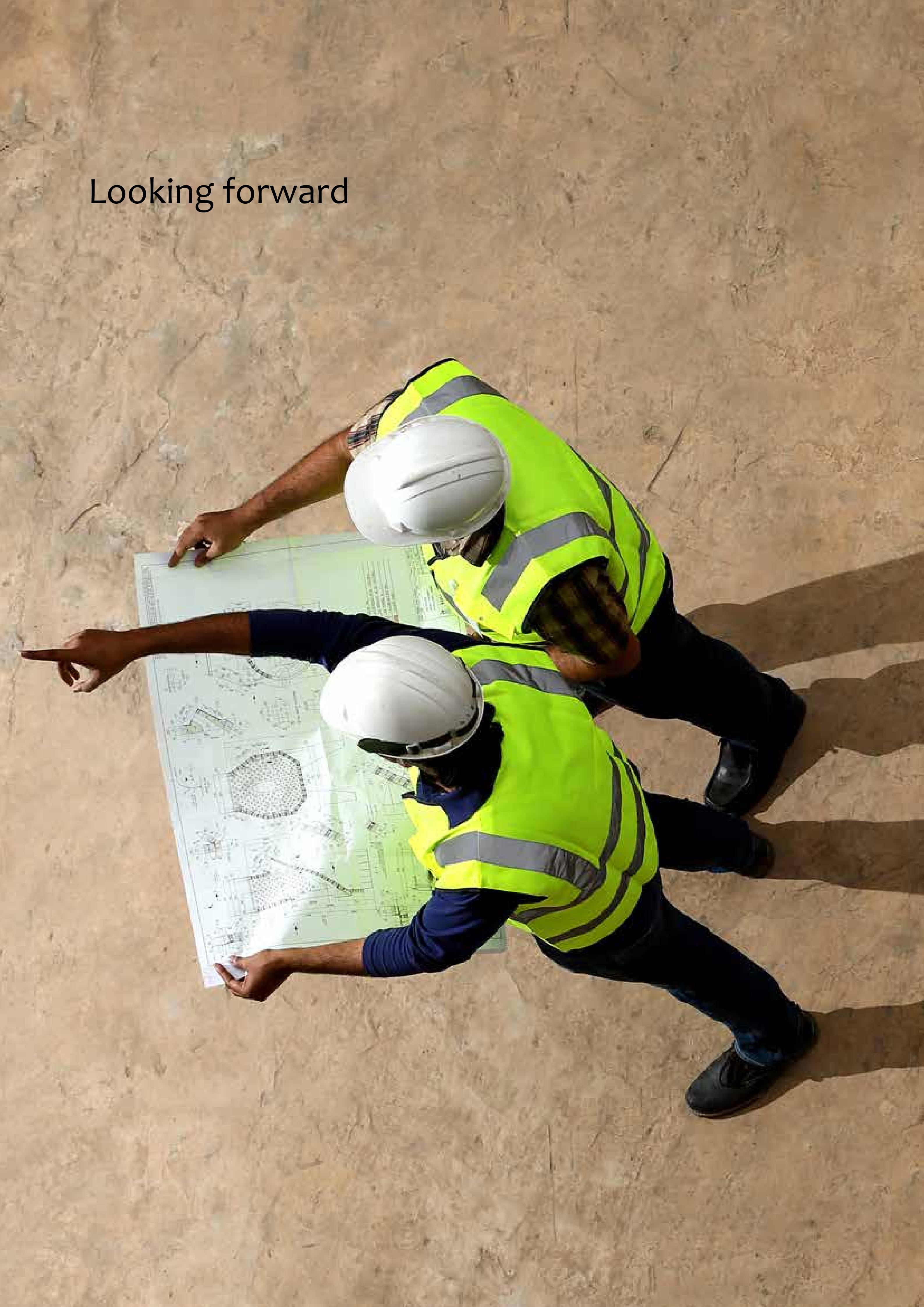
Geographical Presence



Effective teamwork

Master Mistri Program

Looking forward



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	
Syed Mohsin Raza Naqvi	
Mr. Zamiruddin Azar	
Mr. Karim Hatim	

Audit Committee

Mr. Zamiruddin Azar	Chairman
Mr. Waleed Tariq Saigol	Member
Mr. Danial Taufique Saigol	Member
Mr. Karim Hatim	Member

Human Resource & Remuneration Committee

Mr. Waleed Tariq Saigol	Chairman
Mr. Zamiruddin Azar	Member
Mr. Danial Taufique Saigol	Member

Chief Financial Officer
Syed Mohsin Raza Naqvi

Company Secretary
Mr. Muhammad Ashraf

Chief Internal Auditor
Mr. Bilal Hussain

Bankers of the Company
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Burj Bank Limited
Bank of Khyber Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
First Dawood Islamic Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Islamic Corporation for the Development of the Private Sector, Jeddah
KASB Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Pak Brunei Investment Company Limited
Pak-Libya Holding Company (Pvt.) Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
Trust Investment Bank Limited
United Bank Limited

Auditors
KPMG Taseer Hadi & Co. Chartered Accountants

Legal Adviser
Mr. Shahid Ismail Advocate High Court

Registered Office
42-Lawrence Road, Lahore.
Phone: (042) 36278904-5
Fax: (042) 36368721
E-mail: mohsin.naqvi@kmlg.com

Factory
Iskanderabad Distt. Mianwali.
Phone: (0459) 392237-8

Call Centre (24/7)
0800-41111

Share Registrar
Vision Consulting Ltd.
Head Office: 3-C, LDA Flats,
Lawrence Road, Lahore
Phone: (042) 36283096-97
Fax: (042) 36312550
E-mail: shares@vcl.com.pk

Company Website:
www.kmlg.com

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

Vision Statement

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

Mission Statement

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

Corporate Strategy

We at Maple Leaf Cement Factory 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 interest of our stakeholders and contribute towards the prosperity of the country.

Core Values

Maple Leaf Cement 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.

History of Maple

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

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

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

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

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

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

- 1994, the Company was listed on all Stock Exchanges in Pakistan.

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

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

- 2004, the coal conversion project at new dry process plant was completed.

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

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

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

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

- 2011, the Company successfully started Waste Heat Recovery Boiler Plant.

- 2012, the Company started earning profit and recorded PKR 496 million profit after tax.

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

- 2014, the Company and Pakistan Railway signed an agreement to transport coal and cement from Karachi to Daudkhel and vice - versa.

- 2015, the Company recorded the highest ever turnover of PKR 20,720 million as well as profit after tax of PKR 3,454 million. The Company reduced its debt burden by 46% as compared with last year. The Company has proposed a final cash dividend of 10% in addition to interim cash dividend of 10% which has already been paid.

Shared responsibility

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 are not in any way compromised.

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

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

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

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

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

KMLG Head Office

Company Profile and Group Structure

Maple Leaf Cement 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 (MLCF). MLCF is a subsidiary company of KTML. The Group companies are ranked amongst the top companies in the cement and textile sectors.

A wholly owned public limited subsidiary company of Maple Leaf Cement namely, Maple Leaf Power Limited (Proposed) is in the process of incorporation. The main purpose of this entity shall be the generation and supply of power for Maple Leaf Cement and reduce dependency on the national grid.

Maple Leaf Capital Limited (MLCL) has been set up as an unlisted public limited company having authorized share capital of Rs. 2,500 million with paid up capital of Rs. 1,515 million. Its principal object is to buy, sell, hold or otherwise acquire or invest its capital in any sort of financial instruments. This is the subsidiary of Kohinoor Textile Mills Limited, the holding company of Maple Leaf Cement.

Nature of Business:

Maple Leaf Cement Factory Limited is part of the Kohinoor Maple Leaf Group which is a reputable manufacturer of textile and cement in Pakistan. Maple Leaf Cement is the largest single cement production site in Pakistan. It is one of the pioneers of cement industry in Pakistan and in 1956 it was formed by the collaboration between the West Pakistan Industrial Development Corporation and the Government of Canada. Currently, the Company operates via two production lines for the production of grey cement and one line for white cement in which it owns more than 90% market share. All three lines are owned assets of the Company. Total installed capacity for clinker production is 3,360,000 tons annually.

Macro Factors Affecting the Business:

a) Pakistan Economy - The revival of growth that started in 2013-14 has accelerated in 2014-15 as per indicators released by the National Accounts Committee. The factors contributing this momentum in growth include the reform initiatives, commitment to a calibrated fiscal and monetary management and an overall improvement in the macroeconomic situation. The impact of these factors was strengthened by a steep decline in oil prices, rise in foreign exchange buffers, growth in remittances and proceeds from privatization.

b) Cement Industry – The cement sector has been on the rise as being a major component of development projects, a key focus of the current government. Also, reduction in cost owing to reduced HFO/coal prices has also benefited the sector as a whole. Major players have continuously registered increased profitability during the year and surpassing expectations by better margins. Overall economic upgrade of the economy has also played a major role in this rise in demand.

c) Inflation – From the start of the year, Inflation on a year on year basis, decreased from 7% to 2.1% in April which is the lowest level since 2003-2004 (SBP Inflation Snapshot). However, towards the end of the financial year, it increased slightly to close at 3.2%.

d) Public Sector Development Budget (PSDB) – One of the major focus of the present government is on public sector development including infrastructure which has led to an increase in PSDB over the years. Majority of the PSDP projects are concentrated in Punjab, followed by Sindh and Khyber Pakhtunkhwa. Being majorly concentrated in Punjab, this gives the Company an advantage as its local market is also currently majorly clustered in Punjab.

e) Fiscal Development – The fiscal deficit has decreased from 8.8% in 2013 to 5.3% in 2015. This has been possible by the reforms of the present government on both revenue and expenditure side. The government further expects to decrease this to 4.3% for the year 2015-2016.

f) Construction Activity – Based on low inflation, reduced fiscal deficit and increased economic performance as mentioned above, the construction activity also got a boost with major housing projects initiated in all areas of Pakistan.

g) Money & Credit – The discount rate has reduced from 10% in 2013 to 7.5% in 2015. Balance of payments also improved at the backing of reduced import bill and steady growth in workers' remittances. Foreign exchange reserves closed at $13.5 billion as on 30th June 2015.

h) Main Market – The main market of the Company is the domestic market supported by exports which are mainly in Africa, Gulf and other Asian countries.

i) Environment – The operations of the Company are subject to different environmental, corporate and labor laws and it is fully complying with these and other relevant laws.

Micro Factors Affecting the Business:

a) Business model for the Company – The business model of the Company is to increase retention, reduce the cost of production and increase in customer satisfaction. The approach to be followed is to reduce variable cost through various cost efficient measures.

b) Product portfolio – To cater to varying needs of the market, Maple Leaf produces the following cement:
   i) Ordinary Portland Cement
   ii) Sulphate Resistant Cement
   iii) Low Alkali Cement
   iv) White Cement

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

c) Competitors – Maple Leaf is amongst the top companies in the cement industry. It has performed handsomely and has yielded results which have placed it in the top ranks. The Company is always striving to improve with focus on improved sales and cost reduction measures.

d) Suppliers – Coal is mainly imported from South Africa, which is a famous source all over the world for its high gross caloric value and low moisture content. Raw materials like limestone, clay and gypsum are mined by contractors on leased lands by Maple Leaf Cement.

Acutely dutiful

Statement of Overall Strategic Objectives 2015-2016

Following are the main principles that constitute the strategic objectives of Maple Leaf Cement Factory Limited:-

1. Improved capacity utilization of the Company's production facilities.

2. Modernization of production facilities in order to ensure the most effective production.

3. Effective marketing and innovative concepts.

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.

5. Effective use of available resources.

6. Explore alternative energy resources.

7. Further improvements in Code of Corporate Governance through restructuring of assets and optimization of management processes.

8. Compliance with local and international environmental and quality management standards, implementation of technologies allowing to comply with the limitations imposed on pollutant emissions.

9. Implementation of projects in social and economic development of communities.

Thriving individuals

Notice of Annual General Meeting

Notice is hereby given that the 55th Annual General Meeting of the members of Maple Leaf Cement Factory Limited (the "Company") will be held on Saturday, October 31, 2015 at 11:00 AM at 42-Lawrence Road, Lahore, the Registered Office of the Company, to transact the following business:-

Ordinary Business:

1) To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2015 together with the Directors' and Auditors' Reports thereon.

31 October

11:00 am

2) To approve the final cash dividend of Re.1/- per share (10%) for the year ended June 30, 2015, as recommended by the Board of Directors. This is in addition to the interim dividend of Re.1/- per share (10%) already paid making a total cash dividend of Rs.2/- per share (20%) during the year.

3) To appoint Auditors for the year ending on June 30, 2016 and fix their remuneration. The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants, the retiring auditors and being eligible offer themselves for re-appointment.

Special Business:

4) To consider and if deemed fit, to pass the following special resolution under Section 208 of the Companies Ordinance, 1984, with or without modification, addition(s) or deletion(s), 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 208 of the Companies Ordinance, 1984 (the "Ordinance") 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.500 million (Rupees five hundred million only) for a period of one year commencing from November 01, 2015 to October 31, 2016 (both days inclusive) at the mark-up rate of one percent above the average borrowing cost of the Company. Vide special resolution passed in general meeting held on October 30, 2014 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs.300 million which is valid till October 31, 2015.

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

BY ORDER OF THE BOARD

(Muhammad Ashraf)
Company Secretary

Lahore: October 10, 2015

Notes:

1. The Share Transfer Books of the Company will remain closed from October 20, 2015 to October 31, 2015 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Ltd, 3-C, LDA Flats, Lawrence Road, Lahore, at the close of business on October 19, 2015 will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.

2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy and CDC shareholders shall attach an attested copy of his/her Computerized National Identity Card (CNIC) / Passport. Proxies, in order to be effective, must reach 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. Representatives of corporate members should bring the usual documents required for such purpose.

3. The Members, who desire for receiving the audited financial statements and AGM Notice through e-mail, are requested to send their written consent on a Standard Request Form available on website www.kmlg.com in order to avail this facility.

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

   a. Change in their addresses;

   b. Dividend mandate information i.e. Title of Bank Account, Bank Account No., Bank's Name, Branch Address and Cell / Landline No(s). of the Transferee(s) towards direct dispatch of cash dividend cheque(s) to their bankers;

   c. Valid and legible copies of CNIC for printing of CNIC number(s) on their Dividend Warrant(s) as required vide SRO 831 (I)/2012 dated July 05, 2012. In case of non-submission of valid & legible copy of CNIC, the Company will be constrained to withhold the Dividend Warrant(s) under Section 251(2) of the Companies Ordinance, 1984;

   d. Valid and legible copies of National Tax Number (NTN) or NTN Certificate(s) of corporate entities and must quote the company name and their respective folio numbers thereon while sending the copies;

   e. Pursuant to requirement of the Finance Act, 2015 effective July 01, 2015, the 'Filer' & 'Non-Filer' shareholders will pay tax on dividend income @12.5% and 17.5% respectively. Therefore, please ensure that their name(s) have been entered into Active Taxpayers List (ATL) provided on website www.fbr.gov.pk of the Federal Board of Revenue (FBR), despite the fact that the shareholder is a filer, before the payment date of cash dividend i.e. November 27, 2015, otherwise tax on cash dividend will be deducted @17.5% instead of 12.5%;

f. As per clarification of FBR, each holder is to be treated individually as either a 'Filer' or 'Non-Filer' and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing within 10 days from entitlement date i.e. October 19, 2015 as follows, to our Share Registrar, or if no notification, each joint holder shall be assumed to have an equal number of shares.

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

g. Related reference from law or valid tax exemption certificate issued by the concerned Commissioner of Inland Revenue is to be furnished to the Company / Share Registrar in order to avail tax exemption otherwise tax will be deducted under the provisions of the law.

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

i. The audited financial statements for the year ended June 30, 2015 are available on website of the Company www.kmlg.com.

Pioneering trust

Statement Under Section 160(1) (b) of the Ordinance:

INVESTMENT IN HOLDING COMPANY

This statement sets out the material facts pertaining to the special business proposed to be transacted under Section 208 of the Ordinance at the forthcoming Annual General Meeting of the Company to be held on October 31, 2015.

Kohinoor Textile Mills Limited ("KTML"), the holding company, having its Registered Office at 42-Lawrence Road, Lahore, is a manufacturer of yarn and cloth, processing and stitching the cloth and trade of textile products. Its production comprises 156,528 ring spindles capable of spinning a wide range of counts using cotton and Man-made fibers. The weaving facilities at Raiwind comprise 252 looms capable of weaving wide range of greige fabrics. The processing facilities at the Rawalpindi unit are capable of dyeing and printing fabrics for the home textile market. The stitching facilities produce a diversified range of home textiles for the export market. Both the dyeing and stitching facilities are being augmented to take advantage of greater market access.

The Board of Directors of the Company in their meeting held on September 09, 2015 has approved Rs.500 million as loans / advances, being a reciprocal facility, to KTML on the basis of escalating profit trend of KTML subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to KTML in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

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

Visualizing the future

The information under clauses 3(1)(b) & 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012.

<table>
<tr><th>Ref. No.</th><th>Requirement</th><th>Information</th></tr>
<tr><td>(i)</td><td>Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established;</td><td>Kohinoor Textile Mills Limited (the “KTML”)

KTML is a holding company of Maple Leaf Cement Factory Limited (the “Company”).</td></tr>
<tr><td>(ii)</td><td>Amount of loans or advances;</td><td>Rs.500 million (Rupees five hundred million only).</td></tr>
<tr><td>(iii)</td><td>Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances;</td><td>Purpose: To earn income on the loan and/or advances to be provided to KTML from time to time for working capital requirements of KTML.

Benefits: The Company will receive mark up at the rate of one percent above its average borrowing cost. This shall benefit the Company’s cash flow by earning profit on idle funds.

Period: For a period of one year from November 01, 2015 to October 31, 2016 (both days inclusive).</td></tr>
<tr><td>(iv)</td><td>In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof;</td><td>A similar nature of loan/advance facility of Rs.300 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 30, 2014 which is valid till October 31, 2015.</td></tr>
<tr><td>(v)</td><td>Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements;</td><td>Based on the audited financial statements for the financial year ended 30 June 2015, the financial position of KTML is as under:-
<table>
<tr><th>Particulars</th><th>Amount Rupees (000)</th></tr>
<tr><td>Paid up capital</td><td>2,455,262</td></tr>
<tr><td>Reserves</td><td>5,554,966</td></tr>
<tr><td>Surplus on revaluation of land and investment properties</td><td>3,673,825</td></tr>
<tr><td>Current liabilities</td><td>5,185,753</td></tr>
<tr><td>Current assets</td><td>5,338,022</td></tr>
<tr><td>Breakup value per share (Rs.) without revaluation</td><td>32.62</td></tr>
<tr><td>Sales</td><td>15,862,743</td></tr>
<tr><td>Gross Profit</td><td>2,729,989</td></tr>
<tr><td>Operating Profit</td><td>2,897,223</td></tr>
<tr><td>Net Profit</td><td>2,086,833</td></tr>
<tr><td>Earnings per share (Rs.)</td><td>8.50</td></tr>
</table></td></tr>
</table>

Ref. No.	Requirement	Information
(vi)	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;	Average borrowing cost of the Company is 10.02% for the year ended June 30, 2015.
(vii)	Rate of interest, mark up, profit, fees or commission etc. to be charged;	Mark-up will be charged to KTML at one percent above the average borrowing cost of the Company.
(viii)	Sources of funds from where loans or advances will be given;	Loan and / or advance will be given out of own funds of the Company.
(ix)	Where loans or advances are being granted using borrowed funds,- (I) justification for granting the loan or advance out of borrowed funds; (II) detail of guarantees / assets pledged for obtaining such funds, if any; and (III) repayment schedules of borrowing of the investing company;	N/A
(x)	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	No collateral is considered necessary since KTML is a holding company of the Company.
(xi)	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
(xii)	Repayment schedule and terms of loans or advances to be given to the investee company;	The loan / advance would be for a period of one year from November 01, 2015 to October 31, 2016 (both days inclusive). KTML will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2016.

Broader vision

Ref. No.	Requirement	Information		
(xiii)	Salient features of agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment;	**Nature**	:	Loan / advance
		Purpose	:	To earn mark- up / profit on loan / advance being provided to KTML which will augment the Company's cash flow
		Period	:	One Year
		Rate of Mark-up	:	Above one percent of the average borrowing cost of the Company
		Repayment	:	Principal plus mark up/ profit upto October 31, 2016
		Penalty charges	:	@ 3-months KIBOR plus one percent in addition to the outstanding amount(s).
(xiv)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertakings or the transaction under consideration; and	Investing Company i.e. the Company is a subsidiary company of KTML and six Directors being 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.		
(xv)	Any other important details necessary for the members to understand the transaction.	N/A		

Six Directors including sponsor Directors of the Company are also the members of investee company i.e. KTML and are interested to the extent of their shareholding as under:-

Name	%age of shareholding in KTML	%age of shareholding in the Company
Mr. Tariq Sayeed Saigol & his spouse	4.2727	0.3540
Mr. Taufique Sayeed Saigol	4.4098	0.0010
Mr. Sayeed Tariq Saigol	0.1286	0.0010
Mr. Waleed Tariq Saigol	0.0289	0.0010
Mr. Danial Taufique Saigol	0.0010	0.0005
Mr. Zamiruddin Azar	0.0024	0.0020

Directors' Report to the Shareholders

The Directors are pleased to present the 55th annual report along with audited financial statements and Auditors' Report thereon for the year ended June 30, 2015.

The financial highlights are as follows:-

	(Rupees in thousand) Year Ended	
	2015	2014
Net Sales Revenue	20,720,054	18,968,547
Gross Profit	7,495,623	6,522,985
Operating Profit	5,583,550	5,055,173
Finance Cost	1,082,639	1,464,772
Profit Before Taxation	4,500,911	3,590,401
Taxation	1,046,616	760,227
Profit After Taxation	3,454,295	2,830,174
Earnings Per Share (Rs.)	6.55	5.36

The Company registered record net sales of Rs.20,720 million against Rs.18,969 million in the corresponding year, showing growth of 9.2% along with stable cement price on account of volumetric improvement in local dispatches due to enhanced pace of economic activity. Higher disposable income on account of reduced inflation impacted demand favourably. This development accelerated private sector construction activities and partial materialization of budgeted Public Sector Development Programme (PSDP) also gave a fillip to construction activity. Housing projects were initiated in all major cities of the country; and ones already in process are moving speedily towards completion. In the north zone markets, Maple Leaf Cement is still the premium brand and is selling its products at better prices compared to other brands, resulting in improved retention prices per ton. The Company is the largest manufacturer of white cement in Pakistan with the highest retention. During the year, white cement production and local dispatches improved over the previous year due to increase in demand.

Export volumes have also shown a rising trend with growth of 9.1%. Gains were recorded in dispatches to India and the rest of the world. This increase is despite a dip in sales to Afghanistan by 30% due to reduced activity after withdrawal of NATO forces and competition from Iranian cement. The margins on export business remained minimal during the year. Iranian cement is also proving to be a threat to the local industry which is imported into Pakistan illegally and requires immediate attention of our government. Recent imposition of anti-dumping duties in South Africa has had no effect on us as the Company is not exporting cement to South Africa since more than a year. Our marketing strategy was redirected to focus on other African markets. However, this action by the South African authorities has affected overall export volumes by other manufacturers.

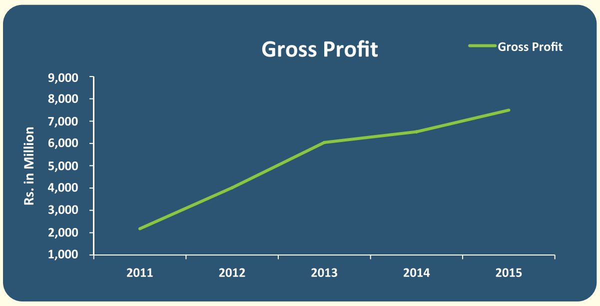
Capacity utilization and dispatches also improved as evident from data shown below:-

Particulars	July to June		Variance	
	2015	2014	Qty	% age
	------------------M. Tons----------------			
Production				
Clinker Production	2,824,854	2,694,848	130,006	4.82%
Cement Production	3,005,456	2,753,142	252,314	9.16%
Sales				
Domestic	2,350,732	2,181,786	168,945	7.74%
Exports	609,769	559,115	50,654	9.06%
	2,960,501	**2,740,901**	**219,599**	**8.01%**

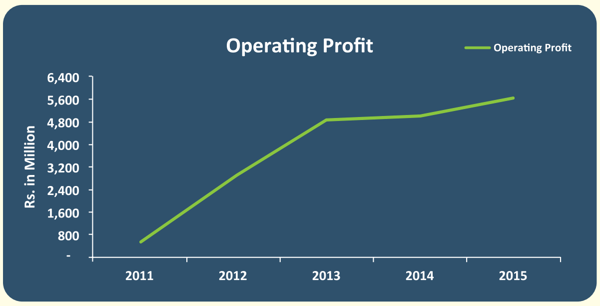
Total sales volume of 2,960,501 tons achieved represents an increase of 8.01% over the corresponding period last year. Domestic sales volume increased to 2,350,732 tons registering an increase of 7.74% and exports sales volume increased to 609,769 tons, an increase of 9.06%.

Decline in commodity prices, particularly coal prices, during the period resulted in lower fuel cost. Power cost also reduced due to fall in electricity charges on the back of fuel price adjustments following declining oil prices. Moreover, during the 3rd quarter of the current period, the Company has fully operated its Furnace Oil based engines due to improved viability owing to low furnace oil prices. However, during the year under review, increase in packing material costs and pet coke rates have slightly depleted margins. The Company has prudently accounted for Gas Infrastructure Development Cess (GIDC) costs after promulgation of GIDC Ordinance, 2014, which has increased the cost of doing business. However, the Company is efficiently utilizing its Waste Heat Recovery Plant alongwith the use of alternative fuels to counter this which resulted in lowering the weighted average cost of power. The Company is also continuously benefiting from lower inland transportation costs through haulage via the railway network resulting in reasonable savings.

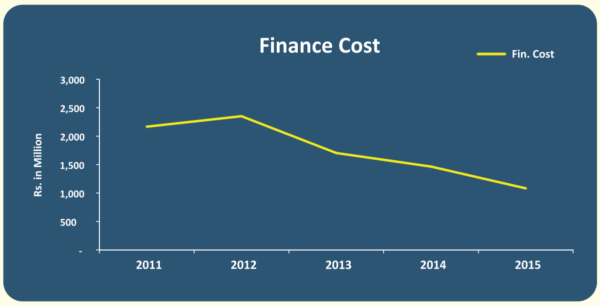
Keeping in view the above factors, gross profit rose by Rs. 973 million to Rs. 7,496 million in the current period, compared to Rs. 6,523 million in the corresponding year which depicts better operational performance than last year.

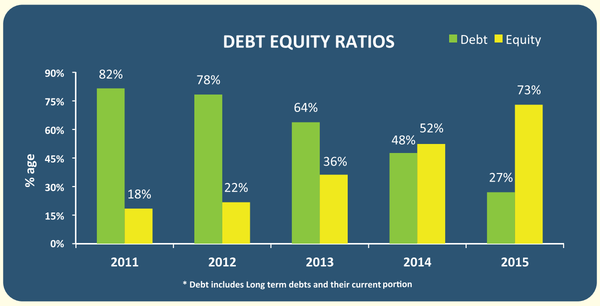


Due to efficient monitoring and development of operating procedures, administration and other operating expenses have been kept in check. Operating profits rose by Rs.529 million to Rs. 5,584 million during the period, compared to Rs. 5,055 million in the corresponding period last year.



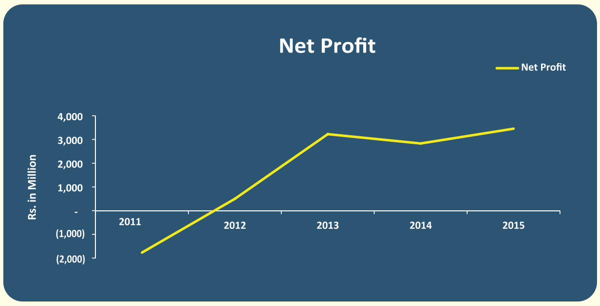
Finance costs continue to reduce as the Company deleverages due to robust cash flow generation along with declining interest rates and debt equity ratio also improved as shown below:-





The Company is paying off Sukuk / Syndicate and other debt obligations at an accelerated pace and is dedicated to keep current on all debt commitments backed by better cash flows and efficient cash management. Improved profit levels and healthy cash flows have enabled the Company to go for aggressive deleveraging. During the year, the Company has reduced its debt burden by Rs.4,098 million i.e. 46% reduction. As a result, there is a notable decline of 26% in finance cost of the Company along with substantial improvement in the debt equity ratio.

The Company recorded post-tax profit of Rs.3,454 million during the year against Rs.2,830 million in the corresponding period last year showing growth of 22%.



DIVIDEND

Keeping in view the results, the Board of Directors has announced final cash dividend at Re.1/- per share i.e. 10%. This is in addition to the already paid interim cash dividend @10% i.e. Re.1/- per share, thus making a total cash dividend @20% i.e. Rs.2/- per share for the year ended June 30, 2015.

ANALYSIS OF PRIOR PERIOD'S FORWARD LOOKING DISCLOSURES

The Company's actual performance in the year 2014-15 exceeds the disclosures made in the prior periods' annual reports mainly due to favorable sales growth, coal prices, reduced HFO prices and reduction in finance cost. However, power cost and load shedding increased during the year which affected the cost of production. Effective utilization of resources and power generation equipment based on WHRP and backup HFO engines reduced production cost which resulted in an increase in operating profits as compared to projections.

NON FINANCIAL PERFORMANCE

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

SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

The financial statements of the Company have been prepared on the basis of single reporting segment. Revenue from sale of cement represents 100% of gross sales of the Company. Sale comprises 92.27% of grey cement and 7.73% of white cement. The Company operates in two principal geographical areas, Asia and Africa. Moreover, all assets of the Company as at June 30, 2015 are located in Pakistan.

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

High standards

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). Total Quality Management (TQM) function has been implemented that seeks to lower nonconformance 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 Center Maintenance System for achieving run factor of 330 days considering it as an opportunity to improve our bottom line. We believe that training is the source of all process driven thinking. Local and international trainings for top management were arranged during the year 2014-15 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 todate results, financial and non-financial, are the reflection of achievement of management's objective 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.

