



EVOLUTION OF CEMENT

1st QUARTERLY REPORT

September 30, 2019

EVOLUTION OF CEMENT

Throughout history, cementing materials have played a vital role and were used widely, like in the Seven Wonders of the Ancient World: Great Pyramid of Giza, Hanging Gardens of Babylon, Great Wall of China, Petra Jorden, Colosseum of Italy, Leaning Tower of Pisa and Taj Mahal of India are the first known list of the most remarkable creations of classical antiquity; it was based on guidebooks popular among Hellenic sightseers and only includes works located around the Mediterranean rim and in Mesopotamia. The number seven was chosen because the Greeks believed it represented perfection and plenty and because it was the number of the five planets known anciently, plus the sun and moon.

CONTENTS

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

Company Information	2
Directors' Review.....	3
Condensed Interim Unconsolidated Statement of Financial Position	8
Condensed Interim Unconsolidated Statement of Profit or Loss	10
Condensed Interim Unconsolidated Statement of Comprehensive Income	11
Condensed Interim Unconsolidated Statement of Cash Flows	12
Condensed Interim Unconsolidated Statement of Changes in Equity	13
Selected Explanatory Notes to the Condensed Interim Unconsolidated Financial Information	14

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

Directors' Review.....	27
Condensed Interim Consolidated Statement of Financial Position	28
Condensed Interim Consolidated Statement of Profit or Loss	30
Condensed Interim Consolidated Statement of Comprehensive Income	31
Condensed Interim Consolidated Statement of Cash Flows.....	32
Condensed Interim Consolidated Statement of Changes in Equity	33
Selected Explanatory Notes to the Condensed Interim Consolidated Financial Information	34

COMPANY INFORMATION

Board of Directors

Mr. Tariq Sayeed Saigol	Chairman
Mr. Sayeed Tariq Saigol	Chief Executive
Mr. Taufique Sayeed Saigol	
Mr. Waleed Tariq Saigol	
Mr. Danial Taufique Saigol	
Mr. Zamiruddin Azar	
Mr. Shafiq Ahmed Khan	
Syed Mohsin Raza Naqvi	

Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
Trust Investment Bank Limited
U Microfinance Bank Limited
United Bank Limited

Executive Directors

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

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road, Lahore, Pakistan.
Tel: +92 42 111-KPMGTH (576484)
Fax: +92 42 37429907

Audit Committee

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

Legal Adviser

Mr. Shahid Ismail
Advocate High Court

Human Resource & Remuneration Committee

Mr. Shafiq Ahmed Khan	Chairman
Mr. Zamiruddin Azar	Member
Mr. Danial Taufique Saigol	Member

Registered Office

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

Chief Financial Officer

Syed Mohsin Raza Naqvi

Factory

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

Company Secretary

Mr. Muhammad Ashraf

Call Centre (24 / 7)

0800-411111

Chief Internal Auditor

Mr. Zeeshan Malik Bhutta

Share Registrar

Vision Consulting Ltd
Head Office: 3-C, LDA Flats, First Floor,
Lawrence Road, Lahore
Phone: +92 42 36283096-97
Fax: +92 42 36312550
E-mail: shares@vcl.com.pk

Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Albaraka Bank Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
PAIR Investment Company Limited

Company Website

www.kmlg.com

Note

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

DIRECTORS' REVIEW

In compliance with Section 237 of the Companies Act, 2017, the Directors of your Company have pleasure to present unaudited standalone and consolidated financial statements for the first quarter of financial year 2019-20 ended 30th September 2019.

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

	1st Qtr (July to September)		Variance	Percentage
	2019	2018		
	(----- Rupees in thousand -----)			
Net Sales Revenue	7,147,042	5,654,976	1,492,066	26%
Gross Profit	119,208	1,468,888	(1,349,680)	(92%)
Operating (Loss) / Profit	(225,337)	899,265	(1,124,602)	(125%)
Finance Cost	799,545	224,374	575,171	256%
(Loss) / Profit Before Taxation	(1,024,882)	674,891	(1,699,774)	(252%)
Taxation	(42,521)	88,193	(130,714)	(148%)
(Loss) / Profit After Taxation	(982,361)	586,698	(1,569,058)	(267%)
(Loss) / Earnings Per Share (Rupees)	(1.65)	0.99	(2.64)	(267%)

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

	1st Qtr (July to September)		Variance	Percentage
	2019	2018		
	(----- Rupees in thousand -----)			
Net Sales Revenue	7,147,042	5,654,976	1,492,066	26%
Gross (Loss) / Profit	(209,088)	1,188,916	(1,398,004)	(118%)
Operating (Loss) / Profit	(538,461)	645,094	(1,183,555)	(183%)
Finance Cost	809,206	214,675	594,531	277%
(Loss) / Profit Before Taxation	(1,347,667)	430,419	(1,778,086)	(413%)
Taxation	(42,521)	88,193	(130,714)	(148%)
(Loss) / Profit After Taxation	(1,305,146)	342,226	(1,647,371)	(481%)
(Loss) / Earnings Per Share (Rupees)	(2.20)	0.58	(2.77)	(481%)

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

Comparative data of capacity utilization and dispatches for the period under review is as under: -

Particulars	(July to September)		Variance	
	2019 (----- M. Tons -----)	2018 M. Tons	Change	Percentage
Production:				
Clinker Production	1,354,306	773,504	580,802	75.09%
Cement Production	1,368,890	750,103	618,787	82.49%
Sales:				
Domestic	1,214,820	679,679	535,141	78.73%
Exports	77,020	72,613	4,407	6.07%
	1,291,840	752,292	539,548	71.72%

Total Sales volume of 1,291,840 tons achieved depicts an increase of 71.72% over 752,292 tons sold during the corresponding period last year. The domestic sales volume increased to 1,214,820 tons registering an increase of 78.73% and exports sales volume was recorded at 77,020 tons, an increase of 6.07%.