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

ENTITY'S SIGNIFICANT RESOURCES

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

LIQUIDITY AND CAPITAL STRUCTURE

Our liquidity condition has significantly improved over the period with reduced payment cycle. The management of the Company has breadth of experience and knowledge of best practices in liquidity management pertaining to policies, processes, regulatory constraints, tax considerations and liquidity management system. Capital structure mainly consists of ordinary share capital and long term / short term debts. Management believes that there is no inadequacy in capital structure in status quo.

The Company is highly efficient to manage liquidity risk and in order to cope with it, we invest only in highly liquid resources to mitigate the risk. Efficient utilization of available resources, better control over production overheads and better retention resulted in increased cash generation from operations and recovery of losses. The Company continues with its plan to utilize that cash generated from operations for repayment of its debt on a timely basis, which will result in the reduction of financial cost and resultantly, net profit of the Company will be increased.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

During the year, Company has paid off its long term debt and redeemable capital totaling to Rs. 4,098 Million, managed to improve debt equity ratio from 48:52 to 27:73 and net cash generated from operations increased by Rs. 732 million as compared with previous period due to increase in sales and reduction in finance cost. Moreover, the Company has adopted the strategy to utilize maximum cash profits for the payment of debts.

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

Prospects of the Entity – The financial projections of the Company are very encouraging with continued growth expected locally and internationally as new potential markets are being explored and various measures adopted by the Company to reduce the cost. Different marketing strategies are being carried out to increase sales and profitability.

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

1. Increase in sales volume for all types of products with special emphasis on white cement.
2. Reduced cost of production through:
   a. reduction in raw material cost per ton,
   b. savings in fuel cost per ton including more efficient yield,
   c. lower power cost including decline in per ton KWH power consumption; and
   d. lower weighted average cost of capital percentage.
3. Reduction in debt burden based on healthy cash flows to be generated from increased sales and reduced costs as mentioned above to reinforce the reduction in finance cost.

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

1. Stakeholder’s engagement – Through different committees and forums, management expects to further increase stakeholder’s engagement and increase the awareness in different qualitative aspects of the business through cross functionality.
2. Customer satisfaction – The Company places great focus on customer satisfaction, and going forward, this remains a prime objective of the management.
3. Brand recognition – Marketing efforts will be in place to increase sales volume based on the philosophy of being a brand where our product is demanded by consumers to create a pull effect.
4. Integrity of managers – Being one of the core values of the Company, trainings have been planned to further drill this value into the middle and lower staff.

Change in Performance Measures – Based on actual results for the year 2014-2015, the Company has made the following revisions to its financial measures:

1. Increase in sales target – Since the sales for the current year have exceeded budgets, an upward revision has been made in the targets for the next year.
2. Change in the power mix – Due to reduction in HFO cost, the Company has changed its planning of the power mix and has planned to use more HFO based power sources.
3. Fuel cost – The price of coal has shown a constant decline throughout the year and further fall is also expected. Therefore, a corresponding downward adjustment has been made to the budgeted purchases of the Company.

4. Finance cost – The government has reduced the rate of borrowing which is now lower than what was expected last year. Consequently the Company has also made a reduction of its budgeted finance cost.

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, 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 concerning the future include:

- Estimating useful life of assets

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

- Taxation

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognized on tax losses not yet used and on temporary differences where it is probable that there will be a 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 plant assets, expected rate of growth in salaries and expected average remaining working life of employees which are extensively detailed in note 14 to the financial statements.

ENTITY'S SIGNIFICANT RELATIONSHIPS

The Company has very prominent and good relationships with all stakeholders. We maintain collaborative relations with our stakeholders a 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 last year is in full swing in achieving the main purpose of being a bridge between the Company and its stakeholders including customers and supply chain staff. Moreover, the Company maintains good relationship with its Bankers and also arranges Investors' Conferences periodically to discuss business prospects and financial management plans with the lenders which also enhances their confidence on the Company.

INVESTORS' GRIEVANCES POLICY

The Company believes that Investor service 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 retaining 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 has 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.

CRITICAL PERFORMANCE MEASURES

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

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

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

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 objectives of the Company's HRM policy are:

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

SUCCESSION PLANNING

The Company believes in proactive approach towards succession planning. We recruit employees, develop their knowledge, skills, abilities, and prepare them for advancement or promotion into ever more challenging roles. Rigorous succession planning is also in place throughout the organization. Succession planning ensures that employees are constantly developed to fill each needed role. We look for people who exemplify continuous improvement when we are spotting future successors. In this relation, the Company also expends a lot in terms of finances and time for the training of its resource as evident from the below trainings held during the year:

1. Emotional Intelligence
2. Effective Communication Skills
3. House Keeping
4. Project Management
5. Kiln Alignment
6. Supply Chain Management
7. Siemens PLC
8. OHSAS 18001 Lead Auditor
9. HSE SOPs
10. Shell Lubes
11. Simatic Program Logic Controllers

MARKET SHARE

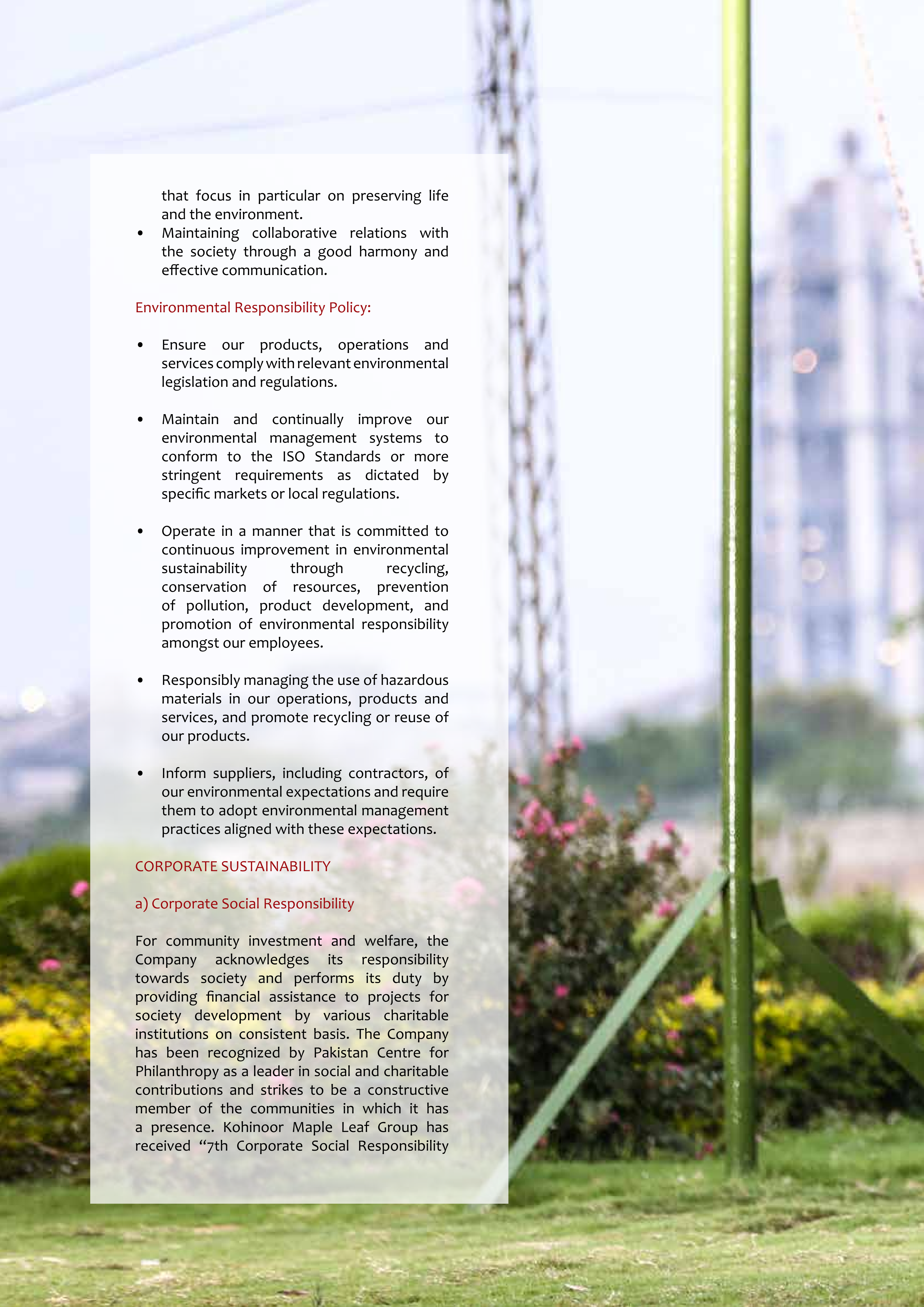
Presently the Company due to its unique marketing efforts and superior quality has 7.4% market share for grey cement (on capacity based) as evident from the All Pakistan Cement Manufacturing Association (APCMA) website. Therefore, the Company is a leading brand in Pakistan with a diverse customer base and presence in almost all cities of Pakistan. Carrying on with the legacy of Leaf, Maple Leaf brand is widely acknowledged as best quality cement brand in all the markets, where it is exported. It 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.

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 behavior which improve values like integrity and transparency.
- Focusing on social involvement by developing multicultural teams with many 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.

CORPORATE SUSTAINABILITY

a) Corporate Social Responsibility

For community investment and welfare, the Company acknowledges its responsibility towards society and performs its duty by providing financial assistance to projects for society development by various charitable institutions on consistent basis. The Company has been recognized by Pakistan Centre for Philanthropy as a leader in social and charitable contributions and strikes to be a constructive member of the communities in which it has a presence. Kohinoor Maple Leaf Group has received "7th Corporate Social Responsibility


Making lives
beautiful

Award 2015" 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 contributed in medical social sciences project and in this regard, has donated a state of the art Cardiac facility to the Gulab Devi Chest Hospital (GDCH) in Lahore by constructing Sayeed Saigol Cardiac Complex (SSCC) at GDCH. Other initiatives are as follows:

- Maple Leaf recognizes its responsibility to contribute to the community including the minority. In this regard, it provided support to rebuild the Church at Iskendarabad.
- Maple Leaf helped in the building of a police line memorial at Iskendarabad in memory of 35 policemen who lost their lives serving their country from 1986 till 2012.

- To cater for the religious needs of the employees, a new mosque was constructed at plant site. Iftar party was arranged for all management, CBA and workers to mark the occasion.

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


Mason Lodge

- Civil defense week was held from 24th November 2014 to 3rd December 2014 for training of staff in defense matters.

b) Industrial Relations

The Company has set procedures, rules and regulations which regulate employment guidance. The Company has allocated Gratuity, Provident Fund and Workers' 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 a representative of their choice. The Company is committed to provide equal opportunity to all existing and prospective employees without any discrimination on the basis of religion, gender, race, age etc. The Company also organized several rewards and recognition programs for acknowledgment of work done by its employees.

c) Energy Saving Measures

Energy crisis is getting severe day by day in Pakistan. We have developed a team energy that is striving to get the best possible alternative sources like efficient usage of Waste Heat Recovery Boiler, LED lights, coal based boiler and other alternatives including waste, rice husk and carbon black. Work is being done actively on Coal Fired power plant and it is expected to be commissioned and running in the first half of 2017. We have also maintained such methods to avoid maximum WAPDA peak hours utilization. Also, planning is under way to automate the switching of lights based on light conditions. This will save energy as currently some lights are inadvertently left on during day time.

d) Consumer Protection Measures

We ensure that our products are shipped in a safe manner complying with safety standards and legal requirements. The Company takes care and applies appropriate procedures to manufacture cement products so as to ensure that no harmful substances are present in its products. The Company has strict policy to control any activity which is against the consumer rights.

e) Employment of Special Persons

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.

f) Community Investment and Welfare Schemes

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

Management of the Company, for maintaining healthy and green environment, celebrated the World Environment Day in coordination with District Officer Environment Mianwali along with other community stakeholders on June 5th, 2015. The aim of celebrating World Environment Day was to demonstrate the continual efforts and the 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 Top Management of the Company for maintaining healthy and green environment, Maple Plantation Day was carried out at Maple Leaf Cement Factory Limited Iskandarabad, Mianwali on 28th March, 2015. 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 neighborhood of the Company.

The Company celebrated "The World Water Day" on the 20th of March at site with the collaboration of community and DO Environment. The main purpose of the seminar was to raise the awareness of the inter-linkages between water and energy.

g) 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 deprived with updated facilities and medical aid. In such a case, prevention becomes more important than cure but unfortunately due to lack of knowledge, new cases keep coming up of such serious diseases. The management realizes the importance of its activities and continues to play an active role in this regard.

h) Health Care

"Maple Health Care Center" is a health facility concept with state of the art equipment for the health benefit of the employees of Maple Leaf and their dependants. Negotiations with Shifa International Hospitals Limited were started in 2013 for the construction and operation of the said facility. These negotiations have been finalized in the current financial year. Architect design was finalized in November 2014. Presently it is in the construction phase. Shifa International is a known name in Pakistan with hospitals in Islamabad and Faisalabad. Once this facility is operational, the health standards of the employees will go up.

Meanwhile, the free medical and hospital center is treating patients with the help of quality human capital working there. Keeping in view the occupational health of employees, regular first aid and Cardiopulmonary Resuscitation (CPR) training programs are conducted to ensure safe health of workers.

i) Education and Training for Corporate Sustainability

The Company is fully aware of its responsibility towards imparting education to future generation. For this purpose the Company has established five schools in Iskandarabad city, which provide quality education not only to children of employees of the Company but also to the local residents. The Company has provided building and complete infrastructure to these schools. In addition, the Company gives monthly subsidy to partly cover the running expenses. About 3,637 students are currently enrolled in these schools.

MITIGATING EFFORTS TO CONTROL INDUSTRY EFFLUENTS

Traditionally, cement plants are not considered to be environment friendly but the Company has installed most modern and state of the art equipments to control industry effluents. In order to mitigate the effects of industrial effluents on the surrounding environment, the Company is putting forth all efforts for providing a healthy environment to employees and natives. In this regard following major environment friendly efforts are carried out by the Company:

1) Regular Monthly basis environmental monitoring for stack emissions and effluents complying with Natural Environmental Quality Standards.

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

3) Massive Tree Plantation Program was carried out for maintaining healthy and green environment as a part of Corporate Social Responsibility in coordination with District Officer (Environment) Mianwali.

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

QUALITY MANAGEMENT SYSTEMS

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

The main purpose is to ensure that the cement produced:

- meets all the standards requirements to which the Company is certified; and.
- not only meets customer's requirements but exceed their requirements and expectations.

To achieve these goals, the Quality Control Department has adopted various procedures and is fully equipped with state-of-the art technologies such as:

- X-ray Fluorescent Analyzers and X-ray Diffraction analyzer to analyze chemical and mineralogical composition.
- On line 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 Sulfur Determinator to analyze fuels.
- Latest Automatic Compressive Strength machines for determination of cement compressive strength.
- Latest whiteness tester.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENTAL (HSE) PROTECTION MEASURES

The Company is committed to achieve excellence in Occupational Safety, Health and Environmental protection. The Company encourages awareness in these areas amongst our employees, customers, suppliers and all those who are associated with us in our activities. Our goal in respect of safety, health and environment is to minimize all adverse environmental and health impacts arising out of our operations and to conserve all kinds of resources and adhere to all legal regulations.

Maintenance of health and safety standards at our plants and offices is our top priority. The Company is committed to actively managing health and safety risks associated with our business and is actively working towards improving our procedures to reduce, remove or control the risk of fire, accidents or injuries to employees and visitors. The Company strives to provide a safe and healthy workplace for its employees and to act responsibly towards the communities and environment, in which it operates. It realizes this through the commitment of its leadership, the dedication of its staff, and application of the highest professional standards of work. Management takes all possible measures to prevent unsafe activities by its hiring practices and through the implementation of effective management, human resources and operational policies. The environmental friendly projects completed at our plants include:

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

Trees Plantation: To enhance environmental standards and continuously promoting a better and Green Environment within the factory as well in the nearby areas, the Company is arranging regular Tree Plantation activities twice a year and the Company has planted approximately 139,910 trees at different locations within factory premises and nearby areas to provide a healthy environment to employees and other community living in surroundings. This activity will continue in the future and further trees will be planted to ensure healthy and green environment.

BUSINESS ETHICS & ANTI-CORRUPTION 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 a 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.

NATIONAL CAUSE DONATIONS

During the year, Company has donated to Abdul Razzaq Fazaia College Mianwali and National Tennis Academy. The Company has also donated in the form of cement for construction of schools, mosques and other social projects.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year, Company has contributed an amount of Rs. 5,060 million towards national exchequer in the shape of taxes, duties, cess, levies etc. The Company has also contributed through earnings of valuable foreign exchange amounting to US$ 35 million.

FORWARD LOOKING STATEMENT

Going forward, we expect local dispatches to further improve in coming period due to increase in demand of cement for public sector projects like small dams, roads and bridges together with increased construction activities in the private sector as a result of expected better performance of the economy. Mortgage financing is also expected to grow due to fall in interest rates and positive economic outlook. Cement dispatches may also increase on account of reconstruction of infrastructure damaged due to the recent floods. However, cement prices are expected to remain stable. The cement industry is also eyeing the developments on China Pakistan Economic Corridor (CPEC) and this opportunity is expected to prove to be a great prospect for speeding up the country's economic development, as many agreements worth billions of dollars for investment in projects of infrastructural development have been signed which should increase demand for cement in the mid-term.

The Afghanistan market is contracting on account of availability of inexpensive Iranian cement which is a worrying factor. Owing to this development, the Company is determined to explore new export markets to improve capacity utilization.

As oil prices are expected to remain bearish, the Company will continue to enjoy savings resulting from the usage of its HFO based standby engines to generate lower cost power with less reliance on the national grid. Fuel price adjustment relief is also expected to continue in the near term. We expect profitability of the sector to enhance further owing to record low coal price of USD57.25/ton (Richards Bay 6000 benchmark) depicting 13% drop from start of 2015. These factors should result in overall reduction of power cost and should keep margins robust. Other cost reduction efforts continue to be the main focus in all operational areas and the Company has adopted various strategies to reduce cost including use of alternative fuels and optimized operations of the plant. The Company is actively working on setting up a 40MW coal based captive power plant which is expected to further reduce power cost and reliance on the national grid and act as an antidote to gas curtailment. The letter of credit is expected to be established in October 2015.

BEST CORPORATE REPORT AWARD

The Company again bagged award for "Best Corporate Report 2014" in the award ceremony jointly hosted by the Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP) on 4th September 2015. This award for Best Corporate Report secured by the Company is a reflection of following best ethical values and management practices in corporate reporting. The Company has promoted accountability and transparency through provision of accurate, informative, factual and reader friendly Annual Reports on timely basis for the valuable stake holders.

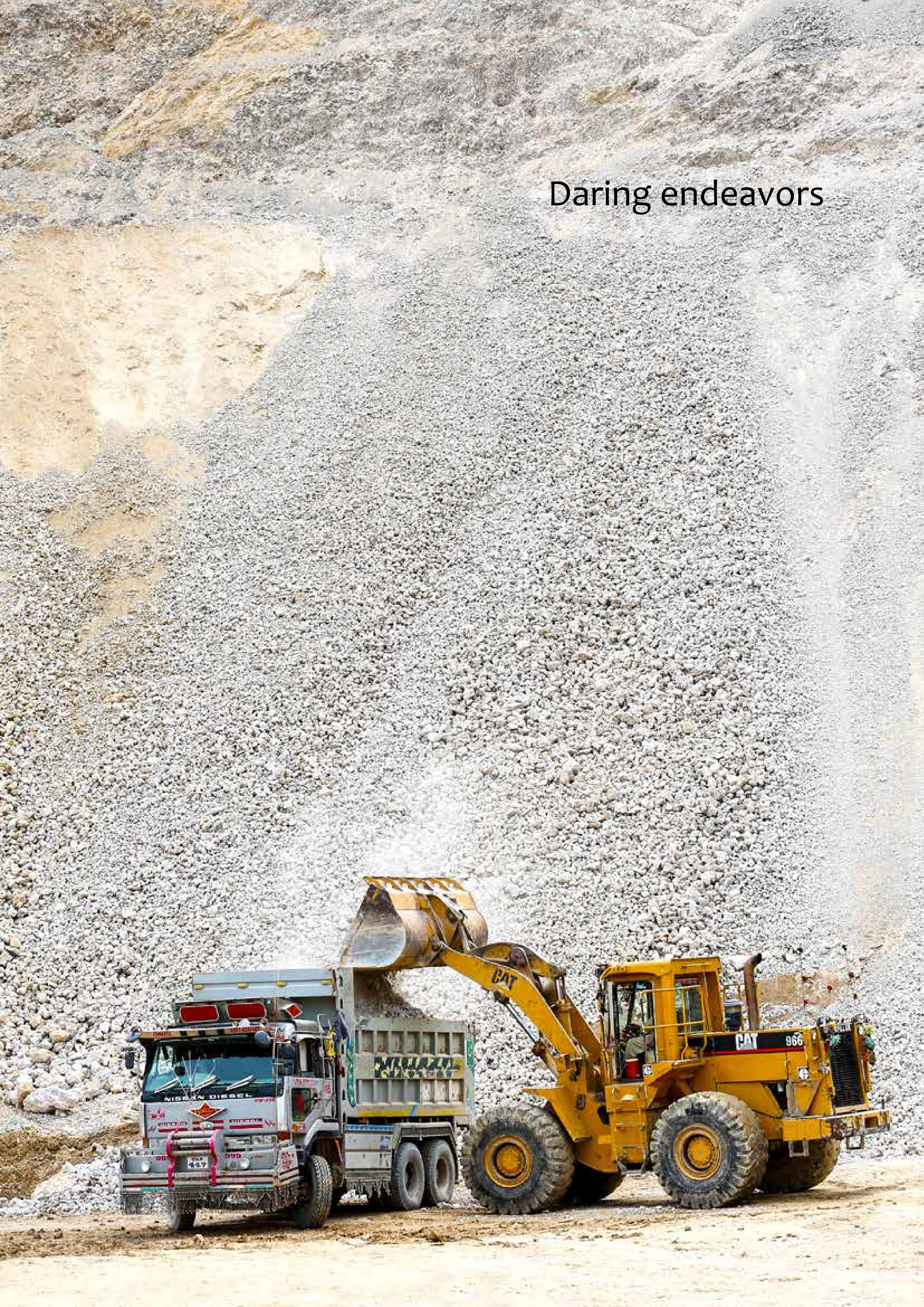
BUSINESS CONTINUITY and DISASTER RECOVERY PLAN

The Board of Directors periodically reviews 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 include daily tasks such as customer/ 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.

Daring endeavors



Rewarding experience

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. At the start of the year, CEO presents his key performance indicators (KPIs) 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.

COMPLIANCE OF THE CODE OF CORPORATE GOVERNANCE

The Board reviews the Company's strategic direction and business plans on a regular basis. The Audit Committee is empowered for effective compliance of the Code of Corporate Governance. The Board is committed to maintaining a high standard of good corporate governance.

Your Directors are pleased to report that:

a) The financial statements, prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper books of account have been maintained by the Company.

c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departures there from have been adequately disclosed and explained.

e) The existing internal control system and procedures are continuously reviewed by the internal auditor. The process of review will continue by the Audit Committee to monitor the effective implementation.

f) There are no significant doubts upon the Company's ability to continue as a going concern.

g) Key operating and financial data of last six years is annexed.

h) The value of investment of provident fund and gratuity trust, based on their respective unaudited accounts of June 30, 2015 is as under:

	Rupees in thousand
Provident Fund	461,135
Gratuity Fund	69,447

There has been no material changes since June 30, 2015 except as disclosed in this annual report and the Company has not entered into any commitment, which would affect its financial position at the date except for those mentioned in the audited financial statements of the Company for the year ended June 30, 2015.

During the year, the Company has complied with all applicable provisions, filed all returns / forms and furnished all the relevant particulars as required under the Companies Ordinance, 1984 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the listing requirements.

DIRECTORS AND BOARD MEETINGS

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

Sr. #	Name of Directors	Designation	Meetings attended
1)	Mr. Tariq Sayeed Saigol	Chairman / Non Executive Director	4
2)	Mr. Sayeed Tariq Saigol	CEO / Executive Director	4
3)	Mr. Taufique Sayeed Saigol	Non Executive Director	3
4)	Mr. Waleed Tariq Saigol	Non Executive Director	3
5)	Mr. Danial Taufique Saigol	Non Executive Director	3
6)	Syed Mohsin Raza Naqvi	GDF / CFO / Executive Director	4
7)	Mr. Zamiruddin Azar	Non Executive Director	4
8)	Mr. Karim Hatim	Independent Non Executive Director	3

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

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 behavior:

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 financial reporting adequate 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 are 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 the code of ethics and corporate governance.

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer and the Head of Internal Audit possess the requisite qualifications and experience as prescribed in the Code of Corporate Governance.

FORMAL ORIENTATION TRAINING PROGRAM FOR DIRECTORS

The Board had arranged Orientation Courses for its Directors namely, Mr. Danial Taufique Saigol and Syed Mohsin Raza Naqvi, during the preceding years from recognized institutions of Pakistan approved by the SECP whereas some Directors having the requisite experience on the Board(s) of Listed Companies are exempt from the Directors' Training Program. Further, the Directors have also provided declarations that they are aware of their duties, powers and responsibilities under the Companies Ordinance, 1984 and the Listing Regulations of the Stock Exchanges.

TRANSACTION / TRADE OF COMPANY'S SHARES

The Board has reviewed the threshold for disclosure of interest by executives holding of Company's shares which include CEO, CFO, Head of Internal Audit and Company Secretary. However, during the financial year, none of the Directors, CEO, CFO, Head of Internal Audit and Company Secretary (including their spouses and minor children) traded in the shares of the Company.

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Companies Ordinance, 1984 and Code of Corporate Governance as at June 30, 2015 is annexed.

AUDITORS

The present auditors of the Company M/s. KPMG Taseer Hadi & Co., Chartered Accountants audited the financial statements of the Company and have issued a report to the members.

The auditors will retire at the conclusion of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board has recommended the appointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants as auditors for the ensuing year, as suggested by the Audit Committee, subject to the approval of the members in the forthcoming Annual General Meeting.

ACKNOWLEDGEMENTS

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

(Sayeed Tariq Saigol)
Chief Executive

Lahore: September 09, 2015

Brief Profile of Directors

MR. TARIQ SAYEED SAIGOL
(CHAIRMAN / DIRECTOR)

OTHER ENGAGEMENTS

CHAIRMAN / DIRECTOR
Kohinoor Textile Mills Limited
Maple Leaf Capital Limited

CHAIRMAN / CHIEF EXECUTIVE / DIRECTOR
Kohinoor Maple Leaf Industries Limited
Zimpex (Private) 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, Lahore following which, he studied Law at University Law College, Lahore.

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

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

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

He takes keen interest in the development of education in Pakistan. He has been a member of the Board of Governors of Lahore University of Management Sciences, Aitchison College, Founding Chairman of the Board of Governors of Chandbagh School, Founder Trustee of Textile University of Pakistan and member of the Syndicate of University of Health Sciences. He is conferred with Sitara-e-Isaar by President of Pakistan in 2006.

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

MR. SAYEED TARIQ SAIGOL
(CHIEF EXECUTIVE / DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Kohinoor Textile Mills Limited
Kohinoor Maple Leaf Industries Limited

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

MR. TAUFIQUE SAYEED SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR
Kohinoor Textile Mills Limited

DIRECTOR
Maple Leaf Capital Limited
Kohinoor Maple Leaf Industries Limited
Zimpex (Private) Limited

Standing to deliver

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 is widely traveled and his special forte is in the export business.

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

MR. WALEED TARIQ SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS
DIRECTOR
Kohinoor Textile Mills Limited

CHIEF EXECUTIVE / DIRECTOR
Maple Leaf Capital Limited

Mr. Waleed Tariq Saigol is the Managing Director of Kohinoor Textile Mills Limited (Raiwind Division). He holds a bachelor's degree in Political Science from the London School of Economics & Political Science. Apart from his responsibilities in textiles he is also involved in identifying and developing new areas of business for KMLG. He is a keen golfer and has won several tournaments in Pakistan.

MR. DANIAL TAUFIQUE SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Kohinoor Textile Mills Limited

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 a Director. He holds a bachelor's degree in Finance from McGill University, Montreal, Canada. He is currently posted at Kohinoor Textile Mills, Rawalpindi.

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

OTHER ENGAGEMENTS

DIRECTOR / CHIEF FINANCIAL OFFICER
Kohinoor Textile Mills Limited

Mr. Mohsin Naqvi is Fellow Member of the Institute of Chartered Accountants of Pakistan with over 26 years of Financial Management experience.

His areas of expertise include financial projections, forecasting-short term and long-term cash flows, business strategy development, acquisitions and evaluations of business units, establishing company's reporting structure, implementing budgetary control procedures, implementing financial software, organizing finance and treasury functions of the Company.

He is a former board member of Kohinoor Mills Limited and Al-Wazan Group, Kuwait and Trust Investment Bank Limited.

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

MR. ZAMIRUDDIN AZAR
(DIRECTOR)

Mr. Zamiruddin Azar has been actively involved in various corporate activities of the Kohinoor Maple Leaf Group. As a non-executive director, he is also Chairman of the Audit Committee. With 35 years of experience at Glaxo Pakistan, Mr. Azar provides invaluable insight into project management, human resource development and administration.

MR. KARIM HATIM
(DIRECTOR)

Mr. Karim Hatim, being an Independent non-executive Director is the member of the Audit Committee of the Company and having relevant industry experience. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan and has more than sixteen years of Investment Banking experience involving Business Development, Corporate Finance and Advisory Services, Treasury, Capital Markets and Credit Appraisal. He has conducted several specialized assignments in Finance, Audit and Tax.

As Investment Banking Head at Pak Kuwait Investment Company (PKIC), Mr. Hatim was instrumental in reviving the deal pipeline of the company and enhancing fee income. He led the entire process of successfully setting up a Non Bank Finance Company and a Brokerage House as subsidiaries of PKIC. During this time, he worked on several big ticket privatization and balance sheet restructuring mandates. Prior to that, he worked in senior roles at Ford Rhodes, Standard Chartered, Mercantile Leasing Limited and Paramount Leasing Limited. He also served as a Chief Operating Officer at NBP Capital Limited.