During the period under review, the Company recorded net consolidated sales of Rs. 7,147 million against Rs. 5,655 million in the corresponding period last year; mainly driven by 78.73% growth in local dispatches on the back of successful commencement of new production line 3. Despite a stunning growth of 78.73% in local dispatches, topline increased by only 26%; mainly due to declined retention on account of competition in the local market against back drop of excess cement supply. Tougher competition has also hampered the cement industry's ability to pass on the increase in Federal Excise Duty by Rs. 500 per ton and increase in outbound freight due to strict implementation of axle load restrictions.

Federal Board of Revenue measures to improve documentation in the economy has created unrest and anxiety in the markets. Overall economy witnessed a recessionary trend during the period under review due to reluctance to adhere to reforms in the taxation regime for documentation of the economy. Market slowdown in protest against these measures followed after applicability of documentation conditions and disallowance of input sales tax on sales made to unregistered dealers.

Excess supply of cement due to completion of recent expansions has created fierce competition for market share in the local markets. The excess cement supply, backed by devaluation of Pak Rupee has triggered the need to look for new export markets. During the first quarter of current financial year, the Company's export volumes improved and an encouraging growth rate of 6.07% was achieved to reach 77,020 metric tons. However, margins are still slim due to higher input costs and competition in international markets. 200% import duty in India on goods exported from Pakistan has impaired cement exports to India and companies located in North region are adversely affected.

The Company was able to avoid the likely adverse impact on its profitability due to increase in electricity tariff by NEPRA. The Company relied mainly on its internal power generation sources to meet its electricity requirements which includes coal fired power plant (CFPP) setup as wholly- owned subsidiary, Maple Leaf Power Limited (MLPL), a cost competitive advantage to the Company. CFPP is the cheapest source of electricity for the Company following energy from Waste Heat Recovery Plant.

Despite increase in fuel cost especially due to hike in coal prices, freight cost on account of increase in international oil prices and devaluation of Pak rupee against US dollar, the Company was able to keep its fuel and power costs under control along with advantage derived by increased use of pet coke which is cost effective due to higher energy content and prudent purchases at cheaper rates during the current financial year. However, landed cost of coal has substantially increased due to implementation of axle load restriction on inland transportation, increase in fuel prices and shifting of discharge port to PIBTL from KPT under government orders, which is expensive. The Company is benefitting from lower inland transportation costs through transport via the railway network resulting in reasonable savings. The contract with Pakistan Railways for transportation of coal from port to our plant site was extended till June 2021.

Another factor to increase production cost was upward revision in mining royalty rates. Punjab Mines and Minerals Department has notified 100% increase in limestone royalty and 500% for argillaceous Clay. The Company is contesting the matter in the Honourable, Lahore High Court.

On account of aforementioned factors impacting cost of production, the Company achieved consolidated gross profit of a mere Rs. 119 million during the reporting period with a decrease of 92% from Rs. 1,469 million in the corresponding period last year.

The Company has successfully overcome the inflationary increase in operational fixed cost through better control and cost management measures resulting in overall reduction of 2% in administrative expenses YoY. Finance costs during the reporting period also increased to Rs. 800 million as compared to Rs. 224 million in the corresponding period in consolidated terms. Finance cost for the current period includes full change on new line 3 borrowing costs. Increase in finance cost is also driven by continuous hike in policy rate by State Bank of Pakistan.

The Company recorded consolidated pre-tax loss of Rs. 1,025 million for the reporting period against consolidated pre-tax profit of Rs. 675 million in corresponding period. Taxation component pertains only to Maple Leaf Cement Factory Limited standalone operations and amounted to negative change of Rs. 42.5 million for the reporting period as compared to Rs. 88 million charge in corresponding period.

All the above factors have impacted post-tax bottom line for the reporting period to register a decline of 267% at a loss of Rs. 982 million against profit of Rs. 587 million in the bottom line for corresponding period last year.

Profits earned from Maple Leaf Power Limited (MLPL), a wholly owned subsidiary of the Company, established to install and operate 40 MW imported coal-fired captive power plant MLPL are exempt from charge of income tax. MLPL has earned tax-free net profit of Rs. 322.8 million during the first quarter of financial year 2019-20. Power generation from this plant has led to substantial savings in input cost on account of reduced electricity unit cost when compared to FESCO and has favourably impacted consolidated results. Moreover, self-generation of power has reduced the company's reliance on national grid.

Right Issue

To reduce current debt levels and to improve debt/equity leverage, the Board of Directors in meeting held on September 19, 2019 have decided to raise a sum of Rs. 6,056 million by way of right issue. This will help the Company to better face the adverse impact on profitability on account of higher interest costs. It is being proposed to issue 85% right shares of Rs. 10/- each at a price of Rs. 12/- per share (inclusive of premium of Rs. 2/- per share). This will also result in increase in profit available for appropriation i.e. profit available for distribution to shareholders as dividend and to meet any future capital expenditures.

Future Outlook

Going forward, we expect cement demand and current price levels in domestic market to remain choppy for the rest of the financial year due to prevailing political uncertainty in the country and disturbing geopolitical situation. Local demand, including reduction in public and private sector development expenditure is bound to impact offtake. However, the cement industry is also keenly eyeing developments on CPEC, which is currently progressing albeit at a slower pace. Moreover, current Government's focus on structural reforms particularly in the taxation structure namely condition for CNIC based buying, penalizing non-filers with double withholding rates and enforcement level measures at FBR like compulsory registration of dealers, are expected to put further pressure on overall economy and cement sector as well.

After the completion of further expansions in north region during the financial year 2019-20, there will be increased pressure on cement supply side. This, coupled with stagnant domestic demand has compressed cement sale price in the local market.

Global coal prices have started rising again after touching low levels on account of increased sea freight costs and winter season buying. Any further devaluation will inflate landed prices of coal along with other input costs. However, cost reduction efforts continue to be the focus in all operational areas and the Company has adopted various strategies to reduce cost including use of alternative fuels and optimized operations of the plant despite the recent rise in oil prices and devaluation of Pak Rupee.