The Board Structure and its Committees

BOARD STRUCTURE

Following are the Board members along with their status.

NAME	STATUS
MR. TARIQ SAYEED SAIGOL	Chairman/Non-Executive Director
MR. SAYEED TARIQ SAIGOL	CEO/Executive Director
SYED MOHSIN RAZA NAQVI	GDF/CFO/Executive Director
MR. TAUFIQUE SAYEED SAIGOL	Non Executive Director
MR. WALEED TARIQ SAIGOL	Non Executive Director
MR. DANIAL TAUFIQUE SAIGOL	Non Executive Director
MR. ZAMIRUDDIN AZAR	Non Executive Director
MR. KARIM HATIM	Independent Non Executive Director

AUDIT COMMITTEE

NAME	DESIGNATION
MR. ZAMIRUDDIN AZAR	Chairman / Non Executive Director
MR. KARIM HATIM	Member / Independent Non Executive Director
MR. WALEED TARIQ SAIGOL	Member / Non Executive Director
MR. DANIAL TAUFIQUE SAIGOL	Member / Non Executive Director

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

NAME	MEETINGS ATTENDED
MR. ZAMIRUDDIN AZAR	5
MR. KARIM HATIM	4
MR. WALEED TARIQ SAIGOL	3
MR. DANIAL TAUFIQUE SAIGOL	4

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

Terms of Reference

The Main terms of reference of the Audit Committee of the Company include the following:-

a. Determination of appropriate measures to safeguard the Company's assets;
b. Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
   - Major judgmental areas;
   - Significant adjustments resulting from the audit;
   - The going concern assumption;
   - Any changes in accounting policies and practices;
   - Compliance with applicable accounting standards;
   - Compliance with listing regulations and other statutory and regulatory requirements; and
   - Significant related party transactions.

c. Review of preliminary announcements of results prior to publication;
d. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
e. Review of management letter issued by external auditors and management's response thereto;
f. Ensuring coordination between the internal and external auditors of the Company;
g. Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
h. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
i. Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
j. Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
k. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;
l. Determination of compliance with relevant statutory requirements;
m. Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
n. Consideration of any other issue or matter as may be assigned by the Board of Directors.

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR & R COMMITTEE)

NAME	DESIGNATION
MR. WALEED TARIQ SAIGOL	Chairman (Non Executive Director)
MR. ZAMIRUDDIN AZAR	Member (Non Executive Director)
MR. DANIAL TAUFIQUE SAIGOL	Member (Non Executive Director)

NUMBER OF MEETINGS HELD - 01 (All Members attended the meeting other than Mr. Waleed Tariq Saigol).

Terms of Reference

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

The Committee shall be responsible to:
i) recommend human resource management policies to the Board;
ii) recommend to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;
iii) recommend to the Board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit. This will include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment and;
iv) consider and approve on recommendations of CEO on such matters for key management positions who report directly to CEO.

a. The remuneration of executive and non-executive Directors shall not fall within the preview of the HR & R Committee.
b. Recommendations in respect of compensation including performance incentives will ensure that:
  - The Company is able to recruit, motivate and retain persons of high ability, caliber and integrity.
  - The packages are consistent with what is normal in industry and / or specific job wise, as determined through surveys conducted.
  - Incentives where applicable are based on criteria which have been carefully examined, discussed and authorized.

Creating a difference

c. Selection recommendation should ensure that the Company has a formal selection procedure which provides for;
   - A description of the position that requires to be filled with a profile of the ideal candidate;
   - Selection Boards for various levels of recruitment;

d. Performance evaluation should:
   - Be based on procedures formally specified and which override individual likes and dislikes;
   - Provide for a discussion of the Annual Performance Report with each manager concerned.

e. The Committee will also:
   - Review and approve compensation payable to senior management for any loss or on termination of service to ensure that it is consistent with contractual terms and is otherwise fair.
   - Review and advise on the training, development and succession planning for the senior management with reference to the Board's corporate goals and objectives.
   - Devise a procedure for the approval of HR related policies of the Company.
   - Review from time to time as appropriate these Terms of Reference and the effectiveness of the Committee and recommend to the Board any necessary changes.

Team Energy

Higher management of the Company has formulated a team of pioneer executives with diversified skills to cope up with 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 energy efficient solutions. The team has been working since two and a half years to ensure the improved performance through prudent energy use by the process of monitoring, controlling, and conserving energy in the organization. Composition of team is as follows:

MEMBERS:	
MR. SAYEED TARIQ SAIGOL	MR. MUHAMMAD BASHARAT
MR. ABDUL HANAN	MR. NASIR IQBAL
MR. AMIR FEROZE	MR. SOHAIL SADIQ
MR. ARIF IJAZ	MR. WAHEED RASHID
MR. BILAL HUSSAIN	MR. ZEESHAN MALIK BHUTTA

NUMBER OF MEETINGS HELD – 49

Team Improvement

A team of proficient personnel has been formulated to encourage the concept of sustainable development through total quality management 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. MOBIN AHMED
MR. ABDUL HANAN	MR. MUHAMMAD SAJJAD
MR. AMER BILAL	MR. SOHAIL SADIQ
MR. AMIR FEROZE	MR. WAHEED RASHID
MR. ARIF IJAZ	MR. YAHYA HAMID
MR. BILAL HUSSAIN	MR. ZEESHAN MALIK BHUTTA
MR. FAROOQ AHMAD HASHMI	

NUMBER OF MEETINGS HELD – 48

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. MOBIN AHMAD
MR. ABDUL HANAN	MR.MUHAMMAD BASHARAT
MR. AMER BILAL	MR. NASIR IQBAL
MR. AMIR FEROZE	MR. TARIQ MIR
MR. ARIF IJAZ	MR. UMAR BUTT
MR. BILAL HUSSAIN	MR. ZEESHAN MALIK BHUTTA

NUMBER OF MEETINGS HELD – 52

Team Culture

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 well being 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. FAROOQ AHMAD HASHMI
MR. ABDUL HANAN	MR. MUHAMMAD SAJJAD
MR. AMIR FEROZE	MR. SOHAIL SADIQ
MR. ARIF IJAZ	MR. WAHEED RASHID
MR. BILAL HUSSAIN	

NUMBER OF MEETINGS HELD -19

Policy and procedures for stakeholders' Engagement

1) Policy Note:

Maple Leaf Cement maintains sound collaborative relationships with its stakeholders.

2) Procedures:

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

3) Engagement Frequency:

STAKEHOLDERS	NATURE OF ENGAGEMENT	FREQUENCY
SHAREHOLDERS	Annual general meeting Annual report / Quarterly reports Investor conference Analyst briefing	Annually Annually / Quarterly Annually Continuous
EMPLOYEES	Trade unions Maple magazine Annual get together Team cultural activities	Continuous Quarterly Annually Monthly
CUSTOMERS	Customer call center Customer events Customer satisfaction survey	Continuous Continuous Continuous
SUPPLIERS	Regular meeting with major suppliers Supplier forums Newspapers advertisement	Continuous Occasionally As required
INSTITUTIONAL 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

Carrying with pride

SWOT analysis

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

STRENGTHS

- Single largest cement producing site in Pakistan.
- State of the Art FL Smidth plants.
- Higher EBITDA %.
- Excellent logistic management.
- 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.
- Lowest Energy cost per ton of clinker.

WEAKNESSES

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

OPPORTUNITIES

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

THREATS

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

ISSUES RAISED IN THE LAST ANNUAL GENERAL MEETING (AGM)

On query of a shareholder, the Chairman of the meeting briefed that the Company was continuing to repay Sukuk / Syndicate and other debt obligations and was dedicated to keep current on all debt commitments backed by better cash flows and efficient cash management. During the period, the Company had paid off Rs.3,043 million of long-term debt and profit before tax witnessed a healthy turnaround. He added that management was eagerly focusing on maximum deleveraging thus ensuring massive decline in borrowing cost.

Regarding provision of taxation, chairman informed the House that through Finance Bill 2014, Alternative Corporate Tax @17% on accounting profit (instead of current 34% tax on taxable income) had been imposed. The 17% income-tax on accounting profit was applicable retrospectively, with effect from tax year 2014 i.e.

financial year ended June 30, 2014. Therefore, substantial tax provision had been provided resulting in high effective tax rate of 21.17% resulting in post tax profit of Rs.2,830 million during the period against post tax profit of Rs.3,225 million in the corresponding period last year. Imposition of alternative corporate tax on accounting profit was unjust and unfair. Owing to discriminatory regime, it was most likely that the management might contemplate to file a writ petition against such inequitable levy. Honourable Sindh High Court had already granted stay order to some companies. The Group Director Finance explained the basis of working of deferred taxation.

On another query of a shareholder regarding current performance and future prospects, the Chairman of the meeting informed the Shareholders that operating profits were depicting a sizeable growth mainly due to optimum use of resources, cost containment measures and dynamic marketing efforts. Federal and Provincial governments had jointly allocated over Rs.1 trillion for PSDP along with increasing urban housing needs of 3 million units, thus private construction projects would give a boost to cement demand in the current year. Cement prices could rise due to higher demand and may result in improved profitability in the current year.

Regarding non-payment of dividend since long, the House was informed that the Board of Directors did not recommend to pay any cash dividend due to financial limitations and covenants agreed with the various financial institutions. However, the Directors were confident that they would be in a position to consider dividend payment to the shareholders next year after the covenants agreed with the creditors had been met.

Implementation of issue raised in the last AGM

The Board of Directors of the Company in their meeting held on 09 September 2015 has proposed a final cash dividend of 10%, i.e., Rupees. 1 Per share for the year ended 30 June 2015. This dividend is in addition to interim cash dividend of 10% i.e. Rupees. 1 per share which has already been paid.

Safety of Record

MLCF 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 off 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 off 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.

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 MLCF 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 MLCF has set the following procedures to manage and monitor the conflict of Interest:

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

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

ROLE OF CHAIRMAN AND THE CEO

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

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

IT governance policy

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

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

Adding colors to life

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

Report of the Audit Committee

The Audit Committee comprises of one independent non-executive Director and three non-executive Directors. The Chief Financial Officer, the Chief Internal Auditor and the external auditors attend the Audit Committee meetings as provided in the Code of Corporate Governance. Five meetings of the Audit Committee were held during the year 2014-2015. 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 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 the preparation of financial statements of the Company 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 Ordinance, 1984, 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 ensured that statutory and regulatory obligations and requirements of best practices of governance have been met.

14. The external auditors KPMG Taseer Hadi & Co,. Chartered Accountants, were allowed direct access to the Audit Committee and necessary coordination with internal auditors was also ensured. Major findings arising from audits and any matters that the external auditors wished to highlight were freely discussed with them.

15. 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.

16. Appointment of external auditors and fixing of their audit fee was reviewed and the Audit Committee following this review recommended to the Board of Directors re-appointment of KPMG Taseer Hadi & Co., Chartered Accountants, as external auditors for the year 2015-2016.

By order of the Audit Committee

(Zamiruddin Azar)
Chairman, Audit Committee
09 September 2015

Risk and opportunity report

OBJECTIVES:

The goal of Board of Directors is to minimize all risks and take advantage of potential opportunities in order to systematically and sustainably improve the value of the company for all stakeholders. 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 Stakeholder' 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. Risk Assessment

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

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

C. Materiality approach

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

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

D. Risk and Counter Strategy Matrix

Corporate Objective	Risk	Mitigation Strategies
Industry Competition: To maintain Company's prominent position one of the leading brands of cement industry of Pakistan.	**Strategic Risk:** Due to the significant focus of the present government on infrastructure and PSDP, there is increased potential for major players of the industry. **Financial Risk:** Increased packing cost and power generation cost may result in increase in cost of production and squeeze margins for the Company.	Through efficient use of marketing strategy, Maple Leaf is creating a pull effect by locking-in its customers and also to tap potential markets. The Company is actively looking into alternate sources of power generation to reduce cost.
Legislative and Legal Environment: To operate in a stable market being compliant with all relevant laws of the country and international regulations.	**Strategic Risk:** Continuous changes in the regulatory framework and statutory obligations may result in non compliance.	Management is pro actively 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.	Management continuously investing considerable amounts for upgradation of technological infrastructure in order to harmonize the MIS platform throughout the Company.
Operations: To ensure continuity of operations without any disruptions in production and minimize idle time.	**Operational Risk:** Machinery breakdown / stoppages adversely affect the profitability of the entity as it hinders production and delays operation.	To avoid such stoppages, a reliability centre has been established which runs a number of operational checks to ensure smooth operations and avoid breakdown.
Human Capital: To have an adequate reserve of trained professionals excelling in their respective domains.	**Operational Risk:** Loss of the qualified and competent staff.	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.	A sound system of HSE is in place for timely identification of potential hazards and to remove such threats.

Emerging dreams

Corporate Objective	Risk	Mitigation Strategies
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.	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 the 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.	Management has addressed the risk of shortage of working capital by availing sufficient lines from the diversified financial institutions in order to meet the short term finance requirements of the Company. Moreover average credit period of the Company is also being improved along with improved operation cycle. Strong follow up and adherence to procedures and credit terms ensures that the risk of default from counter parties is kept to a minimum. Adequate steps are taken for any dispute that may arise.

E. Opportunity Analysis

Following are the highlights of potential opportunities of the Company:

Unlocking and exploiting operational opportunities is an important aspect of MLCF entrepreneurial activities. We are committed to using 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 the achievement of company's stated vision.

Share Price Sensitivity Analysis

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

1) INCREASE IN DEMAND:

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

2) INCREASE IN VARIABLE COST:

Any increase in variable cost (Mainly includes Coal, Power and Raw Material Cost) may badly effect the gross margins and will exultancy fall in the profitability and all in EPS. This may badly affect the market price of the share downward.

3) INCREASE IN FIXED COST:

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

4) CHANGE IN GOVERNMENT POLICIES:

Any change in government policies related to cement sector may affect the share price of the Company. If policy change is positive than share price will increases, otherwise vice versa.

BUSINESS FINANCIAL FORECAST

The Company expects local dispatches to further improve in coming period due to increase in demand of cement for public sector projects and construction activities in the private sector. As oil prices are expected to remain bearish, the Company will continue to enjoy savings resulting from the usage of its HFO based standby engines and generate power at lower cost with less reliance on the national grid. The Company also expects coal prices not to exceed current levels significantly in line with other energy commodities. Reduction in the Company's weighted average borrowing costs should also improve the profitability. Future financial forecast based on management's best estimates are as follows:

Financial Year	**2015-2016**	**2016-2017**
Net Revenue (Rs. in "000)	22,587,773	24,419,093
Gross Profit	37.20%	38.15%
Current Ratio	0.80	1.01

FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT

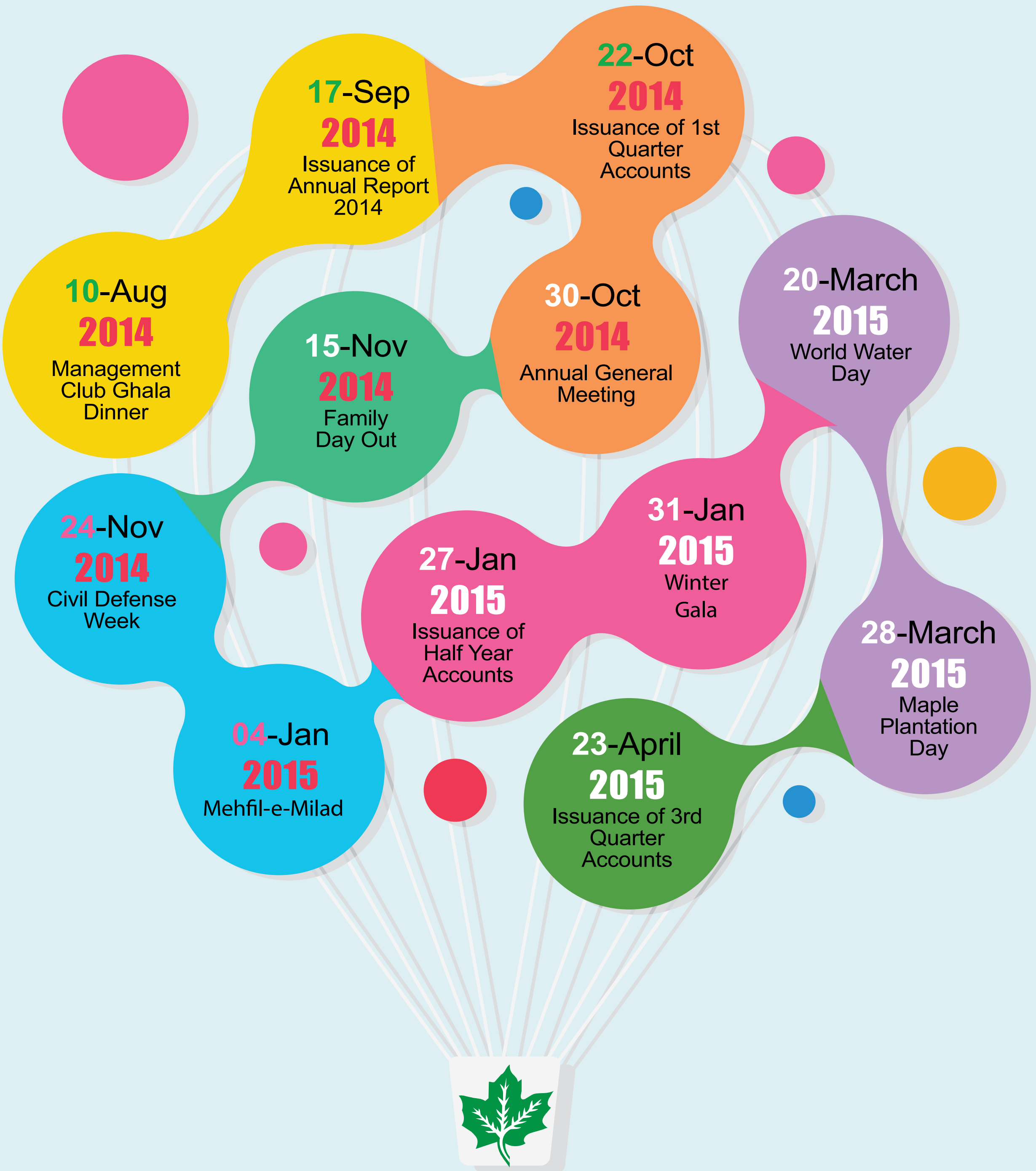
The Company's buildings on freehold land, roads, bridges and railway sidings and plant and machinery are stated at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses as per stated company policy. Freehold land is stated at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

SUMMARY OF SIGNIFICANT / MATERIAL ASSETS OR IMMOVABLE PROPERTY

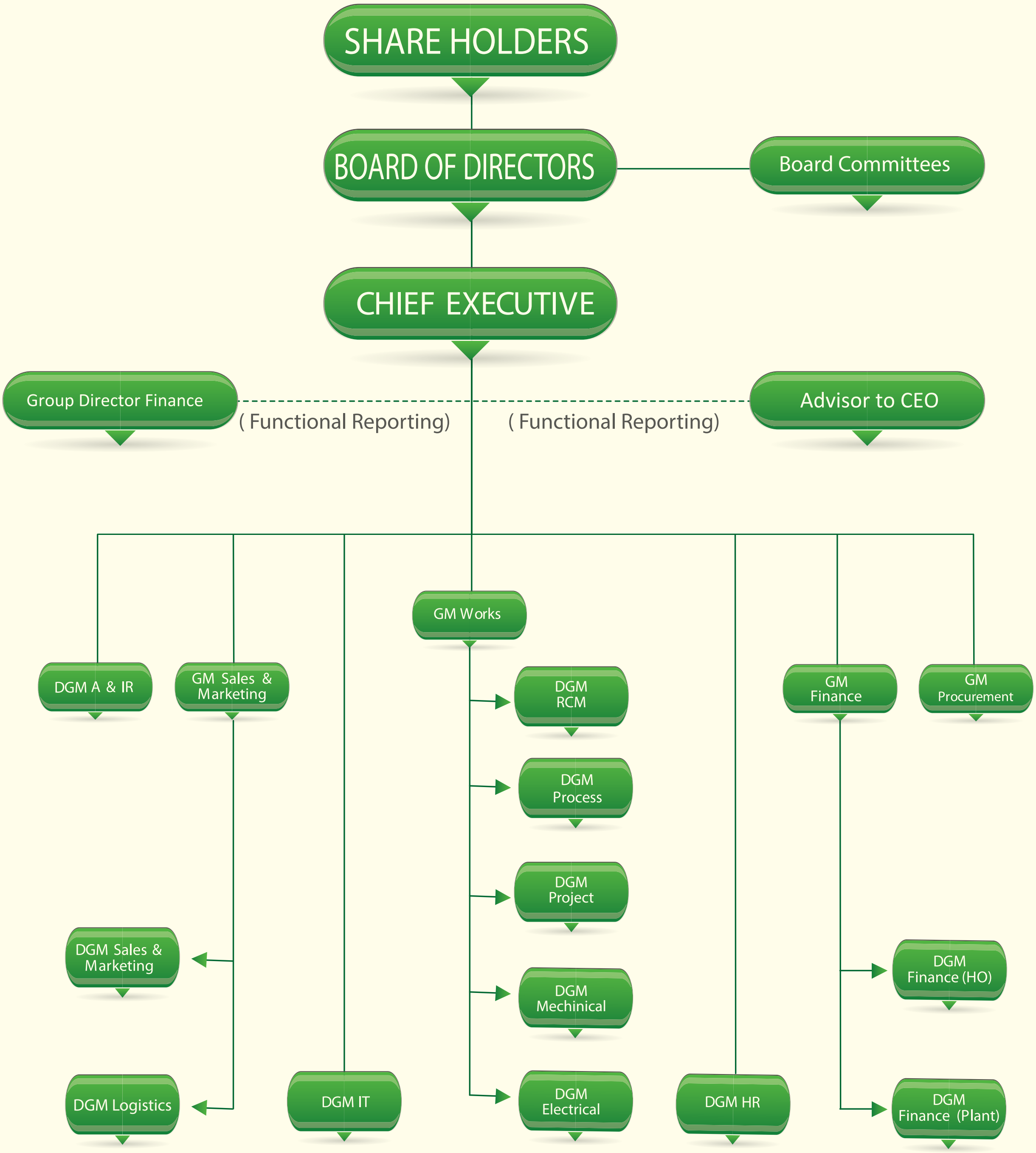
The Company's material assets comprise of land, building, three complete cement lines (including one white cement line) comprising of kiln, cooler, preheater, raw mills etc., Wartsila, Niigata engines and waste heat recovery plant.

CALENDAR OF NOTABLE EVENTS

JULY 2014 - JUNE 2015



Organization Chart



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

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.

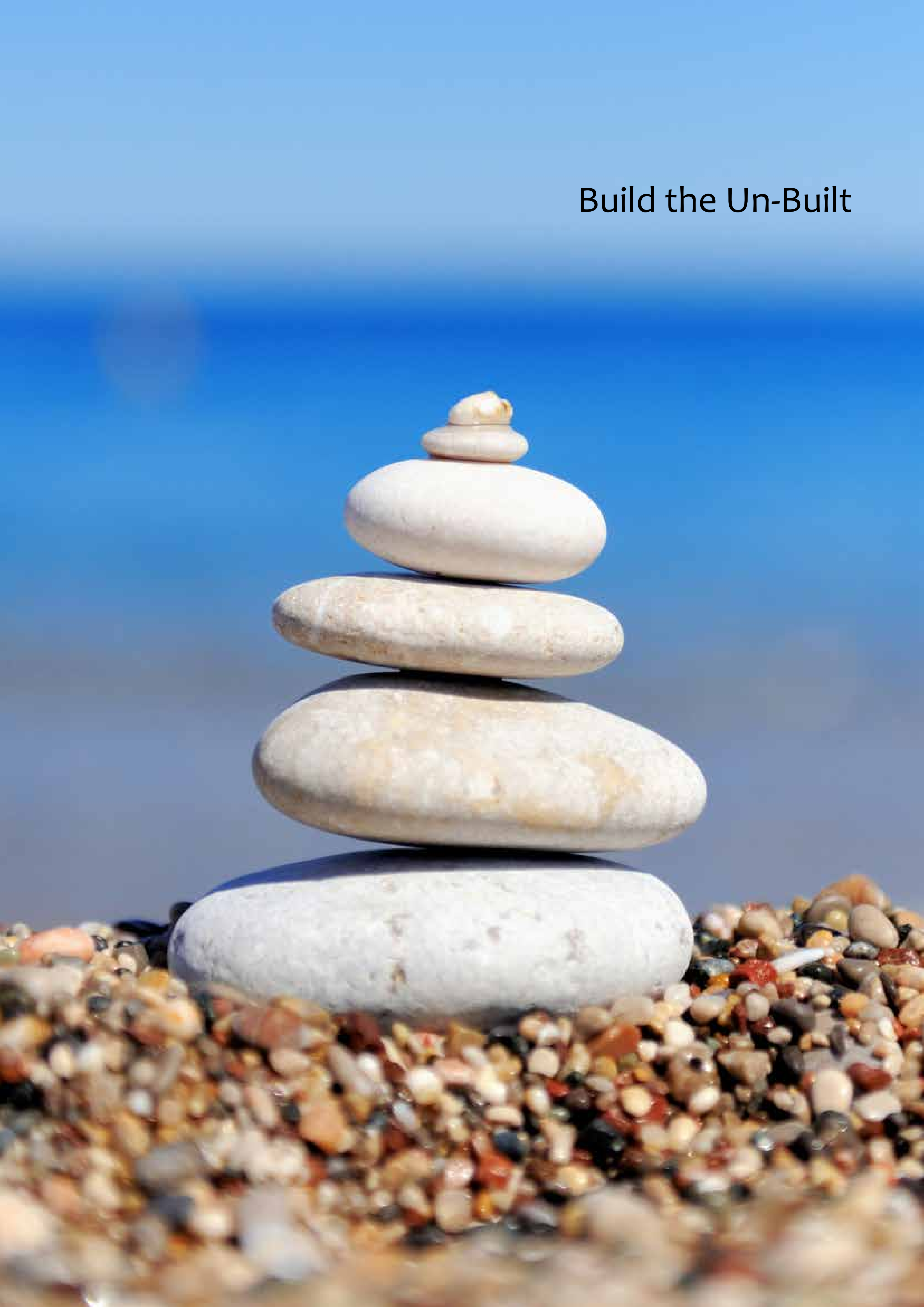
Horizontal Analysis - Six Years

	2015 Rs. '000'	15 vs 14 %	2014 Rs. '000'	14 vs 13 %	2013 Rs. '000'	13 vs 12 %	2012 Rs. '000'	12 vs 11 %	2011 Rs. '000'	11 vs 10 %	2010 Rs. '000'	10 vs 09 %
Balance Sheet												
Total equity	12,911,658	32.43	9,749,577	43.99	6,770,913	76.84	3,828,861	22.20	3,133,287	(24.21)	4,134,208	(38.46)
Share deposit money	-	-	-	-	-	-	-	-	-	(100.00)	1,000,000	100.00
Total surplus on revaluation of fixed assets	4,751,082	(2.87)	4,891,515	(3.17)	5,051,836	(4.66)	5,298,809	(4.49)	5,548,120	100.00	-	-
Total non-current liabilities	5,414,116	(46.59)	10,137,641	(15.39)	11,981,790	(7.80)	12,995,935	(11.31)	14,653,399	26.19	11,611,919	29.31
Total current liabilities	8,144,461	14.19	7,132,572	(16.76)	8,568,551	(19.20)	10,604,368	2.41	10,355,310	10.77	9,348,815	(6.16)
Total equity and liabilities	**31,221,317**	**(2.16)**	**31,911,305**	**(1.43)**	**32,373,090**	**(1.08)**	**32,727,973**	**(2.86)**	**33,690,116**	**29.11**	**26,094,942**	**1.69**
Total non-current assets	23,782,112	(3.97)	24,765,860	(3.60)	25,690,184	(4.29)	26,841,888	(5.07)	28,275,751	34.06	21,092,208	3.16
Total current assets	7,439,205	4.11	7,145,445	6.92	6,682,906	13.54	5,886,085	8.71	5,414,365	8.23	5,002,734	(4.07)
Total assets	**31,221,317**	**(2.16)**	**31,911,305**	**(1.43)**	**32,373,090**	**(1.08)**	**32,727,973**	**(2.86)**	**33,690,116**	**29.11**	**26,094,942**	**1.69**
Profit and Loss Account												
Sales - net	20,720,054	9.23	18,968,547	9.28	17,357,376	12.26	15,461,356	18.27	13,073,218	(4.09)	13,630,511	(10.63)
Cost of sales	(13,224,431)	6.26	(12,445,562)	10.02	(11,312,341)	(1.17)	(11,446,583)	5.03	(10,898,059)	1.93	(10,691,883)	3.84
Gross profit	7,495,623	14.91	6,522,985	7.91	6,045,035	50.57	4,014,773	84.57	2,175,159	(25.98)	2,938,628	(40.69)
Distribution cost	(1,313,696)	24.60	(1,054,336)	32.16	(797,751)	(5.71)	(846,098)	(48.62)	(1,646,632)	(47.77)	(3,152,889)	34.75
Administrative expenses	(381,363)	28.54	(296,689)	16.78	(254,065)	(1.69)	(258,433)	11.98	(230,788)	18.86	(194,161)	28.09
Other operating expenses	(263,187)	33.35	(197,372)	18.02	(167,239)	11.73	(149,681)	(7.83)	(162,394)	2.37	(158,641)	275.47
Other operating income	46,173	(42.70)	80,585	95.18	41,287	21.18	34,070	(92.43)	450,153	689.31	57,031	(7.64)
Profit / (Loss) from operations	5,583,550	10.45	5,055,173	3.86	4,867,267	74.16	2,794,631	377.31	585,498	(214.80)	(510,032)	(120.54)
Finance cost	(1,082,639)	(26.09)	(1,464,772)	(14.07)	(1,704,652)	(27.48)	(2,350,565)	8.50	(2,166,409)	5.19	(2,059,476)	(39.43)
Profit/(loss) before taxation	4,500,911	25.36	3,590,401	13.53	3,162,615	612.19	444,066	(128.09)	(1,580,911)	(38.47)	(2,569,508)	180.01
Taxation	(1,046,616)	37.67	(760,227)	(1,324.59)	62,080	19.09	52,128	(127.71)	(188,125)	1,202.17	(14,447)	(77.88)
Profit/(loss) after taxation	**3,454,295**	**22.05**	**2,830,174**	**(12.23)**	**3,224,695**	**549.89**	**496,194**	**(128.05)**	**(1,769,036)**	**(31.54)**	**(2,583,955)**	**162.87**