Exports will continue to increase with the Company's efforts to explore new markets for both cement and clinker. We also expect that anticipated improvements in diplomatic relations between Pakistan and India should ease trade between the neighboring countries soon.

Acknowledgement

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

For and on behalf of the Board

Lahore
October 24, 2019


(Syed Mohsin Raza Naqvi)
Director


(Sayeed Tariq Saigol)
Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

Un-audited
Note September 30,
2019
(Rupees in thousand)

Audited
June 30,
2019

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorised share capital	4	9,000,000	9,000,000
Issued, subscribed and paid-up share capital	4	5,937,007	5,937,007
Capital reserves		5,640,300	5,640,300
Accumulated profits		13,802,363	15,052,799
Surplus on revaluation of fixed assets - net of tax	5	3,769,392	3,884,480
		29,149,062	30,514,586

NON - CURRENT LIABILITIES

Long term loans from financial institutions - secured	6	15,283,299	15,990,227
Long term loan from Subsidiary Company		1,000,000	1,000,000
Long term deposits		8,664	8,664
Deferred taxation		3,723,785	3,705,927
Retention money payable		375,170	368,499
Retirement benefits		215,498	205,354
		20,606,416	21,278,671

CURRENT LIABILITIES

Current portion of :			
- Long term loans from financial institutions - secured	6	1,814,332	1,315,135
Trade and other payables	7	8,751,496	8,218,303
Unclaimed dividend		28,211	40,564
Mark-up accrued on borrowing		764,510	575,029
Short term borrowings		5,510,789	4,015,487
		16,869,338	14,164,518

CONTINGENCIES AND COMMITMENTS

	8	66,624,816	65,957,775
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The annexed notes from 1 to 20 form an integral part of this unconsolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Un-audited Audited
Note September 30, June 30,
2019 2019
(Rupees in thousand)

ASSETS

NON - CURRENT ASSETS

Property, plant and equipment	9	45,926,583	46,640,664
Intangible assets		12,397	13,529
Long term investment	10	5,020,000	5,020,000
Long term loans to employees - secured		25,370	19,824
Long term deposits		56,969	56,880
		<hr/>	<hr/>
		51,041,319	51,750,897

CURRENT ASSETS

Stores, spare parts and loose tools		7,149,527	7,208,762
Stock-in-trade		2,634,435	1,739,014
Trade debts	11	2,844,153	2,683,758
Loans and advances		772,835	805,159
Short term investment	12	20,250	17,887
Short term deposits and prepayments		230,502	173,598
Accrued profit		1,510	2,272
Other receivables		32,274	35,319
Income tax refundable		1,257,284	1,046,711
Cash and bank balances		640,727	494,398
		<hr/>	<hr/>
		15,583,497	14,206,878
		<hr/>	<hr/>
		66,624,816	65,957,775


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

		Un-audited Note September 30, 2019 (Rupees in thousand)	Un-audited September 30, 2018
Sales - net	13	7,147,042	5,654,976
Cost of sales	14	(7,356,130)	(4,466,060)
Gross (loss) / profit		(209,088)	1,188,916
Distribution cost		(173,973)	(195,662)
Administrative expenses		(184,218)	(188,632)
Other charges		(10,240)	(161,610)
		(368,431)	(545,904)
Other income		39,058	2,082
(Loss) / Profit from operations		(538,461)	645,094
Finance cost	15	(809,206)	(214,675)
(Loss) / Profit before taxation		(1,347,667)	430,419
Taxation		42,521	(88,193)
(Loss) / Profit after taxation		(1,305,146)	342,226
		(----- Rupees -----)	
(Loss) / Earnings per share - basic and diluted		(2.20)	0.58

The annexed notes from 1 to 20 form an integral part of this unconsolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Un-audited September 30, 2019 (Rupees in thousand)	Un-audited September 30, 2018
(Loss) / Profit after taxation	(1,305,146)	342,226
Other comprehensive income	-	-
Total comprehensive (Loss) / income for the period	<u>(1,305,146)</u>	<u>342,226</u>

The annexed notes from 1 to 20 form an integral part of this unconsolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Note	Un-audited September 30, 2019 (Rupees in thousand)	Un-audited September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		(1,347,667)	430,419
Adjustments for:			
Depreciation	9.1	827,915	566,379
Amortization		1,133	1,411
Provision for Workers' Profit Participation Fund		-	21,849
Provision for Workers' Welfare Fund		-	15,259
Bad debts written off		5,643	-
Advances written off		1,467	-
(Gain) / Loss on disposal of property, plant and equipment		(2,056)	22,933
Gain on re-measurement of short term investments at fair value		(2,363)	(810)
Retirement benefits		14,496	12,772
Profit on bank deposits		(4,510)	(4,168)
Finance cost	15	809,206	312,374
Cash generated from operations before working capital changes		303,264	1,378,418
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		59,235	(774,170)
Stock-in-trade		(895,421)	(387,573)
Trade debts		(166,038)	(103,003)
Loans and advances		30,856	482,985
Short term deposits and prepayments		(56,904)	(53,101)
Other receivables		3,046	732
		(1,025,226)	(834,130)
Increase in current liabilities			
Trade and other payables		533,199	169,520
		(492,027)	(664,610)
Net cash (used in) / generated from operations		(188,763)	713,808
Increase in long term loans to employees		(5,546)	(3,915)
Retirement benefits paid		(4,352)	(4,427)
Taxes paid		(210,573)	(310,912)
Net cash (used in) / generated from operating activities		(409,234)	394,554
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital Expenditure		(116,580)	(3,207,657)
Proceeds from disposal of property, plant and equipment		4,803	1,851
Increase in long term deposits		(89)	-
Profit on bank deposits received		5,272	4,097
Net cash used in investing activities		(106,594)	(3,201,709)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) / drawdown of long term loans financial institutions - secured - net		(207,732)	1,811,419
Acquisition of short term borrowings - net		512,356	472,168
Finance cost paid		(613,054)	(204,651)
Redemption of preference shares		(5)	(16)
Dividend paid		(12,353)	(679)
Net cash (used in) / generated from financing activities		(320,788)	2,078,241
Net decrease in cash and cash equivalents		(836,616)	(728,914)
Cash and cash equivalents at beginning of the period		(815,565)	(636,985)
Cash and cash equivalents at end of the period	16	(1,652,181)	(1,365,899)

The annexed notes from 1 to 20 form an integral part of this unconsolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

Share Capital	Capital Reserves				Revenue Reserves	Total Equity
	Share premium	Capital redemption reserve	Sub- Total	Surplus on revaluation of fixed assets - net of tax	Accumulated profits	

..... Rupees in thousand

Balance as at 30 June 2018 - as reported	5,937,007	5,112,037	528,263	5,640,300	4,264,543	14,069,289	29,911,139
Effect of initial application of IFRS 9, net of tax	-	-	-	-	-	(89,460)	(89,460)
Adjusted balance as at 1 July 2018	5,937,007	5,112,037	528,263	5,640,300	4,264,543	13,979,829	29,821,679

Total comprehensive income for the period

Profit for the period ended 30 September 2018	-	-	-	-	-	342,226	342,226
Other comprehensive income for the period ended 30 September 2018	-	-	-	-	-	-	-
	-	-	-	-	-	342,226	342,226
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(55,448)	55,448	-
Effect of change in proportion of local and export sales	-	-	-	-	43,343	-	43,343
Balance as at 30 September 2018 - un-audited	5,937,007	5,112,037	528,263	5,640,300	4,252,438	14,377,503	30,207,248

Balance as at 30 June 2019 - audited	5,937,007	5,112,037	528,263	5,640,300	3,884,480	15,052,799	30,514,586
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Total comprehensive income for the period

Loss for the period ended 30 September 2019	-	-	-	-	-	(1,305,146)	(1,305,146)
Other comprehensive income for the period ended 30 September 2019	-	-	-	-	-	-	-
	-	-	-	-	-	(1,305,146)	(1,305,146)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(54,710)	54,710	-
Effect of change in proportion of local and export sales	-	-	-	-	(60,378)	-	(60,378)
Balance as at 30 September 2019 - Un-audited	5,937,007	5,112,037	528,263	5,640,300	3,769,392	13,802,363	29,149,062

The annexed notes from 1 to 20 form an integral part of this unconsolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2019

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 Act, 2017) as a public company limited by shares. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The cement factory is located at Iskanderabad District Mianwali in the province of Punjab. The principal activity of the Company is production and sale of cement. The Company is a subsidiary of Kohinoor Textile Mills Limited ("the Holding Company").

2. BASIS OF PREPARATION

2.1 Separate financial statements

This condensed interim unconsolidated financial information is the separate financial information of the Company in which investment in subsidiary is accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investee. Consolidated financial information of the Company is prepared and presented separately.

The Company has the following long term investment:

	Un-audited September 30, 2019 (Direct holding percentage)	Audited June 30, 2019
Subsidiary Company		
Maple Leaf Power Limited	100	100

2.2 Statement of compliance

2.2.1 This condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2019 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2.2 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated statement of financial position of the Company, as at 30 September 2019 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.2.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2019.

2.2.4 Comparative unconsolidated statement of financial information numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2019, whereas comparatives of condensed interim unconsolidated statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2018.

2.2.5 This condensed interim financial information is being submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2019.

4. SHARE CAPITAL

4.1 Authorized share capital

		Note	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
Number of shares				
800,000,000	(30 June 2019: 800,000,000) ordinary shares of Rs. 10 each		8,000,000	8,000,000
100,000,000	(30 June 2019: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each		1,000,000	1,000,000
<u>900,000,000</u>			<u>9,000,000</u>	<u>9,000,000</u>

4.2 Issued, subscribed and paid-up share capital

Number of shares				
356,326,596	(30 June 2019: 356,326,596) ordinary shares of Rs. 10 each fully paid in cash		3,563,266	3,563,266
35,834,100	(30 June 2019: 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	(30 June 2019: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		460,694	460,694
153,846,153	(30 June 2019: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	4.2.1	1,538,462	1,538,462
1,624,417	(30 June 2019: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	4.2.2	16,244	16,244
<u>593,700,666</u>			<u>5,937,007</u>	<u>5,937,007</u>

- 4.2.1 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.
- 4.2.2 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.
- 4.3 The Holding Company holds 327,836,727 (30 June 2019: 327,836,727) ordinary shares, which represents 55.22% (2019: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Company.
- 4.4 All shares issued by the company have equal voting rights. There is no special rights available to any shareholder.

	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
At beginning of the period / year	5,058,008	5,362,272
Surplus on disposal of fixed assets during the period / year - net of deferred tax	-	(3,411)
Related deferred tax liability	-	(1,138)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(54,710)	(223,170)
Related deferred tax liability	(19,493)	(76,545)
At end of the period / year	4,983,805	5,058,008
Deferred tax liability on revaluation surplus		
At beginning of the period / year	1,173,528	1,097,729
Transferred to unappropriated profit in respect of disposal of fixed assets during the period / year	-	(1,138)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(19,493)	(76,545)
Effect of change in tax rate and proportion of local and export sales	60,378	153,482
At end of the period / year	1,214,413	1,173,528
	3,769,392	3,884,480

6. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Sanctioned Limit	Un-audited September 30, 2019	Audited June 30, 2019	Tenure and basis of principal repayment
----- Rupees in '000' -----					
Loans from banking companies					
1	Askari Bank Limited - Term Finance	1,000,000	989,981	989,981	28 equal quarterly installments beginning on 28 March 2020
2	Bank of Punjab - Demand Finance	2,000,000	1,754,367	1,754,367	28 equal quarterly installments beginning on 28 May 2020
3	MCB Bank Limited - Demand Finance	2,000,000	1,915,088	1,915,088	28 equal quarterly installments beginning on 22 June 2020
4	National Bank of Pakistan - Demand Finance	5,500,000	3,708,570	3,708,570	28 equal quarterly installments beginning on 30 June 2020
5	Samba Bank - Term Finance	750,000	750,000	750,000	20 equal quarterly installments beginning on 20 March 2020
6	MCB Bank Limited (EX NIB) - Term Finance	2,000,000	1,984,505	1,984,505	28 equal quarterly installments beginning on 04 August 2020
7	MCB Islamic - Diminishing Musharikah	1,500,000	1,500,000	1,500,000	24 equal quarterly installments beginning on 22 August 2020
8	Habib Bank Limited. - Term Finance	1,000,000	1,000,000	1,000,000	28 equal quarterly installments beginning on 28 September 2020
9	Askari Bank Limited. - Term Finance	500,000	350,000	375,000	20 equal quarterly installments ending on 04 March 2023
10	Bank of Punjab - Demand Finance	1,500,000	1,123,017	1,197,885	20 equal quarterly installments beginning on 06 April 2023
11	MCB Bank Limited - Demand Finance	1,000,000	555,436	592,466	22 equal quarterly installments ending on 06 April 2023
12	National Bank of Pakistan - Demand Finance	1,000,000	750,000	800,000	20 equal quarterly installments ending on 06 April 2023
13	MCB Islamic Bank - Diminishing Musharikah	500,000	416,667	437,500	24 equal quarterly installments ending on 13 September 2024
Loan from Development Financial Institution					
1	PAIR Investment Company Limited	300,000	300,000	300,000	16 equal quarterly installments beginning on 28 September 2019
			17,097,631	17,305,362	
Less: Current portion of long term loans - secured			(1,814,332)	(1,315,135)	
Long term portion of loans			15,283,299	15,990,227	

6.1 During the financial year 30 June 2018, the Company entered into a term finance agreement with a Development Financial Institution, PAIR Investment Company Limited amounting to Rs. 300 million. The tenor of loan is 5 years from first drawdown including a grace period of one year or commercial operation date of new production line. It carries markup rate at 3 month KIBOR plus 1% per annum payable quarterly in arrears. The facility is secured against first joint pari passu charge over present and future fixed assets of the Company. Personal guarantee is also provided by Mr. Sayeed Tariq Saigol (Chief Executive Officer of the Company).

		Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
	Note		
7. TRADE AND OTHER PAYABLES			
Trade creditors		2,500,192	2,614,735
Due to related party	7.1	1,553,664	1,142,050
Bills payable - secured		779,429	673,915
Advances from customers		484,357	526,357
Payable to Workers' Profit Participation Fund		1,193,949	1,193,949
Accrued liabilities		754,579	745,263
Payable to Provident Fund Trust		13,374	12,861
		7,279,544	6,909,130
Payable to Government on account of:			
Federal Excise Duty payable		815,227	726,771
Royalty and Excise Duty payable		101,460	25,228
Sales Tax payable - net		115,542	122,184
Other Taxes payable		87,525	95,012
		1,119,754	969,195
Contractors' retention money		278,964	261,461
Payable against redemption of preference shares		1,013	1,018
Security deposits repayable on demand	7.2	62,412	58,780
Other payables		9,809	18,719
		352,198	339,978
		8,751,496	8,218,303
7.1 Due to related party			
Due to Holding company	7.1.1	303,794	-
Due to Subsidiary company	7.1.1	1,249,870	1,142,050
		1,553,664	1,142,050

7.1.1 These carry interest at 1% (30 June 2019: 1%) per annum in addition to the average borrowing rate of the Company.

7.2 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.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2019.

8.2 Commitments

	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
8.2.1 In respect of:		
- capital expenditure	752,894	529,999
- irrevocable letters of credit for spare parts	912,744	326,077
	<u>1,665,638</u>	<u>856,076</u>

8.2.2 Guarantees given by banks on behalf of the Company are of Rs. 667.563 million (30 June 2019: Rs. 655.039 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

	Note	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
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9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	9.1	45,374,462	46,152,331
Capital work in progress - at cost	9.2	493,274	428,416
Major spare parts and stand-by equipment		58,847	59,917
		<u>45,926,583</u>	<u>46,640,664</u>
9.1 Operating fixed assets			
Balance at beginning of the period / year		46,152,331	22,815,983
Add: Additions / transfers during the period / year	9.1.1	52,793	25,810,545
		46,205,124	48,626,528
Less: Book value of operating assets disposed-off during the period / year		2,747	118,087
Depreciation charge during the period / year		827,915	2,356,110
		<u>45,374,462</u>	<u>46,152,331</u>

	Note	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
9.1.1 Additions during the period / year:			
- freehold land		-	767,136
- buildings on freehold land		-	7,361,436
- plant & machinery		50,629	17,565,846
- furniture, fixtures and equipment		1,785	24,097
- roads, bridges and railway sidings		-	1,784
- quarry equipment		-	7,080
- vehicles		379	83,166
		52,793	25,810,545
9.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		428,416	16,873,730
Additions during the period / year		84,463	9,098,712
Less: Transfers during the period / year		(19,605)	(25,544,026)
At end of the period / year	9.2.1	493,274	428,416
9.2.1 Capital work-in-progress - at cost			
Civil Works		303,810	306,205
Plant and machinery		20,924	21,155
Advances to suppliers against:			
- civil works		44,466	30,376
- plant and machinery		122,057	68,720
- office equipment		-	250
- vehicles		2,017	1,710
		493,274	428,416
10. LONG TERM INVESTMENT			
Investment in Maple Leaf Power Limited - Unquoted	10.1	5,020,000	5,020,000
		5,020,000	5,020,000
10.1 The Company holds 100% (30 June 2019: 100%) shares in the Maple Leaf Power Limited, a wholly owned subsidiary of the Company.			
10.2 There has been no long term investment in any foreign company during the period (30 June 2019: Nil).			