Vertical Analysis - Six Years

	2015		2014		2013		2012		2011		2010	
	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%
Balance Sheet												
Total equity	12,911,658	41.36	9,749,577	30.55	6,770,913	20.92	3,828,861	11.70	3,133,287	9.30	4,134,208	15.84
Share deposit money	-	-	-	-	-	-	-	-	-	-	1,000,000	3.83
Total surplus on revaluation of fixed assets	4,751,082	15.22	4,891,515	15.33	5,051,836	15.61	5,298,809	16.19	5,548,120	16.47	-	-
Total non-current liabilities	5,414,116	17.34	10,137,641	31.77	11,981,790	37.01	12,995,935	39.71	14,653,399	43.49	11,611,919	44.50
Total current liabilities	8,144,461	26.09	7,132,572	22.35	8,568,551	26.47	10,604,368	32.40	10,355,310	30.74	9,348,815	35.83
Total equity and liabilities	**31,221,317**	**100.00**	**31,911,305**	**100.00**	**32,373,090**	**100.00**	**32,727,973**	**100.00**	**33,690,116**	**100.00**	**26,094,942**	**100.00**
Total non-current assets	23,782,112	76.17	24,765,860	77.61	25,690,184	79.36	26,841,888	82.02	28,275,751	83.93	21,092,208	80.83
Total current assets	7,439,205	23.83	7,145,445	22.39	6,682,906	20.64	5,886,085	17.98	5,414,365	16.07	5,002,734	19.17
Total assets	**31,221,317**	**100.00**	**31,911,305**	**100.00**	**32,373,090**	**100.00**	**32,727,973**	**100.00**	**33,690,116**	**100.00**	**26,094,942**	**100.00**
Profit and Loss Account												
Sales - net	20,720,054	100.00	18,968,547	100.00	17,357,376	100.00	15,461,356	100.00	13,073,218	100.00	13,630,511	100.00
Cost of sales	(13,224,431)	(63.82)	(12,445,562)	(65.61)	(11,312,341)	(65.17)	(11,446,583)	(74.03)	(10,898,059)	(83.36)	(10,691,883)	(78.44)
Gross profit	**7,495,623**	**36.18**	**6,522,985**	**34.39**	**6,045,035**	**34.83**	**4,014,773**	**25.97**	**2,175,159**	**16.64**	**2,938,628**	**21.56**
Distribution cost	(1,313,696)	(6.34)	(1,054,336)	(5.56)	(797,751)	(4.60)	(846,098)	(5.47)	(1,646,632)	(12.60)	(3,152,889)	(23.13)
Administrative expenses	(381,363)	(1.84)	(296,689)	(1.56)	(254,065)	(1.46)	(258,433)	(1.67)	(230,788)	(1.77)	(194,161)	(1.42)
Other operating expenses	(263,187)	(1.27)	(197,372)	(1.04)	(167,239)	(0.96)	(149,681)	(0.97)	(162,394)	(1.24)	(158,641)	(1.16)
Other operating income	46,173	0.22	80,585	0.42	41,287	0.24	34,070	0.22	450,153	3.44	57,031	0.42
Profit / (Loss) from operations	**5,583,550**	**26.95**	**5,055,173**	**26.65**	**4,867,267**	**28.04**	**2,794,631**	**18.07**	**585,498**	**4.48**	**(510,032)**	**(3.74)**
Finance cost	(1,082,639)	(5.23)	(1,464,772)	(7.72)	(1,704,652)	(9.82)	(2,350,565)	(15.20)	(2,166,409)	(16.57)	(2,059,476)	(15.11)
Profit/(loss) before taxation	4,500,911	21.72	3,590,401	18.93	3,162,615	18.22	444,066	2.87	(1,580,911)	(12.09)	(2,569,508)	(18.85)
Taxation	(1,046,616)	(5.05)	(760,227)	(4.01)	62,080	0.36	52,128	0.34	(188,125)	(1.44)	(14,447)	(0.11)
Profit/(loss) after taxation	**3,454,295**	**16.67**	**2,830,174**	**14.92**	**3,224,695**	**18.58**	**496,194**	**3.21**	**(1,769,036)**	**(13.53)**	**(2,583,955)**	**(18.96)**

Build the Un-Built



Summary of Cash Flow Statement - Six Years

	2015	2014	2013	2012	2011	2010
	(Rupees in thousand)					
Cash generated from operations before working capital changes	7,673,904	6,987,258	6,578,095	4,495,054	1,489,456	564,033
Changes in working capital						
Stores, spare parts and loose tools	(381,878)	(21,417)	(685,476)	(68,997)	(625,536)	523,784
Stock-in-trade	(123,798)	(252,033)	(35,504)	(364,311)	(34,366)	146,196
Trade debts	245,909	(86,152)	(190,327)	(55,898)	168,826	(95,465)
Loans and advances	(66,573)	(745,805)	19,464	(36,107)	121,581	(188,388)
Trade and other payables	(309,606)	306,320	(688,335)	(425,593)	559,188	1,075,137
Due from subsidiary	-	-	-	383,934	(21)	-
Other receivables	(32,637)	68,614	26,530	(80,961)	(5,079)	(61,730)
Retirement benefits adjusted/(paid)	(17,963)	(21,737)	(11,242)	952	(11,129)	(10,021)
Workers Profit Participation Fund	(71,867)	(57,301)	-	-	-	-
Taxes paid	(326,386)	(238,857)	(14,127)	(158,071)	(41,772)	(237,570)
Others	(17,362)	296	43,467	3,088	789	24,182
Net Cash generated from operating activities	**6,571,743**	**5,939,186**	**5,042,545**	**3,693,090**	**1,621,937**	**1,740,158**
Fixed capital expenditure	(786,684)	(768,756)	(496,784)	(207,108)	(676,959)	(1,701,590)
Proceeds from sale of property, plant and equipment	70,267	12,696	5,282	2,287	108,203	8,067
Redemption of long term investments	1,625	-	1,412	(3,037)	-	(200)
Dividend received	-	-	448	384	11,717	9,431
Proceeds from disposal of short term investments	-	-	8,455	2,450	-	9,965
Acquisition of short term investments	-	-	-	(15,000)	-	-
Profit on bank deposits received	15,848	11,844	-	-	-	-
(Increase) / Decrease in long term deposits	(1,045)	733	(1,396)	(1,285)	(796)	(88)
Net Cash used in investing activities	**(699,989)**	**(743,483)**	**(482,583)**	**(221,309)**	**(557,835)**	**(1,674,415)**
Long term loans obtained	-	-	-	-	-	625,536
Repayment of long term loans from banking companies- Secured	(397,744)	(1,674,205)	(613,591)	(101,874)	(175,671)	-
Share deposit money / Proceeds from share received	-	-	-	-	-	1,000,000
Redeemable capital obtained	-	-	-	-	-	300,000
Repayment of redeemable capital - secured	(2,854,714)	(1,032,869)	(1,067,131)	(6,800)	(6,800)	(3,400)
Repayment of syndicated term finance - Secured	(762,500)	(183,125)	(117,875)	(1,200)	(1,200)	(600)
Payment of liabilities against assets subject to finance lease	(108,574)	(152,545)	(134,768)	(55,556)	-	(84,882)
Acquisition / (payment) of Short term borrowings	323,981	(322,891)	(770,120)	(835,282)	23,828	(321,484)
Finance cost paid	(1,123,209)	(1,646,567)	(2,053,219)	(2,296,662)	(692,183)	(1,578,858)
Redemption of preference shares	(20)	(163,780)	(362,903)	-	-	-
Dividend paid	(524,391)	(20)	(179,253)	(1)	(1)	(28,881)
Others	(260)	(150)	810	650	2,830	159
Net cash used in financing activities	**(5,447,431)**	**(5,176,152)**	**(5,298,050)**	**(3,296,725)**	**(849,197)**	**(92,410)**
Net increase in cash and cash equivalents	424,323	19,551	(738,088)	175,056	214,905	(26,667)
Cash and cash equivalents at beginning of the years	(255,311)	(274,862)	463,226	288,170	73,265	99,932
Cash and cash equivalents at end of the year	**169,012**	**(255,311)**	**(274,862)**	**463,226**	**288,170**	**73,265**

Comments on Six Years Analysis

HORIZONTAL ANALYSIS

Balance Sheet

The Company's equity increased owing to improved profitability on account of record sales and lower cost of production. This healthy trend of shareholder equity continued since 2012.

The Company witnessed the biggest ever reduction in its long term liabilities owing to the policy of swiftly deleveraging its balance sheet, on the foundations of healthy cash flows generated by operations and this trend was evidenced from year 2012.

Profit & Loss Account

The vertical climb of turnover of the Company since 2012 continued this year as well. Despite sales price remaining relatively stable throughout the year, sales in rupee terms were higher, which is a very positive sign.

The Company has almost doubled its achievement of increase in Gross Profit from last year as the increase is 14.9% compared to 8% last year. This increase in gross profit was quite substantial in 2012 and 2013 owing to cement industry benefiting from increase in prices. The major contribution this year has been the decline in coal prices, reduction in HFO cost and other cost reduction measures adopted by the Company.

Due to the above steep movement in gross profit, profit from operations also exhibited a substantial upward jump reaching a new high point in the history of the Company.

Based on fast deleveraging, reduction in finance cost is witnessed yet again. The Company debt equity ratio has improved enormously over the last five years and the same has been reflected in the continuously decreasing finance cost each year. Decrease in KIBOR rate has also been a key factor in this regard.

VERTICAL ANALYSIS

Balance Sheet

The Company continues to pay off its debts at exponential pace backed by increased cash flows. On the other hand record profits year after year have resulted in healthy equity. The equity component has increased from 16% in 2010 to 41% in 2015 while long term liabilities have decreased from 44% to 17% which is a very promising sign.

Long term assets have decreased since 2012 owing to depreciation as no major addition was made. Current assets were 24% of the total assets of the Company as opposed to 22% in year 2014. This percentage has increased since 2011 owing to more working capital requirement on account of higher sales. The liquidity of the Company continued improving based on exceptional results.

Profit & Loss Account

Due to reduced coal and power rates variable cost declined and coupled with other cost reduction measures, the gross profit percentage was higher than last year i.e. 36% with an increase of 2%. The gross profit margin increased from 22% in 2010 to 36% in 2015. Operating profits remained stable as distribution costs were higher than last year. This is due to increase in distribution cost due to more C & F shipments and increase in administration expenses. However, compared to the year 2010, these costs are substantially lower due to better mix of local and export sales.

The Company has continued its trend of breaking landmarks by beating last year's net profit before tax by 3% and reaching 22% for the current year. This has been made possible by better sales and reduced finance cost.

COMMENTS ON CASH FLOW STATEMENTS

The Company is moving in the right direction with respect to operations which is indicated by the increase in cash generated from operations. The said cash flows are healthy for the current financial year also on account of better sales and reduced cost. The cash flows from operations have continued to improve since 2012.

The cash utilized in investing activities has remained fairly similar to last year with a nominal decrease. Apart from routine capitalization, no major investment has been made since 2010. In 2009 and 2010, this figure was high on account of major capital expenditure including waste heat recovery.

The Company continues to pay off its debt obligations. Backed by better sales and healthy cash flows, the amount utilized for repayment of debts has exhibited an increasing trend since 2011. These healthy cash flows have also supported the cash and cash equivalents which have also gone up.

Analysis of Financial Ratios
For Six Years from Year 2010 to Year 2015

Profitability Ratios:	2015	2014	2013	2012	2011	2010
Gross Profit ratio	36.18%	34.39%	34.83%	25.97%	16.64%	21.56%
Net Profit to Sales	16.67%	14.92%	18.58%	3.21%	(13.53%)	(18.96%)
EBITDA Margin to Net Sales	37.91%	37.65%	39.34%	30.37%	16.18%	5.15%
Operating leverage ratio	1.13	0.42	6.05	20.65	52.54	11.34
Return on Equity	26.75%	29.03%	47.63%	12.96%	(56.46%)	(50.33%)
Return on Capital employed	20.87%	16.47%	20.45%	3.27%	(10.93%)	(15.98%)
Effective Tax Rate	23.25%	21.17%	(1.96%)	(11.70%)	11.90%	0.56%
Liquidity Ratios:						
Current ratio	0.91	1.00	0.78	0.56	0.52	0.54
Quick / Acid test ratio	0.25	0.31	0.23	0.18	0.18	0.22
Cash to Current Liabilities	0.03	0.03	0.06	0.04	0.03	0.01
Cash flow from Operations to Sales	0.32	0.31	0.29	0.24	0.12	0.13
Investment / Market Ratios:						
Earnings per share (EPS)						
Basic	6.55	5.36	6.11	0.84	(3.72)	(7.08)
Diluted	6.55	5.36	6.11	0.83	(3.72)	(7.08)
Price Earnings ratio	12.00	5.61	3.59	5.49	(0.55)	(0.44)
Market value per share						
Closing	78.56	30.05	21.93	4.63	2.06	3.11
High	84.3	30.25	22.54	4.83	2.25	3.30
Low	24.31	29.80	21.80	4.60	2.00	3.07
Break up value per share						
With revaluation surplus	33.47	27.74	22.40	17.30	16.48	13.79
Without revaluation surplus	24.47	18.47	12.83	7.26	5.95	13.79
Cash Dividend per Share	2.00	-	-	-	-	-
Dividend Payout Ratio	31%	-	-	-	-	-
Dividend Yield	3%	-	-	-	-	-
Dividend Cover Ratio	3.27	-	-	-	-	-
Capital Structure Ratios:						
Financial leverage ratio	0.57	1.18	2.24	4.45	5.73	3.22
Weighted average cost of debt	10.02%	10.46%	10.94%	13.09%	12.57%	12.67%
Net Borrowing/ EBITDA	0.96	1.67	2.25	3.74	9.56	30.48
Av. Operating Working Capital to Sales Ratio	13.82%	11.21%	0.70%	(3.51%)	(3.16%)	(10.55%)
Debt to Equity ratio	27:73	48:52	64:36	78:22	82:18	71:29
Interest Cover ratio	5.16	3.45	2.86	1.19	0.27	(0.25)
Activity / Turnover Ratios:						
Inventory turnover ratio	11.22	11.91	12.28	15.87	20.88	18.50
No. of Days in Inventory	32.54	30.65	29.72	23.00	17.48	19.73
Debtor turnover ratio	29.40	23.76	26.03	27.22	19.94	19.02
No. of Days in Receivables	12.42	15.36	14.02	13.41	18.31	19.20
Total Assets turnover ratio	0.66	0.59	0.54	0.47	0.39	0.52
Fixed Assets turnover ratio	0.87	0.77	0.68	0.58	0.46	0.65
Creditor turnover ratio	11.95	10.75	8.07	6.27	5.92	6.80
No. of Days in Creditors	30.53	33.96	45.21	58.17	61.67	53.65
Operating Cycle	14.42	12.06	(1.47)	(21.76)	(25.89)	(14.73)

Comments on Ratio Analysis

Profitability Ratios – These ratios show the operational efficiency of the Company as the margins are better than last year. EBITDA margin to sales is higher and profits are higher which reflects better performance owing to higher sales volume and lower cost.

Liquidity Ratios – Better operational results should have boosted these ratios but the impact was mitigated due to an increase in current liabilities owing to current portion of debts. However, despite the increase in current liabilities the ratios have remained stable and not declined which again indicate better performance of the Company.

Investment / Market Ratios – Increased profitability means increased EPS and this is evident from the figure which has gone up to 6.55 from 5.36 last year. The market value of the share also closed on a big high because of the performance of the Company, more than double than what it was on last financial year end. Breakup value of the share has also increased based on the results.

Capital Structure Ratios – These ratios have continued to get better since 2011 based on improved results and healthy cash flows, which have helped the Company pay its debts at accelerated rates and the trend is evident this year.

Activity / Turnover Ratios – The ratios yet again show a positive sign with recovery from customers and payment to creditors reduced by 3 days each. This shows better cash flow generating capacity of the Company to pay off its liabilities on time and reduce liquidity risk.

DuPont Analysis

Years	Return on Equity	Profit Margin = (Pre Tax Profit / Sales)	Total Asset Turnover= (Sales / Avg Assets)	Return on Assets	Equity Multiplier= (Avg Assets / Avg Equity)
	E = C x D	A	B	C = A x B	D
2015	27.87%	0.22	0.66	14.26%	1.95
2014	27.13%	0.19	0.59	11.17%	2.43
2013	30.19%	0.18	0.53	9.72%	3.11
2012	4.99%	0.03	0.47	1.34%	3.73
2011	(22.89%)	(0.12)	0.44	(5.29%)	4.33
2010	(43.36%)	(0.19)	0.53	(9.93%)	4.37

Following are the DuPont analysis highlights:

1. The operational efficiency of the Company has followed the trend of the last few years and increased in the current year owing to better sales, reduced variable cost and reduction in finance cost on account of debt repayment.

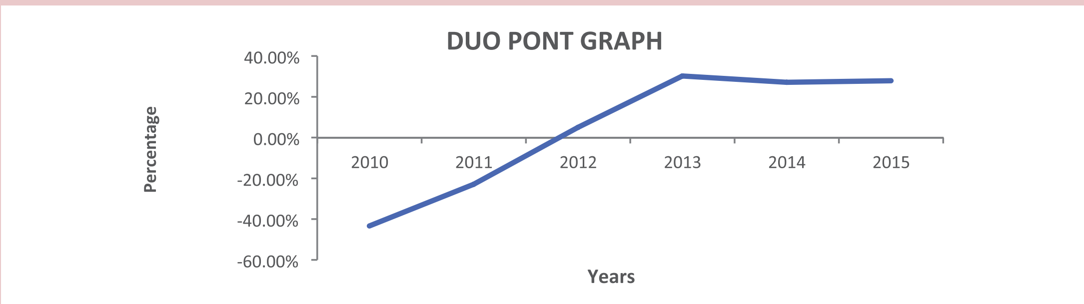
2. Assets turnover has increased in the current year by a higher percentage than last year which indicates better and more effective utilization of the resources of the Company.

3. Return on assets which is the combined effect of the above two factors also increased and is an indication of the improved operations over the last few years.

4. Better operations have lead to higher profits which have inflated the equity. This has led to a better equity multiplier which continues to improve each year owing to good profits.

Conclusion:

The DuPont analysis reaffirms the point that the Company is heading in the right direction of higher margins and increased sales with policies to add value to all the stakeholders.



Key Operating and Financial Data

For Six Years from Year 2009-10 to Year 2014-15

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Quantitative Data (M. Tons)						
Cement:						
Production	3,005,456	2,753,142	2,715,643	2,648,643	2,844,229	3,343,706
Sales	2,960,501	2,740,901	2,687,911	2,649,092	2,862,665	3,364,025
Sales (Rs. 000)						
Gross Sales	25,393,341	23,263,584	20,671,865	18,677,240	16,708,120	16,715,223
Less:						
Excise Duty	935,201	838,618	820,596	983,313	1,618,710	1,618,793
Sales Tax	3,590,939	3,324,741	2,361,879	2,103,135	1,883,559	1,349,218
Commission	147,147	131,678	132,014	129,436	132,633	116,701
Net Sales	**20,720,054**	**18,968,547**	**17,357,376**	**15,461,356**	**13,073,218**	**13,630,511**
Profitability (Rs. 000)						
Gross Profit/(Loss)	7,495,623	6,522,985	6,045,035	4,014,773	2,175,159	2,938,628
Profit/(Loss) Before Tax	4,500,911	3,590,401	3,162,615	444,066	(1,580,911)	(2,569,508)
Provision for Income Tax	(1,046,616)	(760,227)	62,080	52,128	(188,125)	(14,447)
Profit/(Loss) After Tax	**3,454,295**	**2,830,174**	**3,224,695**	**496,194**	**(1,769,036)**	**(2,583,955)**
Financial Position (Rs. 000)						
Tangible Fixed Assets-Net	23,720,541	24,705,782	25,630,205	26,774,317	28,203,393	21,035,368
Other Non-Current Assets	61,571	60,078	59,979	67,571	72,358	56,840
	23,782,112	**24,765,860**	**25,690,184**	**26,841,888**	**28,275,751**	**21,092,208**
Current Assets	7,439,205	7,145,445	6,682,906	5,886,085	5,414,365	5,002,734
Current Liabilities	(8,144,461)	(7,132,572)	(8,568,551)	(10,604,368)	(10,355,310)	(9,348,815)
Net Working Capital	**(705,256)**	**12,873**	**(1,885,645)**	**(4,718,283)**	**(4,940,945)**	**(4,346,081)**
Capital Employed	23,076,856	24,778,733	23,804,539	22,123,605	23,334,806	16,746,127
Less: Non Current Liabilities	(5,414,116)	(10,137,641)	(11,981,790)	(12,995,935)	(14,653,399)	(11,611,919)
Share holders Equity	**17,662,740**	**14,641,092**	**11,822,749**	**9,127,670**	**8,681,407**	**5,134,208**
Represented By:						
Share Capital	5,277,340	5,277,340	5,277,340	5,805,603	5,803,458	4,264,108
Reserves & Un-app. Profit	7,634,318	4,472,237	1,493,573	(1,976,742)	(2,670,171)	(129,900)
Share Deposit Money	-	-	-	-	-	1,000,000
Surplus on Revaluation of PPE	4,751,082	4,891,515	5,051,836	5,298,809	5,548,120	-
	17,662,740	**14,641,092**	**11,822,749**	**9,127,670**	**8,681,407**	**5,134,208**

Statement of Cash Flows
Direct Method

	2015	2014
	(Rupees in thousand)	
Cash flows from operating activities		
Cash receipts from customers	20,965,963	18,882,395
Cash paid to suppliers and employees	13,975,931	12,624,482
Cash generated from operations	6,990,031	6,257,913
(Increase)/decrease in long term loans to employees - secured	(2,073)	(832)
Retirement benefits (paid)/adjusted	(17,963)	(21,737)
Workers' profit participation fund paid	(71,867)	(57,301)
Taxes paid	(326,386)	(238,857)
Net cash generated from operating activities	6,571,743	5,939,186
Cash flow from investing activities		
Expenditures for property, plant and equipment	(786,684)	(768,756)
Proceeds from sale of property, plant and equipment	70,267	12,696
Increase in long term deposits and prepayments	(1,045)	733
Redemption of long term investment	1,625	-
Profit on bank deposits received	15,848	11,844
Net cash used in investing activities	(699,989)	(743,483)
Cash flow from financing activities		
Repayment of long term loans from banking companies - secured	(397,744)	(1,674,205)
Repayment of redeemable capital - secured	(2,854,714)	(1,032,869)
Repayment of syndicated term finances - secured	(762,500)	(183,125)
Increase in long term deposits	(260)	(150)
Payment of liabilities against assets subject to finance lease	(108,574)	(152,545)
Receipt/(repayment) of short term borrowings	323,981	(322,891)
Finance cost paid	(1,123,209)	(1,646,567)
Redemption of preference shares	(20)	(163,780)
Preference dividend paid	(524,391)	(20)
Net cash used in financing activities	(5,447,431)	(5,176,152)
Net increase in cash and cash equivalents	424,323	19,551
Cash and cash equivalents at the beginning of the year	(255,311)	(274,862)
Cash and cash equivalents at the end of the year	169,012	(255,311)

Results Reported in Interim Financial Statements and Final Accounts

	Interim Results						Annual Results	
	3 Months Period Ended 30-09-2014		6 Months Period Ended 31-12-2014		9 Months Period Ended 31-03-2015		Year Ended 30-06-2015	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Net Turnover	4,453,306		9,674,772		15,063,767		20,720,054	
Gross Profit	1,578,711	35.45%	3,487,526	36.05%	5,412,396	35.93%	7,495,623	36.18%
Operating Profit	1,159,955	26.05%	2,573,960	26.60%	4,028,789	26.74%	5,583,550	26.95%
Net Profit Before Tax	789,277	17.72%	1,933,278	19.98%	3,149,007	20.90%	4,500,911	21.72%
Net Profit After Tax	545,319	12.25%	1,433,555	14.82%	2,344,822	15.57%	3,454,295	16.67%
Debt Equity Ratio	8,107,941	44:56	6,429,498	36:64	5,679,511	33:67	4,778,817	27:73
	18,458,621		17,774,113		17,434,074		17,690,475	
Current Ratio	6,773,228	1.02	7,326,565	0.88	7,148,341	0.85	7,439,205	0.91
	6,626,075		8,310,536		8,384,823		8,144,461	

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

3 Months Ended September 30, 2014

Gross Profit Ratio for the 1st Quarter was 35.45% as compared to annual GP of 36.18%, mainly due to lower sales on account of monsoon season and increased store consumption on account of annual maintenance of the plant in 1st Quarter.

Operating Profit was 26.05% as compared to 26.95% in annual mainly due to low GP in 1st quarter. Net Profit Before Tax was 17.72% as compared to annual 21.72%, mainly due to high GP %age in annual and due to reduction in finance cost in annual on account of decrease in exchange loss and reduction in mark up due to debt repayments.

Net Profit After Tax was 12.25% as compared to 16.67% in annual due to sale quantitative growth over the year and reduction in finance cost.

Debt Equity Ratio was 44:56 in 1st quarter as compared to 27:73 in annual, mainly due to early repayments of debt over the year and low profit in the 1st quarter as compared to annual.

Current ratio was 1.02 as compared to annual of 0.91, due to reduced of current maturities of long term debts in 1st Quarter.

6 Months Ended December 31, 2014

Gross Profit Ratio was 36.05% as compared to annual GP of 36.18%, mainly due to improved sales performance in last quarter on account of seasonal factors. However, gross profit ratio increased as compared to 1st quarter mainly due to reduction in coal prices.

Operating Profit was 26.60% as compared to 26.95% in annual. Net Profit Before Tax was 19.98% as compared to annual 21.72%, mainly due to high GP %age in annual and due to reduction in coal rates and finance cost in annual.

Net Profit After Tax was 14.82% as compared to 16.67% in annual. Debt Equity Ratio was 36:64 in first half year as compared to 27:73 in annual, mainly due to more repayment of debts in annual and more profits in last quarter.

Current ratio was 0.88 as compared to annual of 0.91 mainly due to decrease in short term borrowings on account of effective utilisation of running finance lines at year end.

9 Months Ended March 31, 2015

Gross Profit Ratio was 35.93% as compared to annual GP of 36.18%, mainly due to impact of GIDC arrears in 3rd quarter. However, reduction in coal rates in the international market gave a favorable impact on gross profit ratio at year end.

Operating Profit was 26.74% as compared to 26.95% in annual. Net Profit Before Tax was 20.90% as compared to annual 21.72% mainly due to improved gross profit margin in last quarter on account of better sale performance, low fuel cost and reduction in finance cost on account of debt repayments, reduction in discount rate and less exchange loss.

Net Profit After Tax was 15.57% as compared to 16.67% in annual. Profit after tax improved in annual mainly due to increase in profit from operations and a decrease in effective tax rate

Debt Equity Ratio was 33:67 as compared to 27:73 in annual, mainly due to more repayment of debts in annual and increase in profits.

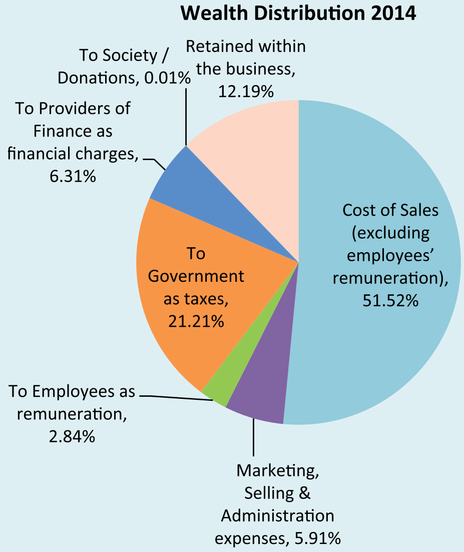
Current ratio was 0.85 as compared to annual of 0.91 due to increase in current maturity in annual.

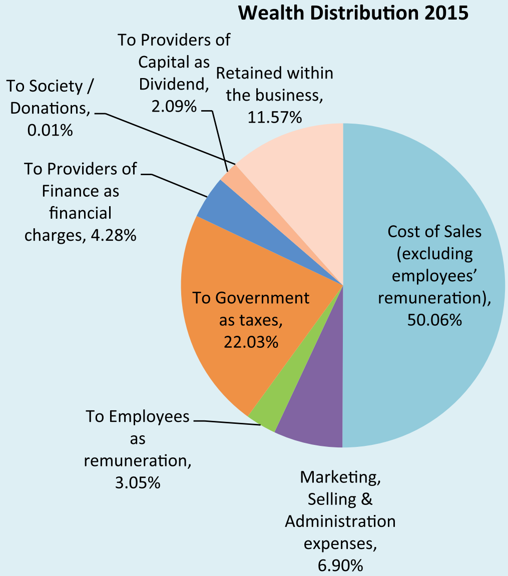
Statement of Value Added and How Distributed

	2015		2014	
	Rs. ('000)	% age	Rs. ('000)	% age
Value Added				
Sales net of commission	25,246,194	99.82%	23,131,906	99.65%
Other Operating Income	46,173	0.18%	80,585	0.35%
	25,292,367	100.00%	23,212,491	100.00%
Distribution of Wealth				
Cost of Sales (excluding employees' remuneration)	12,662,491	50.06%	11,959,283	51.52%
Marketing, Selling & Administration expenses	1,745,245	6.90%	1,373,000	5.91%
To Employees as remuneration	772,195	3.05%	659,042	2.84%
To Government as taxes	5,572,756	22.03%	4,923,586	21.21%
To Providers of Finance as financial charges	1,082,639	4.28%	1,464,772	6.31%
To Providers of Capital as Dividend	527,734	2.09%	-	0.00%
To Society / Donations	2,746	0.01%	2,634	0.01%
Retained within the business	2,926,561	11.57%	2,830,174	12.19%
	25,292,367	100.00%	23,212,491	100.00%

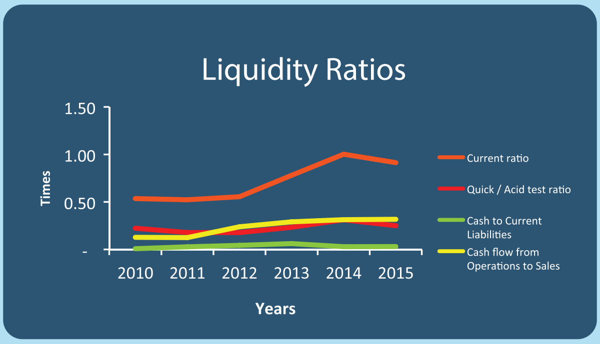
Statement of Charity

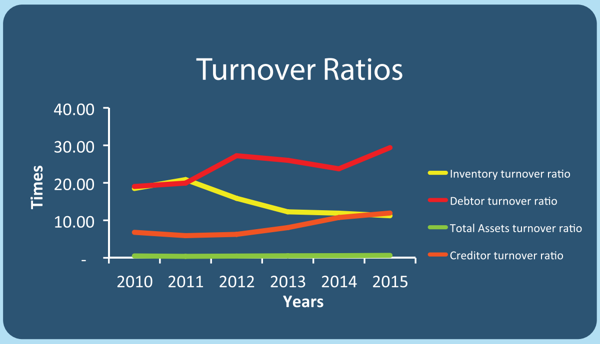
	(Rupees In thousand)	
	2015	2014
Abdul Razzaq Fazaia College Mianwali	1,403	-
Miscellaneous donations in the form of cement	910	1,711
Lahore University of Management Sciences (LUMS)	100	-
Internally Displaced Persons (IDP), Swat	-	600
National Tennis Academy	333	323
	2,746	2,634

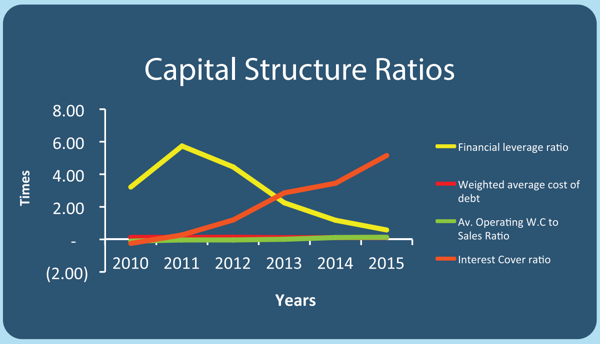


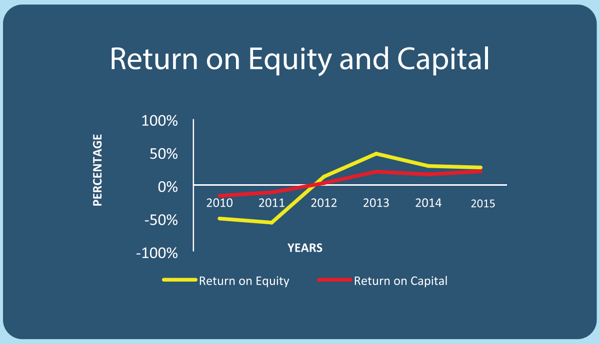


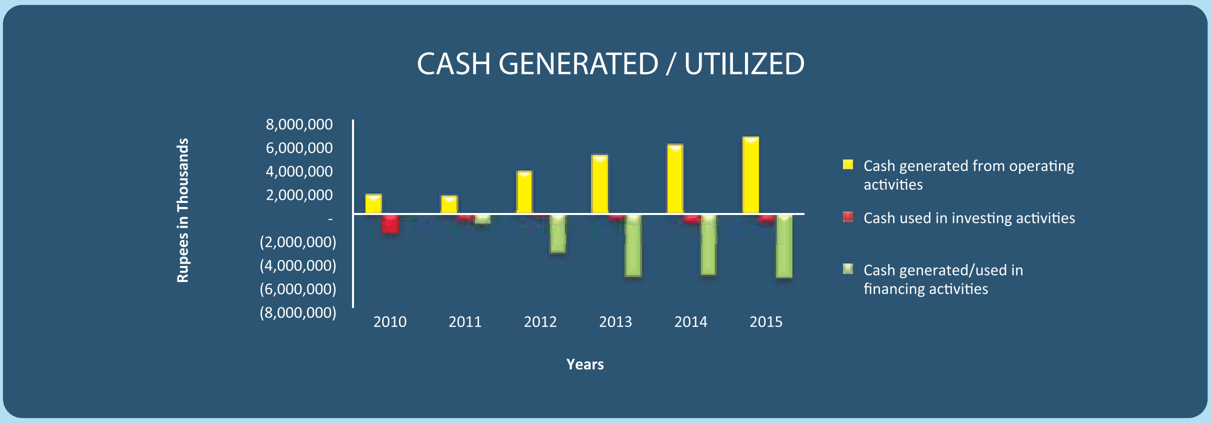
Graphical Presentation - Stakeholders' Information



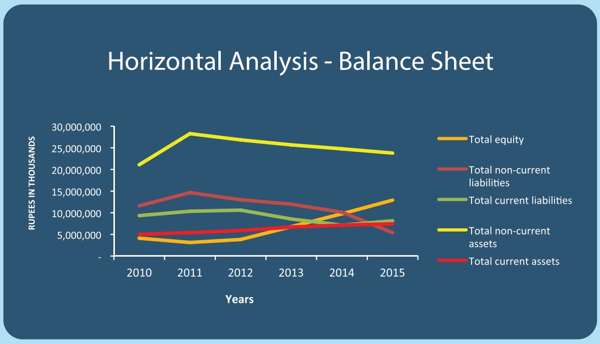


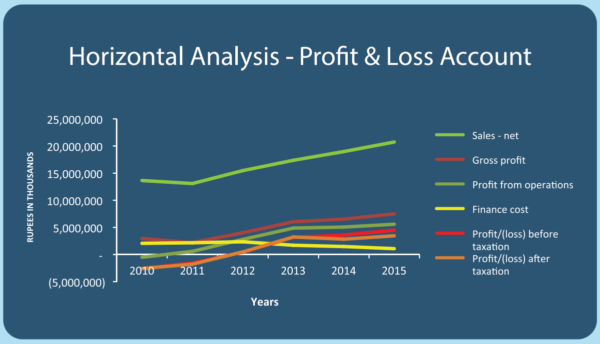


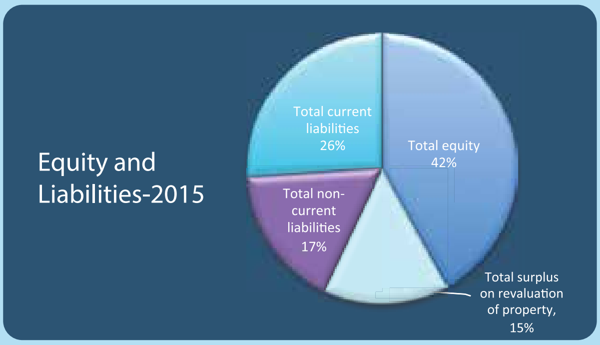


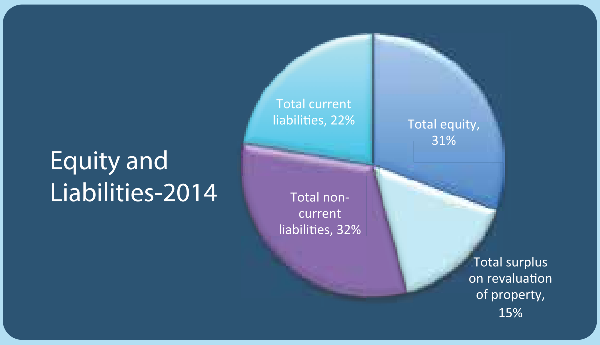


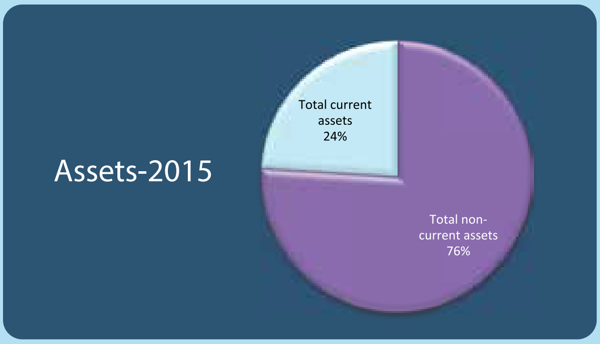
Graphical Presentation - Stakeholders’ Information

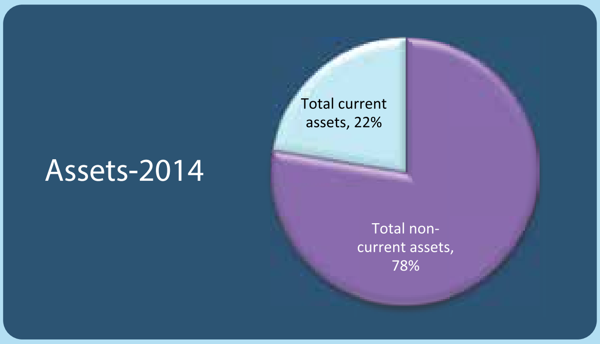


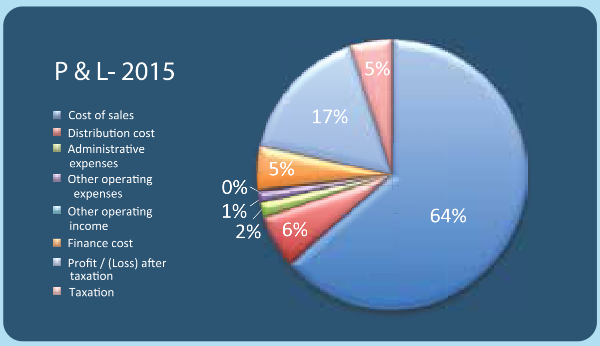


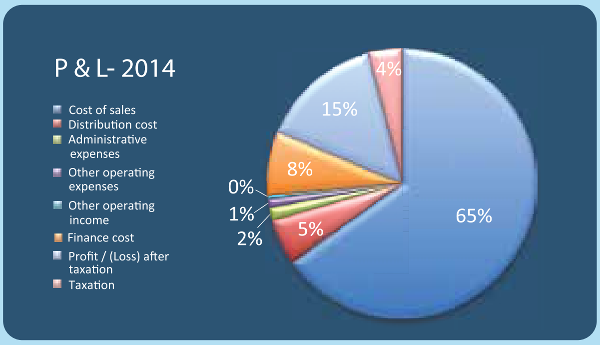












Pattern of Shareholding

1.	CUIN (Incorporation Number)	0001107
2.	Name of the Company	MAPLE LEAF CEMENT FACTORY LIMITED
3.	Pattern of holding of the shares held by the shareholders as at	30-06-2015

4. No. of Shareholders	Size of Holding From	To	Total shares held
1,733	1 -	100	68,157
2,539	101 -	500	827,843
1,613	501 -	1000	1,369,045
2,349	1001 -	5000	5,869,891
499	5001 -	10000	3,921,428
162	10001 -	15000	2,054,023
102	15001 -	20000	1,905,778
83	20001 -	25000	1,954,260
46	25001 -	30000	1,312,523
31	30001 -	35000	1,022,168
16	35001 -	40000	616,263
15	40001 -	45000	645,135
33	45001 -	50000	1,632,286
9	50001 -	55000	475,677
8	55001 -	60000	469,620
10	60001 -	65000	628,655
2	65001 -	70000	137,000
6	70001 -	75000	439,402
4	75001 -	80000	312,676
2	80001 -	85000	167,762
3	90001 -	95000	275,300
20	95001 -	100000	1,987,751
3	100001 -	105000	306,800
2	105001 -	110000	213,138
3	110001 -	115000	336,500
3	115001 -	120000	357,942
4	120001 -	125000	494,000
2	125001 -	130000	252,239
1	130001 -	135000	135,000
4	135001 -	140000	554,830
5	145001 -	150000	748,000
2	150001 -	155000	305,728
2	155001 -	160000	318,500
1	160001 -	165000	163,000
1	165001 -	170000	170,000
1	170001 -	175000	175,000
1	185001 -	190000	186,000
3	195001 -	200000	598,000

4. No. of Shareholders	Size of Holding From	To	Total shares held
3	210001 -	215000	636,191
1	215001 -	220000	219,500
1	225001 -	230000	229,500
2	230001 -	235000	464,500
7	245001 -	250000	1,741,780
1	250001 -	255000	252,280
1	280001 -	285000	284,000
1	285001 -	290000	288,000
3	295001 -	300000	900,000
1	300001 -	305000	301,500
1	315001 -	320000	317,000
2	340001 -	345000	685,000
2	345001 -	350000	697,200
1	355001 -	360000	355,500
1	360001 -	365000	364,500
1	370001 -	375000	371,795
2	375001 -	380000	753,500
1	380001 -	385000	382,000
2	385001 -	390000	776,500
2	395001 -	400000	796,500
1	400001 -	405000	404,000
1	440001 -	445000	441,500
1	445001 -	450000	450,000
2	470001 -	475000	950,000
1	475001 -	480000	479,500
1	485001 -	490000	490,000
1	490001 -	495000	491,500
4	495001 -	500000	2,000,000
1	510001 -	515000	513,000
1	525001 -	530000	526,500
1	540001 -	545000	541,500
1	545001 -	550000	550,000
1	560001 -	565000	562,000
1	565001 -	570000	565,500
1	580001 -	585000	585,000
1	590001 -	595000	591,960
2	595001 -	600000	1,200,000
2	645001 -	650000	1,299,500
1	655001 -	660000	656,800
1	665001 -	670000	670,000
2	670001 -	675000	1,343,000
1	690001 -	695000	695,000
1	735001 -	740000	739,000
1	750001 -	755000	754,000
1	815001 -	820000	820,000
1	865001 -	870000	867,500
1	885001 -	890000	888,500

4. No. of Shareholders	Size of Holding From	To	Total shares held
1	935001 -	940000	937,980
1	985001 -	990000	989,000
1	995001 -	1000000	1,000,000
1	1020001 -	1025000	1,025,000
1	1075001 -	1080000	1,076,500
1	1195001 -	1200000	1,200,000
1	1225001 -	1230000	1,228,495
1	1275001 -	1280000	1,277,000
1	1310001 -	1315000	1,311,500
1	1315001 -	1320000	1,318,500
1	1340001 -	1345000	1,341,500
1	1440001 -	1445000	1,442,347
1	1495001 -	1500000	1,496,400
1	1515001 -	1520000	1,515,700
1	1585001 -	1590000	1,587,617
1	1605001 -	1610000	1,608,500
1	1850001 -	1855000	1,852,500
1	2080001 -	2085000	2,083,000
1	2225001 -	2230000	2,226,000
1	2275001 -	2280000	2,280,000
1	2280001 -	2285000	2,285,000
1	2480001 -	2485000	2,483,800
1	2745001 -	2750000	2,746,000
1	2780001 -	2785000	2,783,500
1	2800001 -	2805000	2,800,500
1	3295001 -	3300000	3,300,000
1	3505001 -	3510000	3,510,000
1	3535001 -	3540000	3,536,089
1	4360001 -	4365000	4,363,200
1	4875001 -	4880000	4,879,000
1	5535001 -	5540000	5,539,200
1	6565001 -	6570000	6,565,200
1	7395001 -	7400000	7,398,200
1	7830001 -	7835000	7,835,000
1	7910001 -	7915000	7,910,234
1	7995001 -	8000000	8,000,000
1	8435001 -	8440000	8,440,000
1	8760001 -	8765000	8,760,500
1	9880001 -	9885000	9,881,500
1	11715001 -	11720000	11,720,000
1	14180001 -	14185000	14,183,091
1	14305001 -	14310000	14,306,622
1	291410001 -	291415000	291,410,425
9,436			**527,733,926**

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

5.	Categories of Shareholders	Shares Held	Percentage of Capital
5.1	**Directors, CEO and their spouses & minor children**		
	Mr. Tariq Sayeed Saigol - Chairman	15,582	0.0030
	Mr. Sayeed Tariq Saigol - Chief Executive	5,156	0.0010
	Mr. Taufique Sayeed Saigol	5,156	0.0010
	Mr. Waleed Tariq Saigol	5,432	0.0010
	Mr. Danial Taufique Saigol	2,500	0.0005
	Mr. Zamiruddin Azar	10,573	0.0020
	Mr. Karim Hatim	2,500	0.0005
	Mrs. Shehla Tariq Saigol - Spouse of Mr. Tariq Sayeed Saigol	1,852,500	0.3510
		1,899,399	**0.3600**
5.2	**Associated Companies, undertakings and related parties**		
	Kohinoor Textile Mills Ltd.	291,410,425	55.2192
	Zimpex (Pvt) Ltd.	1,706	0.0003
		291,412,131	**55.2195**
5.3	**NIT and ICP**		
	National Bank of Pakistan, Trustee Deptt.	13,097	0.0025
	IDBL (ICP Unit)	13,840	0.0026
		26,937	**0.0051**
5.4	**Banks, Development Financial Institutions, Non-banking Financial Institutions**	**4,720,809**	**0.8945**
5.5	**Insurance Companies**	**11,926,500**	**2.2599**
5.6	**Modarabas and Leasing Companies**	**24,960**	**0.0047**
5.6.1	**Mutual Funds**		
	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	42,500	
	CDC - TRUSTEE ABL STOCK FUND	14,000	
	CDC - TRUSTEE AKD INDEX TRACKER FUND	51,000	
	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	475,000	
	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	541,500	
	CDC - TRUSTEE ALFALAH GHP INCOME FUND - MT	7,000	
	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	513,000	
	CDC - TRUSTEE ALFALAH GHP STOCK FUND	888,500	
	CDC - TRUSTEE ALFALAH GHP VALUE FUND	364,500	
	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	100,000	
	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND - MT	51,750	
	CDC - TRUSTEE FAYSAL INCOME & GROWTH FUND - MT	90,800	

	Categories of Shareholders	Shares Held	Percentage of Capital
5.6.1	**Mutual Funds**		
	CDC - TRUSTEE FAYSAL SAVINGS GROWTH FUND - MT	378,000	
	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	23,500	
	CDC - TRUSTEE FIRST HABIB INCOME FUND - MT	211,000	
	CDC - TRUSTEE HBL - STOCK FUND	2,783,500	
	CDC - TRUSTEE HBL MULTI - ASSET FUND	355,500	
	CDC - TRUSTEE KSE MEEZAN INDEX FUND	347,200	
	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	112,500	
	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	4,879,000	
	CDC - TRUSTEE MEEZAN BALANCED FUND	350,000	
	CDC - TRUSTEE MEEZAN ISLAMIC FUND	8,440,000	
	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	175,000	
	CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	671,000	
	CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I	475,000	
	CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II	344,000	
	CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	375,500	
	CDC - TRUSTEE NAFA MULTI ASSET FUND	386,500	
	CDC - TRUSTEE NAFA STOCK FUND	989,000	
	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	249,746	
	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	441,500	
	CDC - TRUSTEE PAKISTAN SARMAYA MEHFOOZ FUND	100,000	
	CDC - TRUSTEE PAKISTAN STRATEGIC ALLOCATION FUND	100	
	CDC - TRUSTEE PICIC ISLAMIC STOCK FUND	58,000	
	CDC - TRUSTEE PICIC STOCK FUND	32,000	
	CDC - TRUSTEE PIML ISLAMIC EQUITY FUND	120,000	
	CDC - TRUSTEE PIML STRATEGIC MULTI ASSET FUND	163,000	
	CDC - TRUSTEE PIML VALUE EQUITY FUND	53,000	
	CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	341,000	
	CDC - TRUSTEE FIRST HABIB ISLAMIC BALANCED FUND	20,000	
	CDC - TRUSTEE HBL ISLAMIC STOCK FUND	526,500	
	CDC - TRUSTEE NAFA ASSET ALLOCATION FUND	565,500	
	CDC - TRUSTEE PAK. INT. ELEMENT ISLAMIC ASSET ALLOCATION FUND	404,000	
	GROWTH MUTUAL FUND LIMITED	110	
	MC FSL - TRUSTEE JS KSE-30 INDEX FUND	9,110	
	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	562,000	
	MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	30,000	
	MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	40,000	
		28,151,316	**5.3344**

	Categories of Shareholders	Shares Held	Percentage of Capital
5.7	**Shareholders holding Five Percent or more voting interest in the Company**		
	Refer to 5.2 above		
5.8	**General Public**		
	Individuals	62,728,806	11.8864
	Foreign Investors	116,207,834	22.0202
5.9	**Executive(s)**	**1**	**0.0000**
5.10	**Public Sector Companies and Corporations**	**1,230,505**	**0.2332**
5.11	**Joint Stock Companies**	**7,937,709**	**1.5041**
5.12	**Others**		
	AKHUWAT	30,500	
	CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	71,000	
	CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	96,500	
	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	284,000	
	CDC - TRUSTEE PAKISTAN ISLAMIC PENSION FUND - EQUITY SUB FUND	186,000	
	IFI ASSOCIATES	50,000	
	LAHORE STOCK EXCHANGE LIMITED	5,700	
	MANAGING COMMITTEE GHAZALI EDUCATION TRUST	440	
	TRUSTEE CITY SCHOOLS PROVIDENT FUND	25,000	
	TRUSTEE LEVER BROTHERS EMPLOYEES	5,000	
	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	7,488	
	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	213,391	
	TRUSTEE THALL LIMITED- EMPLOYEES RETIREMENT BENEFIT FUND	6,000	
	TRUSTEE-ALLIED ENGINEERING & SERVICES LTD EMPL PROVIDENT FUND	11,500	
	TRUSTEE-MILLAT TRACTORS LTD. EMPLOYEES PENSION FUND	96,000	
	TRUSTEES HOMMIE & JAMSHED NUSSERWANJEE C.T	50,000	
	TRUSTEES OF FFC EMPLOYEES PROVIDENT FUND	250,000	
	TRUSTEES OF PHILIP MORRIS (PAKISTAN) LIMITED EMPL G.F. TRUST	10,500	
	TRUSTEES WAH NOBEL P. LTD. MANG. STAFF PF	20,000	
	TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PENSION FUND	48,000	
		1,467,019	**0.2780**
	Grand Total:	**527,733,926**	**100.0000**

Statement of Compliance with the Code of Corporate Governance

Name of Company:	**Maple Leaf Cement Factory Limited**
Year Ended:	**June 30, 2015**

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the Regulation No. 35 of the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:-

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present, the Board includes:-

Category	Names
Independent Director	Mr. Karim Hatim
Executive Directors	Mr. Sayeed Tariq Saigol Syed Mohsin Raza Naqvi
Non-Executive Directors	Mr. Tariq Sayeed Saigol Mr. Taufique Sayeed Saigol Mr. Waleed Tariq Saigol Mr. Danial Taufique Saigol Mr. Zamiruddin Azar

The Independent Director meets the criteria of independence under clause i(b) of the CCG.

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

3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the Board of Directors during the year.

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

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board had arranged Orientation Courses for its Directors during the preceding years from recognized institutions of Pakistan that meet the criteria specified by the SECP whereas some Directors having the requisite experience on the Board(s) of Listed Companies are exempt from the Directors' Training Program. Further, the Directors have also provided declarations that they are aware

Living with a purpose

of their duties, powers and responsibilities under the Companies Ordinance, 1984 and the Listing Regulations of the Stock Exchanges. Furthermore, the Board has put in place a mechanism for an annual evaluation of the Board's own performance.

10. There were no new appointments of the CFO, Company Secretary and Head of Internal Audit during the year, however, all such appointments including their remuneration and terms and conditions of employment are duly approved by the Board.

11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee comprising of four non-executive directors including the chairman of the committee.

16. The meetings of the Audit Committee were held at least once every quarter prior to the approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed a HR & Remuneration Committee comprising of three non-executive directors including the chairman of the committee.

18. The Board has set up an effective internal audit function.

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

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's securities was determined and intimated to Directors, executives and stock exchange(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board

(Sayeed Tariq Saigol)
Chief Executive

Lahore: 09 September 2015

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

KPMG Taseer Hadi & Co.
Chartered Accountants
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Servis House
2-Main Gulberg Jail Road,
Lahore Pakistan

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Review Report to the Members on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Maple Leaf Cement Factory Limited** ("the Company") for the year ended 30 June 2015 to comply with the requirements of Listing Regulation No. 35 of Karachi, Lahore and Islamabad Stock Exchanges where the Company is listed.

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

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We 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 Code requires 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 of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of the requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2015.

Lahore
Date: 09 September 2015

KPMG Taseer Hadi & Co
Chartered Accountants
(M. Rehan Chughtai)


Exploring
possibilities

Sky is the limit

Financial Statements

Always moving forward

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Maple Leaf Cement Factory Limited ("the Company") as at 30 June 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the profit, its cash flows and changes in equity for the year then ended; and

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

Lahore

Date: 09 September 2015

KPMG Taseer Hadi & Co.
Chartered Accountants
(M. Rehan Chughtai)

BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	5	7,000,000	7,000,000
Issued, subscribed and paid-up share capital	5	5,277,340	5,277,340
Capital reserves	6	2,058,137	2,058,137
Accumulated profits		5,576,181	2,414,100
		12,911,658	9,749,577
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	7	4,751,082	4,891,515
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	8	38,114	478,615
Redeemable capital - secured	9	1,933,011	5,583,000
Syndicated term finance - secured	10	-	1,046,000
Liabilities against assets subject to finance lease - secured	11	628,230	735,090
Long term deposits	12	6,619	6,879
Deferred taxation	13	2,698,454	2,208,403
Retirement benefits	14	109,688	79,654
		5,414,116	10,137,641
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from banking companies - secured	8	117,143	178,388
- Redeemable capital - secured	9	1,500,000	600,000
- Syndicated term finance - secured	10	433,500	150,000
- Liabilities against assets subject to finance lease - secured	11	128,819	105,333
Trade and other payables	15	3,163,873	3,305,698
Accrued profit / interest / mark-up	16	108,132	174,625
Provision for taxation - net	32	137,252	-
Short term borrowings	17	2,555,742	2,618,528
		8,144,461	7,132,572
CONTINGENCIES AND COMMITMENTS	18		
		31,221,317	31,911,305

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

	Note	2015	2014
		(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	19	23,720,541	24,705,782
Long term investment	20	-	1,625
Long term loans to employees - secured	21	6,513	4,440
Long term deposits	22	55,058	54,013
		23,782,112	24,765,860
CURRENT ASSETS			
Stores, spare parts and loose tools	23	4,195,714	3,772,803
Stock-in-trade	24	1,206,573	1,151,460
Trade debts	25	570,571	839,037
Loans and advances	26	974,082	907,509
Short term investment	27	10,530	6,780
Short term deposits and prepayments	28	88,969	73,680
Accrued profit	29	963	2,352
Refunds due from Government	30	16,797	16,797
Other receivables	31	130,606	97,969
Advance tax - net of provision	32	-	70,214
Cash and bank balances	33	244,400	206,844
		7,439,205	7,145,445
		31,221,317	31,911,305

CHIEF EXECUTIVE OFFICER

DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
Sales - net	34	20,720,054	18,968,547
Cost of goods sold	35	(13,224,431)	(12,445,562)
Gross profit		7,495,623	6,522,985
Distribution cost	36	(1,313,696)	(1,054,336)
Administrative expenses	37	(381,363)	(296,689)
Other charges	38	(263,187)	(197,372)
		(1,958,246)	(1,548,397)
Other income	39	46,173	80,585
Profit from operations		5,583,550	5,055,173
Finance cost	40	(1,082,639)	(1,464,772)
Profit before taxation		4,500,911	3,590,401
Taxation	41	(1,046,616)	(760,227)
Profit after taxation		3,454,295	2,830,174
		-----------------Rupees-----------------	
Earnings per share - basic and diluted	42	6.55	5.36

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	(Rupees in thousand)	
Profit after taxation	3,454,295	2,830,174
Other comprehensive income		
Items that will not be reclassified to profit and loss account:		
Other comprehensive income - transferred to equity		
Remeasurement of defined benefit liability	(22,638)	(16,323)
Related tax	6,713	4,492
	(15,925)	(11,831)
Other comprehensive income - not transferred to equity		
Surplus on revaluation of fixed assets	95,013	-
Deferred tax liability on revaluation of fixed assets	(24,682)	-
	70,331	-
Total comprehensive income for the year	3,508,701	2,818,343

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,500,911	3,590,401
Adjustments for:			
Depreciation		1,772,554	1,690,247
Provision for doubtful debts		-	593
Reversal of provision for doubtful debts		(5,157)	-
Provision for slow moving stores reversed		(41,033)	-
Provision for Workers' Profit Participation Fund		236,324	194,168
Stock-in-trade written off		68,685	39,472
Bad debts written off		27,714	4,466
Loss / (gain) on disposal of property, plant and equipment		24,117	(9,764)
(Gain) / loss on re-measurement of short term investment at fair value		(3,750)	570
Retirement benefits		25,359	26,183
Finance cost		1,082,639	1,464,772
Profit on bank deposits		(14,459)	(13,850)
Cash generated from operations before working capital changes		7,673,904	6,987,258
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(381,878)	(21,417)
Stock-in-trade		(123,798)	(252,033)
Trade debts		245,909	(86,152)
Loans and advances		(66,573)	(745,805)
Short term deposits and prepayments		(15,289)	1,128
Other receivables		(32,637)	68,614
		(374,266)	(1,035,665)
(Decrease) / increase in current liabilities			
Trade and other payables		(309,606)	306,320
		(683,872)	(729,345)
Net cash generated from operations		6,990,032	6,257,913
Increase in long term loans to employees		(2,073)	(832)
Retirement benefits paid		(17,963)	(21,737)
Workers' Profit Participation Fund paid		(71,867)	(57,301)
Taxes paid		(326,386)	(238,857)
Net cash generated from operating activities		6,571,743	5,939,186
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(786,684)	(768,756)
Proceeds from disposal of property, plant and equipment		70,267	12,696
(Increase) / decrease in long term deposits		(1,045)	733
Redemption of long term investment		1,625	-
Profit on bank deposits received		15,848	11,844
Net cash used in investing activities		(699,989)	(743,483)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans from banking companies - secured		(397,744)	(1,674,205)
Redemption of redeemable capital - secured		(2,854,714)	(1,032,869)
Repayment of syndicated term finances - secured		(762,500)	(183,125)
Decrease in long term deposits		(260)	(150)
Payment of liabilities against assets subject to finance lease - net		(108,574)	(152,545)
Acquisition / (repayment) of short term borrowings		323,981	(322,891)
Finance cost paid		(1,123,209)	(1,646,567)
Redemption of preference shares		(20)	(163,780)
Dividend paid		(524,391)	(20)
Net cash used in financing activities		(5,447,431)	(5,176,152)
Net increase in cash and cash equivalents		424,323	19,551
Cash and cash equivalents at beginning of the year		(255,311)	(274,862)
Cash and cash equivalents at end of the year	43	169,012	(255,311)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

		Capital Reserves			Revenue Reserves	
	Share Capital	Share premium	Capital redemption reserve	Sub-total	Accumulated profits / (losses)	Total Equity
	(Rupees in thousand)					
At 30 June 2013	5,277,340	1,529,874	528,263	2,058,137	(564,564)	6,770,913
Total comprehensive income for the year						
Profit for the year ended 30 June 2014	-	-	-	-	2,830,174	2,830,174
Other comprehensive income for the year ended 30 June 2014	-	-	-	-	(11,831)	(11,831)
	-	-	-	-	2,818,343	2,818,343
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	160,157	160,157
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	163	163
At 30 June 2014	5,277,340	1,529,874	528,263	2,058,137	2,414,100	9,749,577
Total comprehensive income for the year						
Profit for the year ended 30 June 2015	-	-	-	-	3,454,295	3,454,295
Other comprehensive income for the year ended 30 June 2015	-	-	-	-	(15,925)	(15,925)
	-	-	-	-	3,438,370	3,438,370
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	244,644	244,644
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	6,801	6,801
Transaction with owners of the Company						
Interim cash dividend at Re. 1 per share for the year ended 30 June 2015	-	-	-	-	(527,734)	(527,734)
At 30 June 2015	5,277,340	1,529,874	528,263	2,058,137	5,576,181	12,911,658

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. REPORTING ENTITY

Maple Leaf Cement Factory Limited ("the Company") was incorporated in Pakistan on 13 April 1960 under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a public company limited by shares. The Company is currently listed on all three stock exchanges of Pakistan. The registered office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The cement factory is located at Iskanderabad District Mianwali in the province of Punjab. The principal activity of the Company is production and sale of cement. The Company is a subsidiary of Kohinoor Textile Mills Limited ("the Holding Company").