	Note	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
11. TRADE DEBTS			
Considered good			
Export - secured	11.1	32,500	354,894
Local - unsecured	11.2	2,811,653	2,328,864
Considered doubtful			
Local - unsecured		161,189	161,189
Less: Provision for doubtful balances		(161,189)	(161,189)
		<u>2,844,153</u>	<u>2,683,758</u>

11.1 These are secured against letters of credit.

11.2 This includes balance of Rs. 1.401 million (30 June 2019: Rs. 1.030 million) receivable from Kohinoor Textile Mills Limited against sale of cement & scrap and are due by not more than 150 days.

	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
12. SHORT TERM INVESTMENT		
Investment at fair value through profit or loss - listed securities		
Next Capital Limited:		
1,500,000 (30 June 2019: 1,500,000) ordinary shares of Rs. 10 each		
1,875,000 (30 June 2019: 1,875,000) right shares of Rs. 8 each		
Market value Rs. 6.0 per share (30 June 2019: Rs. 5.3 per share)		
Cost		
At beginning and end of the period / year	30,000	30,000
Unrealized fair value gain / (loss)		
At beginning of the period / year	(12,113)	2,062
Fair value gain / (loss) for the period / year	2,363	(14,175)
At end of the period / year	(9,750)	(12,113)
Fair value at the end of period / year	<u>20,250</u>	<u>17,887</u>

12.1 There has been no investment in any foreign company during the year (30 June 2019: Nil).

Three months ended (Un-audited)
September 30, 2019 September 30, 2018
(Rupees in thousand)

13. SALES - NET

Gross local sales	11,287,007	7,505,994
Less:		
Federal Excise Duty	(2,429,641)	(1,019,519)
Sales Tax	(2,013,102)	(1,207,295)
Discount	(128,816)	(67,728)
Commission	(51,880)	(29,049)
	(4,623,439)	(2,323,591)
Net local sales	6,663,568	5,182,403
Export sales	483,474	472,573
	7,147,042	5,654,976

14. COST OF SALES

Raw materials consumed	616,125	273,792
Packing materials consumed	783,248	383,967
Fuel	2,845,426	1,745,279
Power and associated costs	1,967,470	1,059,611
Stores, spare parts and loose tools consumed	332,289	182,595
Water charges	46,806	-
Salaries, wages and other benefits	336,072	262,251
Rent, rates and taxes	7,724	6,117
Insurance	22,995	10,586
Repairs and maintenance	92,140	107,789
Depreciation	813,216	552,569
Amortization	418	337
Vehicles running and maintenance	57,264	44,112
Freight and forwarding	150,658	186,417
Other expenses	47,655	32,929
	8,119,506	4,848,350
Work in process:		
At beginning of the period	938,430	665,606
At end of the period	(1,312,314)	(1,043,134)
	(373,884)	(377,528)
Cost of goods manufactured	7,745,622	4,470,822
Finished goods:		
At beginning of the period	496,319	303,589
At end of the period	(885,811)	(308,351)
	(389,492)	(4,762)
Cost of Sales	7,356,130	4,466,060

15. FINANCE COSTS

- Long term loans from financial institutions
- Long term loans from Subsidiary Company
- Short term borrowings

597,956	78,232
35,212	-
166,427	129,603
799,595	207,835
9,611	6,840
809,206	214,675

16. CASH AND CASH EQUIVALENTS

Short term running finance	(1,700,038)	(1,663,345)
Temporary bank overdrafts - unsecured	(592,870)	(297,506)
Cash and bank balances	640,727	594,953
	<u>(1,652,181)</u>	<u>(1,365,899)</u>

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

There is no associated company, subsidiary company, joint venture or holding company incorporated outside Pakistan with whom the Company has entered into any transactions or has agreements and / or arrangements in place during the financial period.

Details of transactions and balances with related parties except those disclosed elsewhere in these unconsolidated financial information are as follows:

	Three months ended (Un-audited)	
	September 30, 2019	September 30, 2018
	(Rupees in thousand)	
Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	31,160	2,666
Wholly owned subsidiary company (Maple Leaf Power Limited)		
Sale of goods and services	376,868	38,227
Purchase of goods and services	1,433,880	1,133,066
Key management personnel		
Remuneration and other benefits	92,680	85,736
Post employment benefit plans		
Contributions to Provident Fund Trust	29,515	38,425
Payments to Employees Gratuity Fund Trust	2,053	2,152

18. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, there were no material re-arrangements.

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on 24 October 2019 by the Board of Directors of the Company.

20. GENERAL

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Consolidated Financial Statements

For The First Quarter Ended September 30, 2019



DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim consolidated financial statements of Maple Leaf Cement Factory Limited (the Holding Company) and its wholly owned subsidiary company Maple Leaf Power Limited (collectively referred to as group) for the quarter ended 30 September 2019.

GROUP RESULTS

The Group has earned gross profit of Rupees 119 million as compared to Rupees 1,469 million of corresponding period. The Group made after tax loss of Rupees 982 million during this period as compared to profit after tax of Rupees 587 million during the corresponding period.

The overall group financial results are as follows:

	September 30, 2019 (Rupees in million)	September 30, 2018
Sales	7,147	5,655
Gross Profit	119	1,469
(Loss) / Profit from Operations	(225)	899
Financial Charges	800	224
(Loss) / Profit After Taxation	(982)	587
	(------Rupees-----)	
(Loss) / Earnings per share – Basic and diluted	(1.65)	0.99

SUBSIDIARY COMPANY

MAPLE LEAF POWER LIMITED (MLPL)

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

ACKNOWLEDGEMENT

The Directors are grateful to the group's members, financial institutions, customers and employees for their cooperation and support. They also appreciate the hard work and dedication of the employees working in different roles.