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the following:

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

2.4.1 Property, plant and equipment

The Company reviews the useful lives and residual values of Property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of Property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

2.4.2 Stores, spare parts and loose tools

The Company reviews the stores, spare parts and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores and spare parts and loose tools with a corresponding effect on the provision.

2.4.3 Stock-in-trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

2.4.4 Provision for doubtful debts, advances and other receivables

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

2.4.5 Employee benefits

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

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

2.4.6 Impairment

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

2.4.7 Taxation

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

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

2.4.8 Provisions and contingencies

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

2.4.9 Revaluation of property, plant and equipment

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Employee benefits

Defined contribution plan

The Company operates a defined contributory approved Provident Fund Trust for all its employees. Equal monthly contributions are made both by the Company and employees at the rate of 10.00% of the basic salary to the Provident Fund Trust. Obligation for contributions to defined contribution plan is expensed as the related service is provided.

Defined benefit plan

The Company operates approved funded gratuity scheme for all its full time permanent workers who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to profit and loss account.

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in profit and loss account.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit and loss account. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Liability for employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provision to cover the obligations is made using the current salary level of employees.

3.2 Taxation

Current

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

Deferred

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the balance sheet date.

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

3.3 Leases

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

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

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

3.4 Property, plant and equipment

3.4.1 Tangible assets

Owned

Tangible assets except freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery are stated at cost less accumulated depreciation and impairment in value, if any. Buildings on freehold land, roads, bridges and railway sidings and plant and machinery are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses while freehold land is stated at revalued amount being the fair value at the date of revaluation, less any subsequent impairment losses, if any. Increase in the carrying amount arising on revaluation is credited to 'Revaluation of fixed assets' and the same is dealt in accordance with section 235 of the Companies Ordinance, 1984. Surplus on revaluation is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses. The surplus on revaluation of fixed assets to the extent of the annual incremental depreciation based on the revalued carrying amount of the asset and the depreciation based on the assets' original cost is transferred annually to retained earnings net of related deferred tax. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of fixed assets account are net of applicable deferred income tax.

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

All other repair and maintenance costs are charged to income during the period in which these are incurred.

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

Depreciation is calculated at the rates specified in note 19.1 on reducing balance method except that straight-line method is used for the plant and machinery and buildings relating to dry process plant after deducting residual value. Depreciation on additions and deletions is charged on the month in which the addition / deletion is made

Leased

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

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

3.4.2 Intangible assets

Intangible asset is stated at cost less accumulated amortization for finite intangible asset and any identified impairment loss. The estimated useful life and amortization method is reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

Finite intangible assets are amortized using straight-line method over a period of three years. Amortization on additions to intangible assets is charged from the month in which an asset is put to use and on disposal up to the month of disposal.

3.5 Impairment

3.5.1 Financial assets

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

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

3.5.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss account. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

3.6 Investments

Available-for-sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

These are measured at fair value. The Company uses latest stock exchange quotations to determine the fair value of its quoted investments whereas fair value of investments in un-quoted companies is determined by applying the appropriate valuation techniques as permissible under IAS 39 (Financial Instruments: Recognition and Measurement). Gains or losses on available-for-sale investments are recognized directly in other comprehensive income until the investments are sold or disposed-off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in other comprehensive income, is re-classified from equity to profit and loss account as re-classification adjustment.

At fair value through profit and loss account

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

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has positive intention to hold to maturity. Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortized cost using the effective interest method, less any impairment loss, if any.

3.7 Loans and receivables

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

3.8 Stores, spare parts and loose tools

These are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

3.9 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, labor and a proportion of appropriate manufacturing overheads.

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

3.10 Financial instruments

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

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

Derivatives are initially recorded at cost which is the fair value of consideration given or received respectively on the date a derivative contract is entered into and are remeasured to fair value, amortized cost or cost as the case may be at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as cash flow hedges.

The Company documents at inception of transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items.

The effective portion of changes in the fair value of derivates that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the profit and loss account.

Amounts accumulated in equity are recognized in profit and loss account in the periods when the hedged item will effect profit or loss. However, when the forecast hedged transaction results in the recognition of a non-financial assets or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

3.11 Trade and other payables

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

3.12 Trade debts

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

3.13 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.14 Cash and cash equivalents

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

3.15 Revenue recognition

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

- Sales are recorded when significant risks and rewards of ownership of the goods have passed to the customers;

- Dividend income is recognized when the Company's right to receive the dividend is established; and

- Interest income is recognized as and when accrued on effective interest method.

3.16 Foreign currency translations

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pak Rupees at exchange rates prevailing on the balance sheet date. All exchange differences are charged to profit and loss account.

3.17 Borrowings

All borrowings are recorded at the proceeds received. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to profit and loss account in the period in which these are incurred.

3.18 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.19 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.20 Dividend distribution

Dividend is recognized as a liability in the period in which it is declared.

3.21 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost representing the fair value of consideration received less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at original cost less subsequent repayments, while the difference between the original recognized amounts (as reduced by periodic payments) and redemption value is recognized in the profit and loss account over the period of borrowings on an effective rate basis. The borrowing cost on qualifying asset is included in the cost of related asset.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2015

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on the Company's financial statements.

- IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016.

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets / operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on the Company's financial statements.

- IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and / or unconsolidated structured entities, into one place. The adoption of this standard is not likely to have an impact on the Company's financial statements.

- IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard is not likely to have an impact on the Company's financial statements.

- Amendments to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The adoption of the amended standard is not likely to have an impact on the Company's financial statements.

- Agriculture: Bearer Plants [Amendments to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The adoption of the amended standard is not likely to have an impact on the Company's financial statements.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The adoption of these amendments is not likely to have an impact on the Company's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

5. SHARE CAPITAL

5.1 Authorized share capital

Number of shares		Note	2015 (Rupees in thousand)	2014 (Rupees in thousand)
600,000,000	(2014: 600,000,000) ordinary shares of Rs. 10 each		6,000,000	6,000,000
100,000,000	(2014: 100,000,000) 9.75 % redeemable cumulative preference shares of Rs. 10 each		1,000,000	1,000,000
700,000,000			7,000,000	7,000,000

5.2 Issued, subscribed and paid-up share capital

Number of shares		Note	2015	2014
290,359,856	(2014: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash		2,903,599	2,903,599
35,834,100	(2014: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		358,341	358,341
46,069,400	(2014: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		460,694	460,694
153,846,153	(2014: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.2.1	1,538,462	1,538,462
1,624,417	(2014: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	5.2.2	16,244	16,244
527,733,926			5,277,340	5,277,340

5.2.1 During the financial year ended 30 June 2011, Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.

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

5.3 The Holding Company holds 291,410,425 (2014: 306,410,425) ordinary shares, which represents 55.22% (2014: 58.06%) of total ordinary issued, subscribed and paid-up share capital of the Company.

5.4 Zimpex (Private) Limited, an associated undertaking, holds 1,706 (2014: 1,706) ordinary shares of the Company.

6. CAPITAL RESERVES

	Note	2015	2014
		(Rupees in thousand)	
Capital redemption reserve	6.1	528,263	528,263
Share premium reserve	6.2	1,529,874	1,529,874
		2,058,137	2,058,137

6.1 This reserve has been created under section 85 of the 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 83(2) of the Companies Ordinance, 1984.

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

	2015	2014
	(Rupees in thousand)	
Gross surplus		
At beginning of the year	6,608,146	6,956,695
Surplus on revaluation of fixed assets during the year	95,013	-
Less:		
Effect of disposal of fixed assets	(9,668)	(225)
Transferred to accumulated profits in respect of incremental depreciation charge for the year	(347,769)	(348,324)
At end of the year	6,345,722	6,608,146
Deferred tax liability on revaluation surplus		
At beginning of the year	1,716,631	1,904,860
Tax on surplus during the year	24,682	-
Effect of disposal of fixed assets	(2,867)	(62)
Incremental depreciation charged on related assets	(103,124)	(188,167)
Effect of change in tax rate	(40,682)	-
At end of the year	1,594,640	1,716,631
	4,751,082	4,891,515

7.1 The Company's freehold land, buildings on freehold land, roads, bridges and railway sidings and plant and machinery were revalued by Arif Evaluators, an independent valuer not connected with the Company and approved by Pakistan Banks' Association (PBA) in "any amount" category, at 22 June 2015. The basis of revaluation for items of these fixed assets were as follows:

Freehold land

Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well.

Buildings on freehold land, roads, bridges and railway sidings

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery

Suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance.

	Note	2015	2014
		(Rupees in thousand)	
8. LONG TERM LOANS FROM BANKING COMPANIES - SECURED			
Habib Bank Limited - long term finance facility ("LTFF")	8.1	-	-
Habib Bank Limited - term loan	8.2	27,519	385,279
HSBC Bank Middle East Limited - medium term loan	8.3	-	76,190
Islamic Corporation for the Development of Private Sector ("ICD") - deferred mark-up loan	8.4	10,595	17,146
Allied Bank Limited - deferred mark-up loan	8.5	-	-
		38,114	478,615

8.1 Habib Bank Limited - long term finance facility ("LTFF")

	Note	2015	2014
At beginning of the year		23,391	263,507
Less: Payment made during the year		(23,391)	(240,116)
		-	23,391
Less: Current maturity presented under current liabilities	8.6	-	(23,391)
At end of the year		-	-

8.1.1 During financial year 2010, the Company entered into restructuring agreement with Habib Bank Limited ("HBL") for Rs. 791 million. Tenor of LTFF is four and a half years. The principal amount was repayable in nine semi annual installments started from June 2010. The facility carried mark-up at 9.70% (2014: 9.70%) per annum payable quarterly in arrears. This facility was secured by first pari passu equitable hypothecation / mortgage charge of Rs. 2,250 million on all present and future fixed assets of the Company, personal guarantees of directors of the Company and subordination of the entire sum of directors' / sponsors' loan outstanding at any point in time up to Rs. 150 million. The facility has been repaid during the year.

		Note	2015	2014
			(Rupees in thousand)	
8.2	Habib Bank Limited - term loan			
	At beginning of the year		495,359	632,959
	Less: Payment made during the year		(357,760)	(137,600)
			137,599	495,359
	Less: Current maturity presented under current liabilities	8.6	(110,080)	(110,080)
	At end of the year		27,519	385,279

8.2.1 During financial year 2011, the Company entered into restructuring agreement with HBL for Rs. 790.52 million. The purpose of this loan was to restructure existing loans (loan-1 and loan II) for import of Waste Heat Recovery Plant. As per terms of restructuring, the principal is repayable in nine years including grace period of twenty four months applicable from cut off date of 31 December 2009.

8.2.2 Principal repayment commenced from 01 January 2012 as follows:

01 January 2012	Rs. 25 million
31 March 2012	Rs. 25 million
30 June 2012	Rs. 25 million

The remaining principal is to be repaid in twenty six equal quarterly installments of Rs. 27.52 million each, commenced from quarter ended 30 September 2012.

During the year, the facility carried mark-up at the rate of six month KIBOR plus a spread of 2.00% per annum, payable quarterly in arrears. During the current year, mark-up ranged from 11.63% to 12.17% (2014: 10.09% to 12.15%) per annum.

From 01 January 2016 to 31 December 2018, the facility will carry mark-up at the rate of six month KIBOR plus a spread of 3.00% per annum.

The facility is secured against first pari passu equitable mortgage / hypothecation charge of Rs. 2,250 million over present and future fixed assets of the Company (land, building and plant and machinery). It is also secured by personal guarantees along with personal net worth statements of directors of the Company and subordination of the entire sum of directors' / sponsors' loan outstanding at any point in time. As per the financing document the Company is required to comply with certain financial covenants which mainly include current ratio, minimum debt service coverage ratio, minimum interest coverage ratio, gearing ratio and maximum leverage ratio. Further, the Company is required to comply with certain conditions imposed by the providers of finance to make dividend payment.

	Note	2015	2014
		(Rupees in thousand)	
8.3 HSBC Bank Middle East Limited - medium term loan			
At beginning of the year		114,249	161,893
Less: Payment made during the year		(9,524)	(47,644)
		104,725	114,249
Less: Transfer to redeemable capital - Sukuk	8.3.2	(104,725)	-
Less: Current maturity presented under current liabilities	8.6	-	(38,059)
At end of the year		-	76,190

8.3.1 During financial year 2012, the Company's short term loan of Rs. 160 million and running finance of Rs. 50 million was restructured by HSBC Bank Middle East Limited into a medium term loan of Rs. 200 million. As per terms of the restructuring, the principal was repayable in twenty one equal quarterly installments started from 23 May 2012 and ending on 23 May 2017.

This facility carried mark-up at the rate of six month KIBOR plus a spread of 1.25% per annum, payable semi annually. During the current year mark-up ranged from 10.89% to 11.43% (2014: 10.86% to 11.43%) per annum.

This facility was secured against first pari passu equitable hypothecation charge of Rs. 200 million over present and future current assets of the Company, ranking hypothecation charge of Rs. 120 million over present and future current assets and personal guarantees of directors.

8.3.2 During the current year, loan from HSBC Bank Middle East Limited, amounting to Rs. 104.73 million was converted from long term loan to Redeemable Capital - Sukuk in consequence of acquisition of HSBC Bank Middle East Limited by Meezan Bank Limited. This has been fully repaid during the year. The converted facility carried profit at the rate of 1 Year KIBOR + 0.93% per annum.

	Note	2015	2014
		(Rupees in thousand)	
8.4 Islamic Corporation for the Development of Private Sector ("ICD") - deferred mark-up loan			
At beginning of the year		24,004	30,877
Less: Payments made during the year		(7,069)	(7,219)
		16,935	23,658
Exchange loss during the year		723	346
		17,658	24,004
Less: Current maturity presented under current liabilities	8.6	(7,063)	(6,858)
At end of the year		10,595	17,146

As per terms of rescheduling agreement with ICD, overdue mark-up amounting to USD 0.42 million for the period from 15 December 2009 to 15 March 2011 was transferred to deferred mark-up loan. This deferred mark-up loan is to be paid in twenty four equal installments with the first four installments already paid within 30 days from date of agreement (17 December 2012) and remaining twenty installments will be paid quarterly from 15 March 2013 to 15 December 2017. The Company has provided a fixed charge on the Escrow accounts maintained with ABL, Corporate Branch at Kashmir Road, Lahore, against USD 14.50 million. As per the financing document, the Company is required to comply with certain financial covenants which mainly include current ratio, minimum debt service coverage ratio, minimum interest coverage ratio, gearing ratio and maximum leverage ratio. Also refer to note 11.2.

	Note	2015	2014
		(Rupees in thousand)	
8.5 Allied Bank Limited - deferred mark-up loan			
At beginning of the year		-	1,241,626
Less: Payment made during the year		-	(1,241,626)
		-	-
Less: Current maturity presented under current liabilities	8.6	-	-
At end of the year		-	-

8.5.1 As a consequence of restructuring of Islamic Sukuk Certificates, Musharika agreement and Syndicated Term Finance facility as referred in note 9 and 10 respectively, outstanding mark-up amounting to Rs. 1,600.00 million for the period from December 2009 to March 2011 was deferred by way of Second Addendum to the Third Supplementary Murabaha Finance Agreement and Syndicated Term Finance Agreement dated 30 March 2010. This amount was repayable in twenty four equal quarterly installments starting from March 2012.

During the previous year, the Company has fully paid deferred mark-up under cash sweep mechanism in accordance with the terms of the Agreement.

	Note	2015	2014
		(Rupees in thousand)	
8.6 Current portion of long term loans from banking companies			
Habib Bank Limited - long term finance facility - LTFF	8.1	-	23,391
Habib Bank Limited - term loan facility	8.2	110,080	110,080
HSBC Bank Middle East Limited - medium term loan	8.3	-	38,059
Islamic Corporation for the Development of Private Sector ("ICD") - deferred mark-up loan	8.4	7,063	6,858
Allied Bank Limited - deferred mark-up loan	8.5	-	-
		117,143	178,388

9. REDEEMABLE CAPITAL - SECURED

	Note	2015	2014
		(Rupees in thousand)	
Islamic Sukuk Certificates under Musharika agreement			
At beginning of the year	9.1	6,183,000	7,215,869
Add: Transferred from HSBC Bank Middle East Limited - medium term loan	8.3.2	104,725	-
Less: Sukuk certificates repaid during the year		(2,854,714)	(1,032,869)
		3,433,011	6,183,000
Less: Current maturity presented under current liabilities		(1,500,000)	(600,000)
At end of the year		1,933,011	5,583,000

9.1 The Company has issued Islamic Sukuk Certificates under Musharika agreement amounting to Rs. 8,000 million during the year ended 30 June 2008.

9.2 The salient terms and conditions of secured sukuk issue of Rs. 8,000 million are detailed below:

Lead arranger

Pak Brunei Investment Company Limited

Shariah advisor

Meezan Bank Limited ("MBL")

Purpose

Balance sheet re-profiling and replacement of conventional debt with Shariah Compliant Financing.

Investor

Banks, DFIs, NBFI and any other person

Tenor of Sukuk issue:

Nine years including grace period of 2.75 years and repayment is to be made in 6.25 years commenced from September 2012 and ending on December 2018.

Mark-up rate

- Three month KIBOR plus a spread of 1.00%;and
- Mark-up will be increased to three month KIBOR plus a spread of 1.70% per annum after five years or complete settlement of deferred mark-up, whichever is later.

Principal and mark-up payments

As per the agreement, twenty six outstanding quarterly installments are to be re-paid as per following schedule:

Period	Rupees in thousand
September 2012 - June 2015	200,000
September 2015 - June 2016	237,500
September 2016 - June 2017	300,000
September 2017 - June 2018	375,000
September 2018 - December 2018	966,500

The Company has paid principal installments falling due from December 2014 till June 2017 during the year.

Mark-up is payable quarterly in arrears. Mark-up during the year has been calculated at rates ranging from 8.43% to 11.35% (2014: 10.06% to 11.18%) per annum.

Form and delivery of Sukuk

The sukuk certificates have been issued under section 120 "issue of securities and redeemable capital not based on interest" of the Companies Ordinance, 1984. The sukuk certificates have been registered and inducted into the Central Depository System ("CDS") of the Central Depository Company of Pakistan ("CDC").

Security

Sukuk issue of Rs. 8,000 million is secured against first pari passu charge over all present and future fixed assets of the Company amounting to Rs. 10,667 million.

Trustee / investors' agent

Pak Brunei Investment Company Limited

As per the financing document the Company is required to comply with certain financial covenants which mainly include current ratio, minimum debt service coverage ratio, minimum interest coverage ratio, gearing ratio and maximum leverage ratio.

	Note	2015	2014
		(Rupees in thousand)	
10. SYNDICATED TERM FINANCE - SECURED			
At beginning of the year	10.1	1,196,000	1,379,125
Less: Payment made during the year		(762,500)	(183,125)
		433,500	1,196,000
Less: Current maturity presented under current liabilities		(433,500)	(150,000)
At end of the year		-	1,046,000

10.1 The salient terms of this syndicated term finance facility are as follows:

Lead arranger and agent bank

Allied Bank Limited ("ABL")

Purpose

Balance sheet re-profiling and replacement of conventional debt.

Lenders

Banks and DFIs

Facility amount

Rs. 1,500 million

Tenor

Nine years including grace period of 2.75 years.

Mark-up rate

- Three month KIBOR plus a spread of 1.00% per annum; and
- Mark up will be increased to three month KIBOR plus a spread of 1.70% per annum after 5 years or complete settlement of deferred mark-up, whichever is later.

Principal and mark-up payments

As per the agreement, twenty six outstanding quarterly installments are to be re-paid as per following schedule:

Period	Rupees in thousand
September 2012 - June 2015	37,500
September 2015 - June 2016	44,500
September 2016 - June 2017	56,000
September 2017 - June 2018	70,000
September 2018 - December 2018	182,500

The Company has paid principal installments falling due from September 2014 till March 2018 during the year.

Principal and markup are payable quarterly in arrears. Markup is calculated at rates ranging from 8.44% to 11.34% (2014: 10.06% to 11.18%) per annum.

Security

This is secured against first pari passu charge over all present and future fixed assets of the Company amounting to Rs. 3,333 million.

As per the financing document the Company is required to comply with certain financial covenants which mainly include current ratio, minimum debt service coverage ratio, minimum interest coverage ratio, gearing ratio and maximum leverage.

11. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

	Note	2015	2014
		(Rupees in thousand)	
Present value of minimum lease payments	11.1.1	757,049	840,423
Less: Current maturity presented under current liabilities		(128,819)	(105,333)
		628,230	735,090

Taxes, repair and insurance costs are borne by the Company. The Company intends to exercise its option to purchase the above assets upon completion of the lease period.

11.1 The amount of future lease payments and the period in which they will become due are as follows:

	2015	2014
	(Rupees in thousand)	
Minimum lease payments:		
Not later than one year	150,064	128,278
Later than one year but not later than five years	659,777	784,214
	809,841	912,492
Less: Finance cost allocated to future period	(52,792)	(72,069)
	757,049	840,423
Less: Current maturity presented under current liabilities	(128,819)	(105,333)
	628,230	735,090

11.1.1 Present value of minimum lease payments

	2015	2014
Not later than one year	128,819	105,333
Later than one year but not later than five years	628,230	735,090
	757,049	840,423

11.2 The Company had entered into restructuring agreement of lease facility outstanding amount with Islamic Corporation for the Development of Private Sector ("ICD") on 17 December 2012 ("the Effective Date") to acquire power generation plant Wartsila.

As per terms of restructuring agreement, the outstanding principal amounting to USD 10.67 million is to be repaid in twenty-five installments. The first installment amount of USD 0.56 was paid to ICD on the Effective Date and remaining twenty four quarterly installments are to be paid as per following schedule terms:

Period	No. of Installments	Amount (USD) Per installment	Total Amount (USD)
15 March 2013 - 15 June 2015	10	266,665	2,666,650
15 September 2015 - 15 June 2016	4	316,665	1,266,660
15 September 2016 - 15 June 2017	4	400,000	1,600,000
15 September 2017 - 15 June 2018	4	500,000	2,000,000
15 September 2018 - 15 December 2018	2	1,288,643	2,577,286

According to revised terms, the aggregate outstanding mark-up including penalized mark-up amounting to USD 2.54 million due up to 15 December 2012 was rescheduled as follows:

The initial period outstanding profit amounting to USD 0.20 million for the period from 15 June 2009 to 15 December 2009 was payable to ICD within 30 days of the Effective Date of the agreement.

The second period outstanding profit amounting to USD 0.42 million from 15 December 2009 to 15 March 2011 was to be paid to ICD as follows:

(i) An amount of USD 2,094 being 0.50% of the second period profit was to be paid within 30 days of the Effective Date.

(ii) The mark-up amount of USD 0.42 million being 99.50% of the second period profit was to be paid to ICD in twenty four equal quarterly installments of USD 17,362 each with first four installments already paid within 30 days from the Effective Date and remaining twenty installments started from 15 March 2013 and ending on 15 December 2017.

Moreover, the aggregate variable mark-up amounting to USD 0.59 million for the period from 15 March 2011 to 15 December 2012 was payable to ICD within 30 days of the Effective Date.

ICD further agreed to waive the penalty amount payable by the Company to ICD pursuant to transaction documents, being an aggregate amount of USD 1.32 million provided the Company agreed to effecting payment of the lease facility outstanding amount in accordance with the provision of the repayment schedule.

This facility carries mark-up rate at six month USD LIBOR plus a spread of 2.50% per annum. During the current year mark-up has ranged from 2.83% to 2.95% (2014: 2.83% to 2.91%) per annum.

For covenants refer to note 8.4

11.2.1 The Company entered into an interest rate swap agreement with Standard Chartered Bank Pakistan Limited ("SCB") in respect of this lease finance facility. The agreement became effective from 02 February 2009 and had the following significant terms:

Notional amount	As per amortization schedule starting from USD 11.54 million in accordance with repayment schedule of the facility.
Maturity	16 June 2014
Mark-up to be paid by the Company on notional amount	2.45% per annum.
Mark-up to be received by the Company on notional amount	USD-LIBOR-BBA six months except for the initial calculation period which shall be the linear interpolation of 4 and 5 month floating rate option.

The interest rate swap agreement matured on 16 June 2014.

12. LONG TERM DEPOSITS

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

13. DEFERRED TAXATION

	2015	2014
	(Rupees in thousand)	
Deferred tax liability on taxable temporary differences arising in respect of:		
- accelerated tax depreciation on fixed assets	3,168,778	3,335,473
- surplus on revaluation of fixed assets	1,594,640	1,716,631
	4,763,418	5,052,104
Deferred tax asset on deductible temporary differences arising in respect of:		
- unused tax losses	(706,403)	(2,124,360)
- liabilities against assets subject to finance lease	(79,645)	(43,646)
- employees' retirement benefits	(29,287)	(21,922)
- provision for doubtful debts	(1,027)	(2,361)
- tax credits under section 113, 113C and 65B of Income Tax Ordinance, 2001 against normal tax charge in future years	(1,248,602)	(651,412)
	(2,064,964)	(2,843,701)
	2,698,454	2,208,403

13.1 Tax loss on account of unabsorbed depreciation amounting to Rs. 2,207 million (2014: Rs. 6,414 million) is available to the Company's credit. Deferred tax asset in respect thereof has been recognized as availability of sufficient taxable profits in future tax years to absorb such losses is expected.