For and on behalf of the Board



(Syed Mohsin Raza Naqvi)
Director



(Sayeed Tariq Saigol)
Chief Executive

Lahore
October 24, 2019

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

Un-audited
Note September 30,
2019
(Rupees in thousand)

Audited
June 30,
2019

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorised share capital	4	9,000,000	9,000,000
Issued, subscribed and paid-up share capital	4	5,937,007	5,937,007
Capital reserves		5,640,300	5,640,300
Accumulated profits		16,018,159	16,945,810
Surplus on revaluation of fixed assets - net of tax	5	3,769,392	3,884,480
		31,364,858	32,407,597

NON - CURRENT LIABILITIES

Long term loans from financial institutions - secured	6	15,283,299	15,990,227
Long term deposits		8,664	8,664
Deferred taxation		3,723,785	3,705,927
Retention money payable		375,170	368,499
Retirement benefits		215,498	205,354
		19,606,416	20,278,671

CURRENT LIABILITIES

Current portion of :			
- Long term loans from financial institutions - secured	6	1,814,332	1,315,135
Trade and other payables	7	7,856,919	7,595,265
Unclaimed dividend		28,211	40,564
Mark-up accrued on borrowings		735,471	583,027
Short term borrowings		6,157,829	4,693,036
		16,592,762	14,227,027

CONTINGENCIES AND COMMITMENTS

8	67,564,036	66,913,295
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The annexed notes from 1 to 19 form an integral part of this consolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Un-audited
Note September 30,
2019
(Rupees in thousand)

Audited
June 30,
2019

ASSETS

NON - CURRENT ASSETS

Property, plant and equipment	9	51,310,034	52,096,358
Intangible assets		12,397	13,529
Long term loans to employees - secured		25,370	19,824
Long term deposits		56,969	56,880
		<hr/> 51,404,770	<hr/> 52,186,591

CURRENT ASSETS

Stores, spare parts and loose tools		7,384,611	7,441,071
Stock-in-trade		2,634,435	1,739,014
Trade debts	10	2,844,153	2,683,758
Loans and advances		804,034	816,946
Short term investment	11	20,250	17,887
Short term deposits and prepayments		256,182	188,598
Accrued profit		2,060	2,584
Other receivables		32,408	35,453
Income tax refundable		1,496,462	1,276,588
Cash and bank balances		684,671	524,805
		<hr/> 16,159,266	<hr/> 14,726,704
		<hr/> <hr/> 67,564,036	<hr/> <hr/> 66,913,295


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

		Un-audited Note September 30, 2019 (Rupees in thousand)	Un-audited September 30, 2018
Sales - net	12	7,147,042	5,654,976
Cost of Sales	13	(7,027,834)	(4,186,088)
Gross profit		119,208	1,468,888
Distribution cost		(173,973)	(195,664)
Administrative expenses		(186,047)	(190,244)
Other charges		(25,545)	(187,373)
		(385,565)	(573,281)
Other income		41,020	3,658
(Loss) / Profit from operations		(225,337)	899,265
Finance cost	14	(799,545)	(224,374)
(Loss) / Profit before taxation		(1,024,882)	674,891
Taxation		42,521	(88,193)
(Loss) / Profit after taxation		(982,361)	586,698
		(----- Rupees -----)	
(Loss) / Earnings per share - basic and diluted		(1.65)	0.99

The annexed notes from 1 to 19 form an integral part of this consolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Un-audited September 30, 2019 (Rupees in thousand)	Un-audited September 30, 2018
(Loss) / Profit after taxation	(982,361)	586,698
Other comprehensive income	-	-
Total comprehensive (Loss) / income for the period	(982,361)	586,698

The annexed notes from 1 to 19 form an integral part of this consolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Note	Un-audited September 30, 2019 (Rupees in thousand)	Un-audited September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		(1,024,882)	674,891
Adjustments for:			
Depreciation	9.1	900,158	636,458
Amortization		1,133	1,411
Provision for Workers' Profit Participation Fund		16,989	34,716
Provision for Workers' Welfare Fund		-	15,259
Bad debts written off		5,643	-
Advances written off		1,467	-
(Gain) / Loss on disposal of property, plant and equipment		(2,056)	22,933
Gain on re-measurement of short term investments at fair value		(2,363)	(810)
Retirement benefits		14,496	12,772
Profit on bank deposits		(6,229)	(4,568)
Finance cost	14	799,545	333,080
Cash generated from operations before working capital changes		703,901	1,726,142
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		56,461	(546,815)
Stock-in-trade		(895,421)	(387,573)
Trade debts		(166,038)	(103,003)
Loans and advances		8,925	628,300
Short term deposits and prepayments		(67,584)	(61,368)
Other receivables		5,564	732
		(1,058,093)	(469,727)
Increase / (decrease) in current liabilities			
Trade and other payables		244,670	(603,185)
		(813,423)	(1,072,912)
Net cash (used in) / generated from operations		(109,522)	653,230
Increase in long term loans to employees		(5,546)	(3,915)
Retirement benefits paid		(4,352)	(4,427)
Taxes paid		(219,874)	(323,535)
Net cash (used in) / generated from operating activities		(339,294)	321,353
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital Expenditure		(116,580)	(3,213,084)
Proceeds from disposal of property, plant and equipment		4,803	1,851
Increase in long term deposits		(90)	-
Profit on bank deposits received		6,753	4,497
Net cash used in investing activities		(105,114)	(3,206,735)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) / drawdown of long term loans from financial institutions - secured - net		(207,732)	1,811,419
Acquisition of short term borrowings - net		659,643	532,450
Finance cost paid		(640,430)	(215,998)
Redemption of preference shares		(5)	(16)
Dividend paid		(12,353)	(679)
Net cash (used in) / generated from financing activities		(200,877)	2,127,176
Net decrease in cash and cash equivalents		(645,285)	(758,206)
Cash and cash equivalents at beginning of the period		(1,162,951)	(584,693)
Cash and cash equivalents at end of the period	15	(1,808,236)	(1,342,899)

The annexed notes from 1 to 19 form an integral part of this consolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED SEPTEMBER 30, 2019

Share Capital	Capital Reserves				Revenue Reserves	Total Equity
	Share premium	Capital redemption reserve	Sub- Total	Surplus on revaluation of fixed assets - net of tax	Accumulated profits	

..... Rupees in thousand

Balance as at 30 June 2018 - as reported 5,937,007 5,112,037 528,263 5,640,300 4,264,543 14,967,338 30,809,188