	Note	2015	2014
		(Rupees in thousand)	

13.2 Movement in deferred tax balances is as follows:

	Note	2015	2014
At beginning of the year		2,208,403	1,904,860
Recognized in profit and loss account:			
- accelerated tax depreciation on fixed assets		(166,695)	(343,774)
- surplus on revaluation of fixed assets		(105,991)	(188,229)
- unused tax losses		1,417,957	1,133,665
- liabilities against assets subject to finance lease		(35,999)	36,525
- employees' retirement benefits		(652)	43
- provision for doubtful debts		1,334	106
- tax credits under section 113, 113C and 65B of Income Tax Ordinance, 2001 against normal tax charge in future years		(597,190)	(330,301)
		512,764	308,035
Recognized in surplus on revaluation of fixed assets			
- tax rate adjustment		(40,682)	-
Recognized in other comprehensive income:			
- employees' retirement benefits		(6,713)	(4,492)
- surplus on revaluation of fixed assets		24,682	-
		2,698,454	2,208,403

14. RETIREMENT BENEFITS

	Note	2015	2014
Accumulated compensated absences	14.1	41,138	34,421
Gratuity	14.2	68,550	45,233
		109,688	79,654

14.1 Accumulated compensated absences

	Note	2015	2014
At beginning of the year		34,421	26,307
Provision for the year		15,184	17,543
Less: Payments made during the year		(8,467)	(9,429)
At end of the year		41,138	34,421

14.2 Gratuity

The latest actuarial valuation of the Company's defined benefit plan, was conducted on 30 June 2015 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

	Note	2015	2014
		(Rupees in thousand)	
The amounts recognized in the balance sheet are as follows:			
Present value of defined benefit obligation	14.2.1	137,998	114,868
Less: Fair value of plan assets	14.2.2	(69,448)	(69,635)
Net liability at end of the year		68,550	45,233
Net liability at beginning of the year		45,233	32,578
Charge to profit and loss account for the year	14.2.3	10,175	8,640
Charge to other comprehensive income for the year	14.2.3	22,638	16,323
Amount transferred to the Company	14.2.2	-	1,027
Less: Contributions made during the year		(9,496)	(13,335)
Net liability at end of the year		68,550	45,233

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

	2015	2014
Present value of defined benefit obligations at beginning of the year	114,868	108,128
Current service cost for the year	4,809	4,594
Interest cost for the year	14,591	10,651
Actuarial losses on present value of defined benefit obligations	13,226	4,866
Less: Benefits paid during the year	(9,496)	(13,371)
Present value of defined benefit obligation at end of the year	137,998	114,868

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

	2015	2014
Fair value of plan assets at beginning of the year	69,635	62,903
Contributions made during the year	9,496	13,335
Expected return on plan assets for the year	9,225	6,605
Actuarial (loss) / gain on plan assets	(9,412)	1,190
Less: Transferred to the Company	-	(1,027)
Less: Benefits paid during the year	(9,496)	(13,371)
Fair value of plan assets at end of the year	69,448	69,635

Fair value of plan assets are as follows:

	2015	2014
NIB Bank including accrued interest	37,000	35,630
NAFA Government Securities Liquid Fund	13,875	10,072
Trust Investment Bank including accrued interest	15,000	21,935
Cash at bank	3,573	1,998
	69,448	69,635

	2015	2014
	(Percentage)	
Plan assets comprise of:		
Bond	94.80%	97.10%
Cash at bank	5.20%	2.90%
	100%	100%

	2015	2014
	(Rupees in thousand)	
14.2.3 Charge for the year		
In profit and loss account		
Current service cost for the year	4,809	4,594
Interest cost for the year	14,591	10,651
Expected return on plan assets for the year	(9,225)	(6,605)
	10,175	8,640
In other comprehensive income		
Actuarial losses on retirement benefits - net	22,638	16,323
	32,813	24,963
14.2.4 Movement in actuarial gain is as follows:		
At beginning of the year	-	12,647
Actuarial loss / (gain) on plan assets	9,412	(1,190)
Actuarial loss on defined benefit obligation	13,226	4,866
Un recognized actuarial loss on defined benefit obligation recognized in OCI	(22,638)	(16,323)
At end of the year	-	-

Actuarial assumptions

The following are the principal actuarial assumptions at 30 June:

	2015	2014
	(Percentage)	
Discount rate used for year end obligations	9.75%	13.25%
Expected return on plan assets	9.75%	13.25%
Expected rate of growth per annum in future salaries	8.75%	12.25%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Retirement assumptions	60 years	60 years

Historical Information

Comparison of present value of defined benefit obligation, the fair value of plan assets and the surplus of gratuity fund for five years is as follows:

	2015	2014	2013	2012	2011
	(Rupees in thousand)				
Present value of defined benefit obligation	137,998	114,868	108,128	84,902	82,275
Fair value of plan assets	(69,448)	(69,635)	(62,903)	(52,099)	(50,914)
Deficit in the plan	68,550	45,233	45,225	32,803	31,361
Experience adjustment arising on plan liabilities	13,226	4,866	15,306	(10,190)	(4,215)
Experience adjustment arising on plan assets	(9,412)	1,190	6,858	2,932	2,529

14.3 The Company expects to charge Rs. 11.77 million to profit and loss account on account of defined benefit plan in 2016.

14.4 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at 30 June 2015 would have been as follows:

	Gratuity	
	Impact on present value of defined benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	130,508	146,271
Future salary increase + 100 bps	146,271	130,376

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the balance sheet.

14.5 At 30 June 2015, the weighted average duration of the defined benefit obligation was 6 years (2014: 6 years).

15. TRADE AND OTHER PAYABLES

	Note	2015	2014
		(Rupees in thousand)	
Trade creditors		998,898	590,566
Bills payable - secured	15.1	1,170	621,824
Due to the Holding Company	15.3	-	251,570
Accrued liabilities	15.5	754,320	459,065
Advances from customers		182,349	222,041
Security deposits repayable on demand	15.2	49,958	55,348
Contractors' retention money		24,815	8,709
Royalty and Excise Duty payable		29,002	28,848
Payable to Provident Fund Trust		5,804	4,796
Other taxes payable		47,165	58,311
Sales Tax payable		386,416	426,964
Excise Duty payable		189,039	233,315
Unclaimed dividend		4,876	1,529
Preference dividend payable		1,019	1,023
Payable to Workers' Profit Participation Fund	15.4	468,894	304,437
Payable against redemption of preference shares		1,560	1,580
Other payables		18,588	35,772
		3,163,873	3,305,698

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

15.2 This represents security deposits received from distributors and contractors of the Company. Distributors and contractors have given the Company a right to utilize deposits in ordinary course of business.

15.3 This included amount due to the Holding Company, which carries interest at 1.00% (2014: 1.00%) in addition to the average borrowing rate of the Company.

15.4 Payable to Workers' Profit Participation Fund

	2015	2014
	(Rupees in thousand)	
At beginning of the year	304,437	167,570
Allocation and interest for the year	236,324	194,168
Less: Paid during the year	(71,867)	(57,301)
At end of the year	468,894	304,437

15.4.1 The outstanding WPPF liability includes Rs. 235.63 million being the left over amount out of the total WPPF liability of Rs. 304.44 million pertaining to the financial year ended 30 June 2012 and 30 June 2013. According to the Companies Profits (Workers' Participation) Act, 1968, the left over amount is to be transferred to the Workers Welfare Fund. After the 18th amendment to the Constitution of Pakistan in 2010, all labor / labor welfare laws have become provincial subject, and accordingly the aforesaid left over amount is now payable to Provincial Government. Federal Government through its letter dated 17-07-2012 demanded the payment of left over amount of Workers' Profit Participation Fund ("WPPF"). Both the permanent workers and the Workers of the contractors filed separate Writ Petitions bearing No. 1716/2013 and 5039/2013 in the Honorable Lahore High Court and challenged the legality of the said letter of the Government, the operation of which was suspended by the Honorable High Court vide Order Dated 24 January 2013.

In view of the above order the payment of left over amount should not be made to the Government during the pendency of the said Writ Petitions as Federal Government is not competent to ask for the payment of the Profit Fund. On the other hand, the Provincial Government has not so far legislated any law after the 18th amendment in the Constitution of Pakistan to regulate the payment of Profit Fund required to be deposited in the Welfare Fund created by the Government through legislation, which it has a mandatory obligation to do and has failed to discharge its onus so far. Therefore the Company stands handicapped to deposit the amount of Fund either to the Federal Government or for that matter to the Provincial Government.

The left over amount of Profit Fund after distribution to the Workers stands retained by the Company as a compulsion in view of the said Stay Order of the Honorable Lahore High Court.

15.5 This includes Rs. 140 million booked on account of Gas Infrastructure Development Cess (GIDC) for the period from September 2014 to April 2015. The Company, along with various other companies has challenged the legality and validity of levy and demand of GIDC in Honorable Lahore High Court which is pending adjudication. However, on a prudent basis, the Company has recorded the GIDC amount for the mentioned period.

16. ACCRUED PROFIT / INTEREST / MARK-UP

		2015	2014
		(Rupees in thousand)	
Profit / interest / mark-up accrued on:			
- Long term loans		16,967	21,123
- Redeemable capital		23,672	55,826
- Syndicated term finances		4,381	11,263
- Liabilities against assets subject to finance lease		930	8,383
- Short term borrowings		62,182	78,030
		108,132	174,625

17. SHORT TERM BORROWINGS

		2015	2014
Banking and financial institutions:			
- Cash finance and others	17.1	2,468,579	2,058,228
- Running finance	17.1	75,388	462,155
Temporary bank overdrafts - unsecured	17.2	11,775	98,145
		2,555,742	2,618,528

17.1 These facilities have been obtained from various banking companies for working capital requirements and are secured by charge over current and future assets of the Company, personal guarantees of the Directors, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 30 June 2016.

These facilities carry mark-up at the rates ranging from 5.75 % to 24.00 % (2014: 9.20% to 24.00%) per annum payable quarterly.

The aggregate available short term funded facilities amounting to Rs. 2,971 million (2014: Rs. 3,635 million) out of which Rs. 1,407 million (2014: 1,115 million) remained unavailed at the year end.

Facilities available for opening letters of credit / guarantee aggregate amounting to Rs. 4,615 million (2014: Rs. 4,378 million) out of which the Rs. 2,388 million (2014: Rs. 2,208 million) remained unutilized at the year end.

17.2 This represents temporary overdrafts due to cheques issued by the Company at the reporting date.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 The Company has filed writ petitions before the Honorable Lahore High Court against the legality of judgment passed by the Customs, Excise and Sales Tax Appellate Tribunal whereby the Company was held liable on account of wrongful adjustment of input sales tax on raw materials; the amount involved pending adjudication before the Honorable Lahore High Court is Rs. 10.01 million. No provision has been made in these financial statements in respect of the matter as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

18.1.2 The Company has filed an appeal before the Customs, Central Excise and Sales Tax Appellate Tribunal, Karachi against the order of the Deputy Collector Customs whereby the refund claim of the Company amounting to Rs. 12.35 million was rejected and the Company was held liable to pay an amount of Rs. 37.05 million by way of 10% customs duty allegedly leviable in terms of SRO 584(I)/95 and 585(I)/95 dated 01 July 1995. The impugned demand was raised by the department on the alleged ground that the Company was not entitled to exemption from payment of customs duty and sales tax in terms of SRO 279(I)/94 dated 02 April 1994.

The Honorable Lahore High Court, upon the Company's appeal, vide its order dated 06 November 2001 has decided the matter in favor of the Company; however, the Collector of Customs has preferred a petition before the Honorable Supreme Court of Pakistan, which is pending adjudication. No provision has been made in these financial statements in respect of the above stated amount as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

18.1.3 The Federal Board of Revenue (FBR) has filed an appeal before the Honorable Supreme Court of Pakistan against the judgment delivered by the Honorable Lahore High Court in favor of the Company in a writ petition. The Company, through the said writ petition, had challenged the demand raised by the FBR for payment of duties and taxes on the plant and machinery imported by the Company pursuant to the exemption granted in terms of SRO 484 (I) / 92 dated 14 May 1992. The FBR, however, alleged that the said plant & machinery could be locally manufactured and duties and taxes were therefore not exempted. A total demand of Rs. 1,386.72 million was raised by the FBR out of which an amount of Rs. 269.33 million was deposited by the Company as undisputed liability. No provision has been made in these financial statements in respect of the above stated amount as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

18.1.4 The Customs Department has filed an appeal before the Honorable Supreme Court of Pakistan against the judgment of Honorable Sindh High Court, which held that dump trucks were part of plant and machinery and the Tribunal had rightly subjected them to concessionary rate of duty. The Company had paid excess customs duties amounting to Rs. 7.35 million on these trucks. The appeal is pending adjudication before the Honorable Supreme Court of Pakistan. No provision has been made in these financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

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

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

18.1.6 Competition Commission of Pakistan, vide order dated 27 August 2009, has imposed penalty on twenty cement factories of Pakistan at the rate of 7.5% of the turnover value. The Commission has imposed penalty amounting to Rs. 586.19 million on the Company. The Commission has alleged that provisions of section 4(1) of the Competition Commission Ordinance, 2007 have been violated. However, after the abeyance of Honorable Islamabad High Court pursuant to the judgment of Honorable Supreme Court of Pakistan dated 31 July 2009, the titled petition has become infructuous and the Company has filed a writ petition no. 15618/2009 before the Honorable Lahore High Court. No provision has been made in these financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

18.1.7 The Additional Collector, Karachi has issued show cause notice alleging therein that the Company has wrongly claimed the benefits of SRO No. 575(I)/2006 dated 05 June 2006 on the import of pre-fabricated buildings structure. Consequently, the Company is liable to pay Government dues amounting to Rs. 5.55 million. The Company has submitted reply to the show cause notice and currently proceedings are pending before the Additional Collector. No provision has been made in these financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

18.1.8 The customs department has filed an appeal against the judgment dated 19 May 2009, passed in favor of the Company pursuant to which the Company is not liable to pay custom duty amounting to Rs. 0.59 million relating to import of some machinery vide L/C No. 0176-01-46-518-1201 in terms of SRO 484(1)/92 dated 14 May 1992, and SRO 978(1)/95 dated 04 October 1995. The appeal is pending before the Honorable Lahore High Court. No provision has been made in these financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

18.1.9 The Company has preferred an appeal against the order in original No. 576/99 dated 18 September 1999, whereby the Company was denied the benefit of SRO 484(1)/92 dated 14 May 1992, and SRO 978(1)/95 dated 04 October 1995. Accordingly the demand of Rs. 0.81 million was raised against the Company. Appeal was dismissed by Central Excise and Sales Tax Tribunal on 19 May 2009. The Company has filed petition before the Honorable Lahore High Court, which is pending adjudication. A rectification application under section 194 is also pending before the Customs, Federal Excise and Sales Tax Appellate Tribunal beside the customs reference. No provision has been made in these financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

18.1.10 Surcharge of Rs. 154 million has been imposed by Mines and Minerals Department, Government of the Punjab under Rule 68(2) of Punjab Mining Concession Rules, 2002 ("Rules") against which the Company has filed writ petition against Government of Punjab via writ petition No. 1008/2014 to challenge the basis of Rules. The titled petition is currently pending before the Honorable Lahore High Court. Management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

18.1.11 The Honorable Sindh High Court through its order dated March 01, 2013 declared the amendments made in the WWF Ordinance, 1971 through Finance Act, 2008 applicable through which WWF is applicable on accounting profits rather than on the taxable income computed after incorporating the brought forward losses. In the light of the above order, the provision to date based on accounting profit comes to Rs. 235.65 million (2014: Rs. 145.63 million). However, these financial statements does not include any adjustment to this effect since the Company is of the opinion that it does not come under the purview of the order of the Honorable Sindh High Court and that the Honorable Lahore High Court had already declared the above amendments unconstitutional via the case reported as 2011 PLD 2643.

18.1.12 Guarantees given by banks on behalf of the Company are of Rs. 412.75 million (2014: Rs. 399.71 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

18.1.13 Contingencies relating to tax matters are disclosed in note 32 to these financial statements.

	Note	2015	2014
		(Rupees in thousand)	
18.2 Commitments			
18.2.1 in respect of:			
- capital expenditure		11,373	2,559
- irrevocable letters of credit for spare parts		811,809	208,761
		823,182	211,320

19. PROPERTY, PLANT AND EQUIPMENT

	Note	2015	2014
Operating fixed assets	19.1	23,604,525	24,661,336
Capital work-in-progress - at cost	19.6	116,016	44,446
		23,720,541	24,705,782
Movement in capital work-in-progress - at cost			
At beginning of the year		44,446	87,652
Additions during the year		288,200	161,870
Less: Transfers during the year	19.2	(216,630)	(205,076)
At end of the year	19.6	116,016	44,446

19.1 Operating fixed assets

	Cost / Revalued amount							Depreciation						Net book value at 30 June 2015
	At 01 July 2014	Adjustment due to revaluation surplus	Additions	Transfers	Disposals	At 30 June 2015	Rate	At 01 July 2014	Adjustment due to revaluation surplus	For the year	Transfers	Disposals	At 30 June 2015	
	Rupees in thousand						Percentage	Rupees in thousand						
Owned														
Freehold land														
- cost	56,810	-	-	-	-	56,810	-	-	-	-	-	-	-	56,810
- surplus on revaluation	370,715	2,571	-	-	-	373,286	-	-	-	-	-	-	-	373,286
	427,525	2,571	-	-	-	430,096		-	-	-	-	-	-	430,096
Buildings on freehold land														
- cost	4,455,087	-	126,368	-	(30,714)	4,550,741	5 - 10	1,652,560	-	192,337	-	(18,296)	1,826,601	2,724,140
- surplus on revaluation	268,193	36,094	-	-	(923)	303,364	5 - 10	44,578	14,080	12,124	-	(193)	70,589	232,775
	4,723,280	36,094	126,368	-	(31,637)	4,854,105		1,697,138	14,080	204,461	-	(18,489)	1,897,190	2,956,915
Roads, bridges and railway sidings														
- cost	94,129	-	1,454	-	-	95,583	5 - 10	69,518	-	2,450	-	-	71,968	23,615
- surplus on revaluation	3,092	762	-	-	-	3,854	5 - 10	939	564	212	-	-	1,715	2,139
	97,221	762	1,454	-	-	99,437		70,457	564	2,662	-	-	73,683	25,754
Plant and machinery														
- cost	24,154,093	-	466,063	280,000	(159,671)	24,740,485	5 - 20	9,855,355	-	1,163,779	81,065	(92,273)	11,007,926	13,732,559
- surplus on revaluation	7,214,003	112,266	-	-	(13,703)	7,312,566	5 - 20	1,202,340	43,963	335,431	-	(4,765)	1,576,969	5,735,597
	31,368,096	112,266	466,063	280,000	(173,374)	32,053,051		11,057,695	43,963	1,499,210	81,065	(97,038)	12,584,895	19,468,156
Furnitures, fixtures and equipment	251,258	-	61,982	-	(8,952)	304,288	10 - 30	150,404	-	19,214	-	(6,757)	162,861	141,427
Quarry equipment	197,795	-	-	-	-	197,795	20	167,356	-	6,088	-	-	173,444	24,351
Vehicles	126,339	-	59,247	-	(14,495)	171,091	20	70,531	-	16,615	-	(11,790)	75,356	95,735
Share of joint assets (note 19.3)	6,000	-	-	-	-	6,000	10	4,430	-	157	-	-	4,587	1,413
	37,197,514	151,693	715,114	280,000	(228,458)	38,115,863		13,218,011	58,607	1,748,407	81,065	(134,074)	14,972,016	23,143,847
Leased														
Plant and machinery														
- cost	959,676	-	-	(280,000)	-	679,676	5	277,843	-	24,145	(81,065)	-	220,923	458,753
- surplus on revaluation	-	2,852	-	-	-	2,852	5	-	925	2	-	-	927	1,925
	959,676	2,852	-	(280,000)	-	682,528		277,843	925	24,147	(81,065)	-	221,850	460,678
2015	38,157,190	154,545	715,114	-	(228,458)	38,798,391		13,495,854	59,532	1,772,554	-	(134,074)	15,193,866	23,604,525
Intangible assets	49,634	-	-	-	-	49,634	33	49,634	-	-	-	-	49,634	-
2015	49,634	-	-	-	-	49,634		49,634	-	-	-	-	49,634	-

	Cost						Depreciation					Net book value as at 30 June 2014
	As at 01 July 2013	Additions	Transfers	Disposals	As at 30 June 2014	Rate	As at 01 July 2013	For the year	Transfers	Disposals	As at 30 June 2014	
	Rupees in thousand					Percentage	Rupees in thousand					
Owned												
Freehold land												
- cost	53,710	3,100	-	-	56,810	-	-	-	-	-	-	56,810
- surplus on revaluation	370,715	-	-	-	370,715	-	-	-	-	-	-	370,715
	424,425	3,100	-	-	427,525		-	-	-	-	-	427,525
Buildings on freehold land												
- cost	4,386,594	69,839	-	(1,346)	4,455,087	5 - 10	1,464,744	188,921	-	(1,105)	1,652,560	2,802,527
- surplus on revaluation	268,457	-	-	(264)	268,193	5 - 10	32,284	12,333	-	(39)	44,578	223,615
	4,655,051	69,839	-	(1,610)	4,723,280		1,497,028	201,254	-	(1,144)	1,697,138	3,026,142
Roads, bridges and railway sidings												
- cost	93,129	1,000	-	-	94,129	5 - 10	66,910	2,608	-	-	69,518	24,611
- surplus on revaluation	3,092	-	-	-	3,092	5 - 10	704	235	-	-	939	2,153
	96,221	1,000	-	-	97,221		67,614	2,843	-	-	70,457	26,764
Plant and machinery												
- cost	23,490,755	663,338	-	-	24,154,093	5 - 20	8,774,588	1,080,767	-	-	9,855,355	14,298,738
- surplus on revaluation	7,214,003	-	-	-	7,214,003	5 - 20	866,584	335,756	-	-	1,202,340	6,011,663
	30,704,758	663,338	-	-	31,368,096		9,641,172	1,416,523	-	-	11,057,695	20,310,401
Furnitures, fixtures and equipment	191,652	59,666	-	(60)	251,258	10 - 30	136,021	14,389	-	(6)	150,404	100,854
Quarry equipment	226,905	1,879	-	(30,989)	197,795	20	190,396	7,480	-	(30,520)	167,356	30,439
Vehicles	123,851	13,140	-	(10,652)	126,339	20	67,542	11,698	-	(8,709)	70,531	55,808
Share of joint assets (note 19.3)	6,000	-	-	-	6,000	10	4,255	175	-	-	4,430	1,570
	36,428,863	811,962	-	(43,311)	37,197,514		11,604,028	1,654,362	-	(40,379)	13,218,011	23,979,503
Leased												
Plant and machinery	959,676	-	-	-	959,676	5	241,958	35,885	-	-	277,843	681,833
2014	37,388,539	811,962	-	(43,311)	38,157,190		11,845,986	1,690,247	-	(40,379)	13,495,854	24,661,336
Intangible assets	49,634	-	-	-	49,634	33	49,634	-	-	-	49,634	-
2014	49,634	-	-	-	49,634		49,634	-	-	-	49,634	-

19.2 Additions in operating fixed assets include transfers from capital work-in-progress amounting to Rs. 216.63 million (2014: Rs. 205.08 million).

19.3 Ownership of the housing colony's assets included in the operating fixed assets is shared by the Company jointly with Agritech Limited in ratio of 101:245 since the time when both the companies were managed by Pakistan Industrial Development Corporation. These assets are in possession of the housing colony establishment for mutual benefits.

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

	Note	2015	2014
		(Rupees in thousand)	
Cost of goods sold	35	1,743,560	1,664,883
Administrative expenses	37	28,994	25,364
		1,772,554	1,690,247

19.5 Disposal of Property, plant and equipment

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Value	Gain / (Loss)	Mode of Disposal	Particulars of Purchaser
	(-----------------	Rupees in thousand			-----------------)		
Plant and machinery							
Transformer 500 KVA	1,149	757	392	350	(42)	Auction	S.N International Lahore
Blockage clearing system and top element	19,360	8,145	11,215	8,476	(2,739)	Auction	S.N International Lahore
Cement mill	87,818	61,629	26,189	11,434	(14,755)	Auction	S.N International Lahore
Magnesite majkor - B	8,355	4,114	4,241	3,735	(506)	Auction	S.N International Lahore
Rotary blower	2,369	330	2,039	2,822	783	Insurance Claim	EFU General Insurance Ltd.
Bearings	9,573	1,990	7,583	5,868	(1,715)	Insurance Claim	EFU General Insurance Ltd
Normal element part	9,486	5,052	4,434	3,431	(1,003)	Insurance Claim	EFU General Insurance Ltd.
Outlet and inlet sector	6,812	2,826	3,986	3,084	(902)	Insurance Claim	EFU General Insurance Ltd.
Cooler	5,134	1,155	3,979	3,079	(900)	Insurance Claim	EFU General Insurance Ltd.
Movable and stationary cross bar	5,511	2,858	2,653	2,052	(601)	Insurance Claim	EFU General Insurance Ltd.
SO2 analyzer	3,698	1,043	2,655	2,054	(601)	Insurance Claim	EFU General Insurance Ltd.
Grate protection plate, electric hilti machine, spreader plate, welding plant, low energy grate, centrifugal pump and gear wheel part	10,539	5,246	5,293	4,095	(1,198)	Insurance Claim	EFU General Insurance Ltd.
Grizzly bar	2,361	1,261	1,100	851	(249)	Insurance Claim	EFU General Insurance Ltd.
U-Profile	1,207	632	575	445	(130)	Insurance Claim	EFU General Insurance Ltd.
	173,372	97,038	76,334	51,776	(24,558)		
Vehicles							
Suzuki Cultus	599	473	126	602	476	Auction	Mr. Ahmad Hassan
Suzuki Cultus	568	464	104	532	428	Auction	Mr. Zafar Iqbal
Suzuki Cultus	570	503	67	450	383	Auction	Mr. Muhammad Akbar
Suzuki Cultus	578	471	107	591	484	Auction	Mr. Muhammad Arshad
Suzuki Cultus	641	508	133	471	338	Auction	Mr. Shah Jehan
Suzuki Cultus	787	528	259	721	462	Auction	Mr. Fazal Dad
Suzuki Cultus	787	528	259	753	494	Auction	Mr. Shah Jehan
Suzuki Cultus	419	283	136	479	343	Auction	Syed Rahbar Abbas Zadi
Suzuki Cultus	576	553	23	360	337	Auction	S.N.International Lahore
Toyota Corolla	1,111	982	129	762	633	Auction	Mr. Hassan Ali Mansoor
Toyota Jeep	1,590	1,574	16	800	784	Auction	Malik Kaleem Ullah Hafeez
Mitsubishi Pajero	4,220	3,672	548	2,200	1,652	Auction	Ms. Maqbool Babi
Honda Civic	1,953	1,156	797	903	106	Negotiation	Ms. Fozia Aisha Gulzar
Yamaha Motor Bike	58	57	1	6	5	Auction	Mr. Mehr Khan
	39	38	1	8	7	Auction	Mr. Shakeel Rehmat Malik
	14,496	11,790	2,706	9,638	6,932		
Buildings on freehold land							
Drawing office stores and Tpt shop	255	211	44	162	118	Auction	Mr. Aftab Yousaf
Cement mill	30,347	17,828	12,519	5,466	(7,053)	Auction	S.N International Lahore
Blower room	238	133	105	144	39	Insurance Claim	EFU General Insurance Ltd.
Six Rooms in bachelor hostel	797	318	479	500	21	Insurance Claim	EFU General Insurance Ltd.
	31,637	18,490	13,147	6,272	(6,875)		
Furniture, fixtures and equipment							
Geyzer	172	135	37	55	18	Auction	S.N International Lahore
Office chairs and tables	54	39	15	19	4	Auction	S.N International Lahore
Refrigerator - dawlance model 9155	17	14	3	8	5	Auction	Mr. Noor Muhammad
Chairs, beds, table and sofa set	5,517	3,856	1,661	1,208	(453)	Auction	S.N International Lahore
Air conditioner	687	560	127	92	(35)	Auction	S.N International Lahore
Burners, oven and cooking range	730	608	122	88	(34)	Auction	S.N International Lahore
Room cooler and heaters	757	616	141	103	(38)	Auction	S.N International Lahore
Ceiling fans	54	43	11	8	(3)	Auction	S.N International Lahore
IT equipment	965	885	80	1,000	920	Insurance Claim	EFU General Insurance Ltd.
	8,953	6,756	2,197	2,581	384		
2015	228,458	134,074	94,384	70,267	(24,117)		
2014	43,311	40,379	2,932	12,696	9,764		

	Note	2015	2014
		(Rupees in thousand)	

19.6 Capital work-in-progress - at cost

Plant and machinery		100,050	33,856
Expenditure		1,001	1,001
Advance to suppliers against:			
- purchase of land		2,000	2,000
- plant and machinery		9,788	2,310
- vehicles		3,177	5,279
		116,016	44,446

20. LONG TERM INVESTMENT

Loans and receivables

	Note	2015	2014
At beginning of the year	20.1	1,625	1,625
Less: Redemption of investment during the year		(1,625)	-
		-	1,625

20.1 This represented investment in fixed deposit scheme of Bank Islami Pakistan Limited maturing on 23 February 2017 and carried profits at rates ranging from 7.25% to 9.27% (2014: 5.28% to 9.25%) per annum. It is redeemed during the year.

21. LONG TERM LOANS TO EMPLOYEES - SECURED

	Note	2015	2014
		(Rupees in thousand)	
House building		3,677	3,427
Vehicles		2,628	2,195
Others		4,096	1,620
		10,401	7,242
Less: Current portion presented under current assets	26	(3,888)	(2,802)
		6,513	4,440

21.1 These loans are secured against employees' retirement benefits and carry interest at the rates ranging from 6% to 12% per annum (30 June 2014: 6% to 12 % per annum). These loans are recoverable in 30 to 120 monthly installments.

21.2 No amount was due from Directors and Chief Executive and Executives during the year and at the year end (2014: Rs. nil).

22. LONG TERM DEPOSITS

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

23. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2015	2014
		(Rupees in thousand)	
Stores	23.1	1,989,962	1,856,401
Spare parts		2,162,443	1,925,692
Loose tools		43,309	31,743
		4,195,714	3,813,836
Less: Provision for slow-moving / obsolete items	23.2	-	(41,033)
		4,195,714	3,772,803

23.1 Stores include items in transit amounting to Rs. 721.31 million (2014: Rs. 851.93 million).

23.2 Provision for slow-moving / obsolete items

	Note	2015	2014
		(Rupees in thousand)	
At beginning of the year		41,033	41,033
Provision reversed during the year		(41,033)	-
At end of the year		-	41,033

24. STOCK-IN-TRADE

	2015	2014
Raw material	38,975	56,085
Packing material	141,816	113,354
Work-in-process	697,357	697,455
Finished goods	397,110	324,038
	1,275,258	1,190,932
Less: Cement stock written off	(68,685)	(39,472)
	1,206,573	1,151,460

25. TRADE DEBTS

	Note	2015	2014
Considered good			
Export - secured	25.1	67,655	76,993
Local - unsecured		502,916	762,044
		570,571	839,037
Considered doubtful			
Local - unsecured		3,423	8,580
		573,994	847,617
Less: Provision for doubtful trade debts	25.2	(3,423)	(8,580)
		570,571	839,037

	Note	2015	2014
		(Rupees in thousand)	

25.1 These are secured through bank by letters of credit.

25.2 Movement in provision for doubtful trade debts

At beginning of the year		8,580	7,987
Provision for the year		22,557	5,059
Less: Provision written off		(27,714)	(4,466)
At end of the year		3,423	8,580

26. LOANS AND ADVANCES

	Note	2015	2014
Advances - unsecured, considered good			
- Employees	26.1	19,897	7,875
- Suppliers	26.2	950,297	896,832
		970,194	904,707
Current portion of long term loans to employees	21	3,888	2,802
		974,082	907,509

26.1 Directors, Chief Executive and Executives have not received any advances from the Company during the year end (2014: nil).

26.2 This includes an amount of Rs. 698.54 million (2014: Rs. 642.07 million) advanced to Ministry of Railways for transportation of coal and cement.

27. SHORT TERM INVESTMENT

	Note	2015	2014
		(Rupees in thousand)	
Investment at fair value through profit or loss - listed securities			
Next Capital Limited:			
1,500,000 (2014: 1,500,000) ordinary shares of Rs. 10 each			
Market value Rs. 7.02 per share (2014: Rs. 4.52 per share)			
Cost			
At beginning and end of the year		15,000	15,000
Unrealized fair value loss			
At beginning of the year		8,220	7,650
Fair value (gain) / loss for the year	38 & 39	(3,750)	570
At end of the year		4,470	8,220
Fair value at 30 June		10,530	6,780

28. SHORT TERM DEPOSITS AND PREPAYMENTS

	2015	2014
	(Rupees in thousand)	
Margin against:		
- letters of credit	6,891	3,082
- bank guarantees	59,104	58,014
Prepayments	21,852	11,705
Security deposits	1,122	879
	88,969	73,680

29. ACCRUED PROFIT

This represents profit accrued on deposits and PLS bank accounts at the rates ranging from 3.92% to 5.87% (2014: 5.00% to 7.29%) per annum.

30. REFUNDS DUE FROM GOVERNMENT

	Note	2015	2014
		(Rupees in thousand)	
Sales tax and customs duty	30.1	16,797	16,797

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

31. OTHER RECEIVABLES

	Note	2015	2014
		(Rupees in thousand)	
Due from the Holding Company - unsecured	31.1	26,730	-
Others		103,876	97,969
		130,606	97,969

31.1 This includes amount due from Holding Company, which carries interest at 1% (2014: 1%) in addition to the average borrowing rate of the Company.

	2015	2014
	(Rupees in thousand)	
32. (PROVISION) / ADVANCE TAX - NET	(137,252)	70,214

32.1 The deemed assessment earlier made under section 120(1) of the Ordinance has been rectified through order dated 10 May 2011 passed u/s 221 of the Ordinance on the grounds that minimum tax liability payable u/s 113 of the Ordinance of Rs. 34.60 million for the tax year 2010 was leviable in addition to taxes payable under various final tax regimes. The Company has contested the rectification order in appeal before the ATIR, which has been disposed through appellate order dated 09 July 2014 in favour of the Company. The appeal order has not yet been issued by the department in this respect.

32.2 The deemed assessment earlier made under section 120(1) of the Ordinance has been rectified through order dated 02 February 2011 passed u/s 221 of the Ordinance on the grounds that minimum tax liability payable u/s 113 of the Ordinance of Rs. 35.69 million was also leviable in addition to taxes payable under various final tax regimes. The Company has contested the rectification order in appeal before the ATIR, which has not been taken up for hearing to date.

32.3 Through ONO No.18/2009 dated 24 December 2009, the tax department finalized the adjudication proceeding in respect of audit conducted by the department auditors and raised a demand of principal sales tax and FED aggregating to Rs. 336.74 million along with applicable default surcharges and penalties. The Company preferred appeal against such ONO under the applicable provisions of Sales Tax Act, 1990 and Federal Excise Act, 2005 before the Commissioner of Inland Revenue (appeals).

It is, however, appropriate to highlight that the Company has also filed a writ petition with the Honorable Lahore High Court against the above referred Order-In-Original demand.

32.4 Through Order-In-Original No. 10/2011 dated 30 July 2011, Company's refund claim of Central Excise Duty (CED) of Rs. 913.01 million representing the excess payment of duty based on an inadvertent computation of related 'retail price' of cement products manufactured and supplied by the Company, was rejected principally on the grounds that related incidence of duty has been passed on to the consumers and hence the resultant refund claim is hit by the mischief of provisions of then applicable section 3(d) of the Central Excise Act, 1944.

The preferred appeal against the said order before the CIR(A) both on legal as well as factual grounds, however, such appeal was not entertained by the Commissioner of Inland Revenue (Appeals) and accordingly, the matter has been further agitated in appeal by the Company before the Appellate Tribunal Inland Revenue ("ATIR").

32.5 The Company filed an appeal before Commissioner Inland Revenue (appeals) against the impugned order passed by Additional Commissioner Inland Revenue under section 122(5A) of the Income Tax Ordinance,2001 for tax year-2009, creating a demand of Rs. 1.17 million. The appeal of said hearing is pending before CIR (appeal). The Company is confident about favorable outcome of the case.

32.6 The Company filed an appeal before Commissioner Inland Revenue (appeals) against the impugned order passed by Additional Commissioner Inland Revenue under section 122(5A) of the Income Tax Ordinance, 2001 for tax year-2010, creating a refund of Rs. 0.60 million. The appeal of said hearing is pending before CIR (appeal). The Company is confident about favorable outcome of the case.

32.7 The Company filed an appeal before Commissioner Inland Revenue (appeals) against the impugned order passed by Additional Commissioner Inland Revenue under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2014, creating a demand of Rs. 16.25 million. The appeal of said hearing is pending before CIR (appeal). The Company is confident about favourable outcome of the case.

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

32.8 Tax losses available for carry forward as at 30 June 2015 aggregated to Rs. 2,207 million (2014: Rs. 6,414 million).

33. CASH AND BANK BALANCES

	Note	2015	2014
		(Rupees in thousand)	
- Cash in hand		2,290	2,996
Cash at bank:			
Current accounts:			
- foreign currency		9,838	7,480
- local currency		116,307	97,844
		126,145	105,324
Deposit accounts	33.1	115,965	98,524
		242,110	203,848
		244,400	206,844

33.1 These carry return at 3.92% to 5.87% (2014: 5.00% to 7.29%) per annum.

34. SALES - NET

	2015	2014
	(Rupees in thousand)	
Gross local sales	21,850,423	20,039,019
Less:		
Federal Excise Duty	(935,201)	(838,618)
Sales Tax	(3,590,939)	(3,324,741)
Commission	(147,147)	(131,678)
	(4,673,287)	(4,295,037)
Net local sales	17,177,136	15,743,982
Export sales	3,542,918	3,224,565
	20,720,054	18,968,547

	Note	2015	2014
		(Rupees in thousand)	

35. COST OF GOODS SOLD

	Note	2015	2014
Raw materials consumed	35.1	789,966	665,986
Packing materials consumed		1,352,557	1,155,577
Fuel		4,329,330	4,673,623
Power		2,780,386	2,662,366
Stores, spare parts and loose tools consumed		1,026,194	795,578
Salaries, wages and other benefits	35.2	561,940	486,279
Rent, rates and taxes		27,163	31,121
Insurance		55,964	54,516
Repairs and maintenance		381,607	189,905
Depreciation	19.4	1,743,560	1,664,883
Vehicles running and maintenance		83,882	95,418
Cement stock written off		68,685	39,472
Other expenses	35.3	135,643	141,925
		13,336,877	12,656,649
Work in process:			
At beginning of the year		697,455	488,437
At end of the year		(697,357)	(697,455)
		98	(209,018)
Cost of goods manufactured		13,336,975	12,447,631
Finished goods:			
At beginning of the year		284,566	321,969
At end of the year		(397,110)	(324,038)
		(112,544)	(2,069)
Cost of goods sold		13,224,431	12,445,562

35.1 Raw materials consumed

	2015	2014
At beginning of the year	56,085	14,519
Add: Purchases made during the year	772,856	707,552
	828,941	722,071
Less: At end of the year	38,975	56,085
	789,966	665,986

35.2 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 20.46 million (2014: Rs. 16.05 million) and gratuity and compensated absence amounting to Rs. 18.62 million (2014: Rs. 17.25 million).

35.3 Other expenses include housing colony expenses aggregating to Rs. 70.51 million (2014: Rs. 83.08 million).

36. DISTRIBUTION COST

	Note	2015	2014
		(Rupees in thousand)	
Salaries, wages and other benefits	36.1	77,217	63,244
Travelling and conveyance		55,880	27,591
Vehicle running and maintenance		11,607	13,110
Postage, telephone and fax		7,969	4,424
Printing, stationery and office supplies		1,940	4,342
Entertainment		4,145	7,607
Repair and maintenance		3,140	1,301
Advertisement and sampling		59,776	39,364
Freight and forwarding		1,076,787	863,458
Other expenses		15,235	29,895
		1,313,696	1,054,336

36.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 2.60 million (2014: Rs. 2.05 million) and gratuity and compensated absence amounting to Rs. 2.76 million (2014: Rs. 4.35 million).

37. ADMINISTRATIVE EXPENSES

	Note	2015	2014
		(Rupees in thousand)	
Salaries, wages and other benefits	37.1	133,038	109,519
Travelling		29,830	22,879
Vehicle running and maintenance		19,759	17,828
Postage, telephone and fax		12,056	9,103
Printing, stationery and office supplies		15,578	12,862
Entertainment		18,016	19,841
Repair and maintenance		14,353	15,738
Legal and professional charges	37.2	24,826	11,640
Depreciation	19.4	28,994	25,364
Rent, rates and taxes		998	1,522
Provision for doubtful debts		-	593
Bad debts written off		27,714	4,466
Other expenses		56,201	45,334
		381,363	296,689

37.1 Salaries, wages and other benefits expense includes contribution to Provident Fund Trust amounting to Rs. 5.49 million (2014: Rs. 3.75 million) and gratuity and compensated absence amounting to Rs. 3.98 million (2014: Rs. 4.58 million).

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

	2015	2014
	(Rupees in thousand)	
Annual statutory audit	1,200	1,200
Interim audit and other certification	350	350
Out of pocket expenses	200	150
	1,750	1,700

37.3 The Company has shared expenses aggregating to Rs. 16.98 million (2014: Rs. 12.70 million) on account of combined offices with the Holding Company. These expenses have been recorded in respective account.

38. OTHER CHARGES

	Note	2015	2014
		(Rupees in thousand)	
Donations	38.1	2,746	2,634
Workers' Profit Participation Fund (WPPF)		236,324	194,168
Loss on disposal of property, plant and equipment		24,117	-
Unrealized loss on re-measurement of short term investment	27	-	570
		263,187	197,372

38.1 Donations for the year have been given to:

	2015	2014
Pakistan Air Force (PAF) Mianwali	1,403	-
Miscellaneous donations in the form of cement	910	1,711
Lahore University of Management Sciences (LUMS)	100	-
Internally Displaced Persons (IDP), Swat	-	600
National Tennis Academy	333	323
	2,746	2,634

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

	Note	2015	2014
		(Rupees in thousand)	

39. OTHER INCOME

	Note	2015	2014
Income from financial assets			
Profit on bank deposits		14,459	13,850
Unrealized gain on re-measurement of short term investment	27	3,750	-
Reversal of provision for doubtful debts		5,157	-
Profit on long term investment		324	141
		23,690	13,991
Income from non-financial assets			
Sale of scrap		19,226	52,637
Gain on disposal of property, plant and equipment		-	9,764
Miscellaneous		3,257	4,193
		22,483	66,594
		46,173	80,585

40. FINANCE COST

	Note	2015	2014
Profit / interest / mark up on:			
- Long term loans and finances		60,199	93,096
- Redeemable capital		521,232	735,036
- Syndicated term finances		97,548	138,481
- Liabilities against assets subject to finance lease		16,561	29,702
- Short term borrowings	40.1	288,001	354,759
		983,541	1,351,074
Exchange loss - net		47,564	70,579
Realised loss on derivative cross currency interest rate swap agreement		-	3,292
Bank and other charges		51,534	39,827
		1,082,639	1,464,772

40.1 This includes interest expense amounting to Rs. 0.29 million (2014: Rs. 4.71 million) on amount due to the Holding Company.

41. TAXATION

	2015	2014
	(Rupees in thousand)	
Income Tax		
- current	593,464	492,444
- prior	(59,612)	(40,252)
	533,852	452,192
Deferred	512,764	308,035
	1,046,616	760,227

		2015	2014
		(Rupees in thousand)	

41.1 Tax charge reconciliation

Numerical reconciliation between tax expense and accounting profit:

	2015	2014
Profit before taxation	4,500,911	3,590,401
Applicable tax rate as per Income Tax Ordinance, 2001	33%	34%
Tax on accounting profit	1,485,301	1,220,736
Effect of final tax regime	(275,876)	(134,856)
Change in proportion of local and export sales	339,410	(296,706)
Tax rate adjustment	(305,015)	(4,407)
Effect of prior year adjustment	(197,204)	(24,540)
	1,046,616	760,227

41.2 The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

As explained in note 53 to the financial statements, the Board of Directors in their meeting held on September 09, 2015 has recommended sufficient cash dividend for the year ended 30 June 2015 which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognized in these financial statements for the year ended 30 June 2015.

42. EARNINGS PER SHARE - BASIC AND DILUTED

42.1 Basic earnings per share

	Unit	2015	2014
Profit after taxation	Rupees in '000	3,454,295	2,830,174
Weighted average number of ordinary shares	No. of shares in '000	527,734	527,734
	Rupees	6.55	5.36

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

43. CASH AND CASH EQUIVALENTS

	Note	2015 (Rupees in thousand)	2014 (Rupees in thousand)
Short term running finance	17	(75,388)	(462,155)
Cash and bank	33	244,400	206,844
		169,012	(255,311)

44. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of the Holding Company, associated companies, directors, key management personnel, employee benefits fund and other companies where directors have significant influence.

Details of transactions and balances with related parties are as follows:

	2015	2014
	(Rupees in thousand)	
Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	28,579	2,336
Sale of Property, plant and equipment	-	176
Balance at the year end - receivable / (payable)	26,730	(251,570)
Key management personnel		
Remuneration and other benefits	198,793	133,258
Post employment benefit plans		
Contributions to Provident Fund Trust	(67,721)	(51,072)
Payments to Employees Gratuity Fund Trust	(9,496)	(13,335)
Balance of Employees Gratuity Fund Trust	68,550	45,233

45. REMUNERATION OF CHAIRMAN, CHIEF EXECUTIVE, DIRECTORS, NON-EXECUTIVE DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for the year for remuneration, including all benefits to the Chairman, Chief Executive, Directors and Executives of the Company are as follows:

	2015				
	Directors				
	Chairman	Chief Executive	Executive	Non-Executive	Executives
	(------ Rupees in thousand ------)				
Short term benefits					
Managerial remuneration	7,776	9,360	5,202	-	98,340
House rent	1,152	480	385	-	34,346
Medical	-	-	82	-	2,640
Conveyance	-	1,152	467	-	17,333
Utilities	672	120	193	-	8,660
	9,600	11,112	6,329	-	161,319
Post employment benefits					
Contribution to Provident Fund Trust	643	852	385	-	8,553
	10,243	11,964	6,714	-	169,872
Numbers	1	1	1	5	97

	2014				
	Directors				
	Chairman	Chief Executive	Executive	Non-Executive	Executives
	(---------------------------- Rupees in thousand -------------------------)				
Short term benefits					
Managerial remuneration	5,832	7,090	3,862	-	61,685
House rent	864	364	286	-	21,967
Medical	-	636	104	-	1,311
Conveyance	-	1,478	515	-	14,842
Utilities	504	91	143	-	5,314
	7,200	9,659	4,910	-	105,119
Post employment benefits					
Contribution to Provident Fund Trust	-	645	286	-	5,440
	7,200	10,304	5,196	-	110,559
Numbers	1	1	1	5	62

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

45.2 Aggregate amount charged in these financial statements in respect of Directors' fees aggregated Rs. 0.17 million (2014: Rs. 0.24 million).

46. CAPACITY AND PRODUCTION

	Capacity		Actual Production	
	2015	2014	2015	2014
	---------------------------- Metric tons ---------------------------			
Clinker	3,360,000	3,360,000	2,824,854	2,694,848

Lower capacity utilization of cement plant is due to gap between demand and supply of cement. The capacity of plant has been determined on the basis of 300 days.

47. OPERATING SEGMENT

Information about operating segment

These financial statements have been prepared on the basis of single reportable segment.

Geographical information

The Company operates in two principal geographical areas, Asia and Africa other than Pakistan and revenue from continuing operations from external customers based on geographical areas is as follows:

	2015	2014
	(Percentage)	
Geographical area		
Asia	96.56%	96.54%
Africa	3.44%	3.46%
	100.00%	100.00%

All assets of the Company as at 30 June 2015 are located in Pakistan.

48. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company's Board of Directors 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. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees 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.

48.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

48.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2015	2014
	(Rupees in thousand)	
Held to maturity		
Long term investment	-	1,625
Financial asset at fair value through profit and loss account		
Short term investment	10,530	6,780
Loans and receivables		
Security deposits	55,058	54,013
Trade debts	570,571	839,037
Long term loans to employees	10,401	7,242
Short term deposits	60,226	58,893
Accrued profit	963	2,352
Other receivables	13,022	12,506
Bank balances	242,110	203,848
	952,351	1,177,891
	962,881	1,186,296

48.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2015	2014
	(Rupees in thousand)	
Customers	570,571	839,037
Banking companies and financial institutions	301,214	261,862
Others	91,096	85,397
	962,881	1,186,296

48.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

48.1.3(a) Counterparties with external credit ratings

These include banking companies and financial institutions. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating			2015	2014
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
Bank balances					
Allied Bank Limited	A1+	AA+	PACRA	5,293	1,791
Askari Bank Limited	A1+	AA	JCR-VIS	5	-
Bank Al-Habib Limited	A1+	AA+	PACRA	77,991	38,674
Bank Alfalah	A1+	AA	PACRA	10,583	3,022
Bank Islami Pakistan Limited	A1	A+	PACRA	72,741	55,900
Bank of Punjab	A1+	AA-	PACRA	513	-
Burj Bank Limited	A-2	A-	JCR-VIS	9	9
Dubai Islamic Bank Pakistan Limited	A-1	A+	JCR-VIS	741	741
Faysal Bank Limited	A1+	AA	PACRA	764	1,235
Habib Bank Limited	A-1+	AAA	JCR-VIS	299	22,257
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	12,953	-
HSBC Bank Middle East Limited	P-2	A3	Moody's	-	63
KASB Bank Limited	-	-	-	16	14
Meezan Bank Limited	A-1+	AA	JCR-VIS	1,933	1,528
MCB Bank Limited	A1+	AAA	PACRA	6,970	22,415
National Bank of Pakistan	A1+	AAA	PACRA	4,234	105
NIB Bank Limited	A1+	AA-	PACRA	27,983	9,060
Silk Bank Limited	A-2	A-	JCR-VIS	494	1,094
Soneri Bank Limited	A1+	AA-	PACRA	1,402	3,816
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	3,827	2,506
Summit Bank Limited	A-1	A	JCR-VIS	72	73
United Bank Limited	A-1+	AA+	JCR-VIS	12,287	39,545
U Micro finance Bank Limited	A-2	A-	JCR-VIS	1,000	-
Total				242,110	203,848

48.1.3(b) Counterparties without external credit ratings

These include customers which are counter parties to local and foreign trade debts against sale of cement. Out of gross trade debts of Rs. 573.99 million (2014: 847.62 million), trade debts that are subject to credit risk amount to Rs. 502.92 million (2014: Rs. 762.04 million). The analysis of ages of trade debts of the Company as at the reporting date is as follows:

	2015		2014	
	Gross	Impairment	Gross	Impairment
	----------------------- (Rupees in thousand) -----------------------			
The aging of trade debts at the reporting date is:				
Not past due	300,876	-	459,795	-
Past due 1 to 30 days	146,844	-	318,070	-
Past due 30 to 150 days	57,737	-	29,523	-
Past due 150 days	68,537	3,423	40,229	8,580
	573,994	3,423	847,617	8,580

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 customers are generally covered by letters of credit or other form of credit insurance.

As at year end, trade debts do not include any balance receivable from related parties (2014: nil).

48.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavorable to the Company. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet 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 note 17.1 to these financial statements is a listing of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

48.2.1 Exposure to liquidity risk

48.2.1(a) Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	2015				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	(Rupees in thousand)				
Non-derivative financial liabilities					
Long term loans from banking companies	155,257	167,505	128,799	38,706	-
Redeemable capital	3,433,011	3,760,573	1,754,490	2,006,083	-
Syndicated term finances	433,500	455,029	455,029	-	-
Liabilities against assets subject to finance lease	757,049	802,603	150,879	651,724	-
Long term deposits	6,619	6,619	-	6,619	-
Trade and other payables	1,829,161	1,829,161	1,829,161	-	-
Accrued profit / interest / mark-up	108,132	108,132	108,132	-	-
Short term borrowings	2,555,742	2,555,742	2,555,742	-	-
	9,278,471	9,685,364	6,982,232	2,703,132	-

	2014				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	Above 5 years
	(Rupees in thousand)				
Non-derivative financial liabilities					
Long term loans from banking companies	657,003	820,680	245,726	574,954	-
Redeemable capital	6,183,000	8,200,196	1,460,901	6,739,295	-
Syndicated term finances	1,196,000	1,592,829	278,040	1,314,789	-
Liabilities against assets subject to finance lease	840,423	912,492	128,278	784,214	-
Long term deposits	6,879	6,879	-	6,879	-
Trade and other payables	1,987,082	1,987,082	1,987,082	-	-
Accrued profit / interest / mark-up	174,625	174,625	174,625	-	-
Short term borrowings	2,618,528	2,618,528	2,618,528	-	-
	13,663,540	16,313,311	6,893,180	9,420,131	-

48.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

48.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros and US dollars.

48.3.1(a) Exposure to currency risk

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

	2015				
	CHF	EURO	USD	YENS	RUPEES
	----------	----------	in thousand	----------	----------
Assets					
Trade debts	-	-	667	-	67,655
Cash at bank	-	-	97	-	9,838
	-	-	764	-	77,493
Liabilities					
Liabilities against assets subject to finance lease	-	-	(7,444)	-	(757,049)
Creditors and bills payable	-	(23)	-	-	(2,617)
Net balance sheet exposure	-	(23)	(6,680)	-	(682,173)
Off balance sheet items					
Outstanding letters of credit	(1,485)	(1,899)	(4,188)	(8,600)	(811,809)
Net exposure	(1,485)	(1,922)	(10,868)	(8,600)	(1,493,982)

	2014				
	CHF	EURO	USD	YENS	RUPEES
	----------	----------	in thousand	----------	----------
Assets					
Trade debts	-	-	781	-	76,993
Cash at bank	-	-	76	-	7,480
	-	-	857	-	84,473
Liabilities					
Liabilities against assets subject to finance lease	-	-	(8,511)	-	(840,422)
Creditors and bills payable	-	(24)	(5,559)	-	(552,215)
Net balance sheet exposure	-	(24)	(13,213)	-	(1,308,164)
Off balance sheet items					
Outstanding letters of credit	-	(1,359)	(259)	-	(208,761)
Net exposure	-	(1,383)	(13,472)	-	(1,516,925)

48.3.1(b) Exchange rates applied during the year

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

	CHF		EURO		USD		YEN	
	2015	2014	2015	2014	2015	2014	2015	2014
	----- Rupees -----		----- Rupees ----		----- Rupees -----		----- Rupees -----	
Reporting date spot rate								
- buying	109.42	110.59	113.57	134.46	101.50	98.55	0.83	0.97
- selling	109.64	110.82	113.79	134.73	101.70	98.75	0.82	0.97
Average rate for the year	107.68	114.24	121.10	139.93	101.51	102.90	0.88	1.02

48.3.1(c) Sensitivity analysis

A reasonably possible strengthening / (weakening) of 10% in Pak Rupee against the following currencies would have affected the measurement of financial instruments denominated in foreign currency and affected profit and loss by the amounts shown below at the balance sheet. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit	
	2015	2014
	(Rupees in thousand)	
EURO	(21,870)	(18,639)
USD	(110,528)	(133,037)
YEN	(705)	-
CHF	(16,282)	-
	(149,385)	(151,676)

48.3.1(d) Currency risk management

Since the maximum amount exposed to currency risk is only 0.414% (2014: 0.469%) of the Company's total assets, any adverse / favorable movement in functional currency with respect to US dollar and Euro will not have any material impact on the operational results.

48.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

48.3.2(a) Fixed rate financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	Note	2015 Financial assets	2015 Financial liabilities	2014 Financial assets	2014 Financial liabilities
		------------- Rupees in thousand -------------			
Non-derivative financial instruments					
Short term borrowings	17	-	1,348,000	-	550,000
Long term investment	20	-	-	1,625	-
Bank balances at PLS accounts	33	115,965	-	98,524	-
		115,965	1,348,000	100,149	550,000

The related profit / mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the financial statements.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit and loss account.

48.3.2(b) Variable rate financial instruments

	Note	2015 Financial assets	2015 Financial liabilities	2014 Financial assets	2014 Financial liabilities
		------------- Rupees in thousand -------------			
Non-derivative financial instruments					
Long term loans	8	-	155,257	-	657,003
Redeemable capital	9	-	3,433,011	-	6,183,000
Syndicated term finances	10	-	433,500	-	1,196,000
Liabilities against assets subject to finance lease	11	-	757,049	-	840,423
Short term borrowings	17	-	1,207,742	-	2,068,528
		-	5,986,559	-	10,944,954

The related profit / mark-up / interest rates for fixed rate financial instruments are indicated in the related notes to the financial statements.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis is performed on the same basis for the year 2014.

	Profit	
	2015	2014
	(Rupees in thousand)	
Increase of 100 basis points		
Variable rate instruments	(59,866)	(109,450)
Decrease of 100 basis points		
Variable rate instruments	59,866	109,450

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and the outstanding liabilities of the Company at the year end.

48.3.2(c) Interest rate risk management

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

48.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market.

48.3.3(a) Investments exposed to price risk

At the balance sheet date, the Company's investment in quoted equity securities and investments in money market mutual funds is as follows:

	2015	2014
	(Rupees in thousand)	
Investment in equity securities	10,530	6,780

48.3.3(b) Sensitivity analysis

A 10.00% increase / (decrease) share prices at year end would have increased / (decreased) the Company's fair value gain on investment as follows:

	Equity	
	2015	2014
	(Rupees in thousand)	
Short term investment at fair value through profit and loss account		
Effect of increase	1,053	678
Effect of decrease	(1,053)	(678)

48.3.3(c) Price risk management

The Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies. The carrying value of investments subject to equity price risk are based on quoted market prices as at reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

48.4 Fair values

48.4.1 Fair value versus carrying amounts

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

48.4.2 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Note	Level 1	Level 2	Level 3
		(Rupees in thousand)		
Short term investment at fair value through profit and loss account				
Next Capital Limited	27	10,530	-	-
Short term investment at fair value through profit and loss account				
Next Capital Limited	27	6,780	-	-

48.4.3 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non–financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following method:

Long term investments - level 1

The value of investment at fair value through profit and loss account is determined by reference to quoted closing share prices at balance sheet date.

49. CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

i. to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
ii. to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

	Unit	2015	2014
Total debt	Rupees in '000	7,334,559	11,494,954
Less: Cash and bank balances		244,400	206,844
Net debt		7,090,159	11,288,110
Total Equity	Rupees in '000	12,911,658	9,749,577
Total capital employed	Rupees in '000	20,001,817	21,037,687
Gearing	Percentage	35.45%	53.66%

Total debt comprises of long term loans from banking companies, redeemable capital, syndicated term finances, liabilities against assets subject to finance lease and short term borrowings.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance. Decrease in gearing ratio is mainly due to repayments of debts.

50. PROVIDENT FUND TRUST

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

	Un-audited 2015	Audited 2014
	(Rupees in thousand)	
Size of the fund - total assets	470,252	410,445
Cost of investments made	449,897	400,885
Percentage of investments made	98.06%	98.30%
Fair value of investments	461,135	403,471

The break-up of fair value of investments is:

	2015		2014	
	Rs. in thousand	Percentage	Rs. in thousand	Percentage
Shares in quoted securities	79,734	17.29%	-	-
Bank balances	7,033	1.53%	12,124	3.00%
Term deposit receipts	130,000	28.19%	181,300	44.94%
Government securities	193,774	42.02%	173,205	42.93%
Mutual funds	50,594	10.97%	36,842	9.13%
	461,135	100.00%	403,471	100%

The investments out of Provident Fund Trust have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

51. RESTRICTION ON TITLE AND ASSETS PLEDGED AS SECURITY

	2015	2014
	(Rupees in thousand)	
Mortgages and charges		
Hypothecation of stocks, book debts and receivables	9,810,333	8,142,333
Hypothecation of plant and machinery	19,727,322	19,727,322

52. NUMBER OF EMPLOYEES

The total and average number of employees of the Company during the year and as at 30 June 2015 and 2014 respectively are as follows:

	2015	2014
Average number of employees during the year	1,072	992
Total number of employees as at 30 June	1,107	1,004

53. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on September 09, 2015 has proposed a final cash dividend of Re. 1 per share, for the year ended 30 June 2015, for approval of the members in the Annual General Meeting to be held on October 31, 2015.

54. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 09, 2015.

55. GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

MAPLE LEAF CEMENT FACTORY LIMITED

42-LAWRENCE ROAD, LAHORE

PROXY FORM

I/We ____

of ____

being a member of MAPLE LEAF CEMENT FACTORY LIMITED hereby appoint ____________________

____
(Name)

of ______________________________ another member of the Company

or failing him/her ____
(Name)

of ______________________________ another member of the Company

as my/our proxy to attend, speak and vote for and on my/our behalf, at the Annual General Meeting of the Company to be held at its Registered Office, 42-Lawrence Road, Lahore on Saturday, October 31, 2015 at 11:00 AM and any adjournment thereof.

As witnessed given under my/our hand(s) ______________ day of October 2015.

1. Witness:

Signature : ______________

Name : ______________

CNIC : ______________

Address : ______________

: ______________

Affix
Revenue
Stamp of Rs. 5/-

2. Witness:

____
Signature of Member / Attorney

Signature : ______________

Name : ______________

CNIC : ______________

Address : ______________

: ______________

Shares Held: ______________

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

CNIC No. [| | | | | - | | | | | | | | - |]

Notes:

1. Proxies in order to be effective must reach at the Company's Registered Office, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

2. CDC Shareholders, entitled to attend, speak and vote at this meeting, must bring with them their Computerized National Identity Cards (CNIC) /Passports in original to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.

AFFIX

CORRECT

POSTAGE

The Company Secretary

MAPLE LEAF CEMENT FACTORY LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36278904-05

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MAPLE LEAF CEMENT

A Kohinoor Maple Leaf Group Company

42-Lawrence Road, Lahore, Pakistan