Effect of initial application of IFRS 9, net of tax - - - - - (89,460) (89,460)

Adjusted balance as at 1 July 2018 5,937,007 5,112,037 528,263 5,640,300 4,264,543 14,877,878 30,719,728

Total comprehensive income for the period

Profit for the period ended 30 September 2018	-	-	-	-	-	586,698	586,698
Other comprehensive income for the period ended 30 September 2018	-	-	-	-	-	-	-

- - - - - 586,698 586,698

Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax - - - - (55,448) 55,448 -

Effect of change in proportion of local and export sales - - - - 43,343 - 43,343

Balance as at 30 September 2018 - Un-audited 5,937,007 5,112,037 528,263 5,640,300 4,252,438 15,520,024 31,349,769

Balance as at 30 June 2019 - audited 5,937,007 5,112,037 528,263 5,640,300 3,884,480 16,945,810 32,407,597

Total comprehensive income for the period

Loss for the period ended 30 September 2019	-	-	-	-	-	(982,361)	(982,361)
Other comprehensive income for the period ended 30 September 2019	-	-	-	-	-	-	-

- - - - - (982,361) (982,361)

Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax - - - - (54,710) 54,710 -

Effect of change in proportion of local and export sales - - - - (60,378) - (60,378)

Balance as at 30 September 2019 - Un-audited 5,937,007 5,112,037 528,263 5,640,300 3,769,392 16,018,159 31,364,858

The annexed notes from 1 to 19 form an integral part of this consolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2019

1. REPORTING ENTITY

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

Maple Leaf Cement Factory Limited ("the Company") was incorporated in Pakistan on 13 April 1960 under the Companies Act, 1913 (now the Companies Act, 2017) as a public company limited by shares. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The cement factory is located at Iskanderabad District Mianwali in the province of Punjab. The principal activity of the Company is production and sale of cement. The Company is a subsidiary of Kohinoor Textile Mills Limited ("the Holding Company").

1.2 Maple Leaf Power Limited - ("the Subsidiary Company")

Maple Leaf Power Limited ('the Subsidiary Company') was incorporated in Pakistan on 15 October 2015 as a public limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Subsidiary Company has been established to setup and operate a 40 megawatt power generation plant at Iskanderabad, District Mianwali for generation of electricity. The Subsidiary Company's registered office is located at 42 - Lawrence Road, Lahore. The principal objective of the Subsidiary Company is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity to the Holding Company.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim consolidated financial information of the Group for the three months period ended 30 September 2019 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 This condensed interim consolidated financial information comprises the condensed interim consolidated statement of financial position of the Group, as at 30 September 2019 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes equity together with the notes forming part thereof.

2.1.3 This condensed interim consolidated financial information does not include all of the information required for full annual financial information and should be read in conjunction with the financial statements for the year ended on 30 June 2019.

2.1.4 Comparative consolidated statement of financial position numbers are extracted from the annual audited consolidated financial statements of the Group for the year ended 30 June 2019, whereas comparatives of condensed interim consolidated statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim consolidated financial information of the Group for the three months period ended 30 September 2018.

2.1.5 This condensed interim financial information is being submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2019.

4. SHARE CAPITAL

4.1 Authorized share capital

		Note	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
Number of shares				
800,000,000	(30 June 2019: 800,000,000) ordinary shares of Rs. 10 each		8,000,000	8,000,000
100,000,000	(30 June 2019: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each		1,000,000	1,000,000
<u>900,000,000</u>			<u>9,000,000</u>	<u>9,000,000</u>

4.2 Issued, subscribed and paid-up share capital

Number of shares				
356,326,596	(30 June 2019: 356,326,596) ordinary shares of Rs. 10 each fully paid in cash		3,563,266	3,563,266
35,834,100	(30 June 2019: 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	(30 June 2019: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		460,694	460,694
153,846,153	(30 June 2019: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	4.2.1	1,538,462	1,538,462
1,624,417	(30 June 2019: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	4.2.2	16,244	16,244
<u>593,700,666</u>			<u>5,937,007</u>	<u>5,937,007</u>

- 4.2.1 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.
- 4.2.2 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.
- 4.3 The Holding Company holds 327,836,727 (30 June 2019: 327,836,727) ordinary shares, which represents 55.22% (30 June 2019: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Company.
- 4.4 All shares issued by the company have equal voting rights. There is no special rights available to any shareholder.

	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
At beginning of the period / year	5,058,008	5,362,272
Surplus on disposal of fixed assets during the period / year - net of deferred tax	-	(3,411)
Related deferred tax liability	-	(1,138)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(54,710)	(223,170)
Related deferred tax liability	(19,493)	(76,545)
At end of the period / year	4,983,805	5,058,008
Deferred tax liability on revaluation surplus		
At beginning of the period / year	1,173,528	1,097,729
Transferred to unappropriated profit in respect of disposal of fixed assets during the period / year	-	(1,138)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(19,493)	(76,545)
Effect of change in tax rate and proportion of local and export sales	60,378	153,482
At end of the period / year	1,214,413	1,173,528
	3,769,392	3,884,480

6. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Sanctioned Limit	Un-audited September 30, 2019	Audited June 30, 2019	Tenure and basis of principal repayment
----- Rupees in '000' -----					
Loans from banking companies					
1	Askari Bank Limited - Term Finance	1,000,000	989,981	989,981	28 equal quarterly installments beginning on 28 March 2020
2	Bank of Punjab - Demand Finance	2,000,000	1,754,367	1,754,367	28 equal quarterly installments beginning on 28 May 2020
3	MCB Bank Limited - Demand Finance	2,000,000	1,915,088	1,915,088	28 equal quarterly installments beginning on 22 June 2020
4	National Bank of Pakistan - Demand Finance	5,500,000	3,708,570	3,708,570	28 equal quarterly installments beginning on 30 June 2020
5	Samba Bank - Term Finance	750,000	750,000	750,000	20 equal quarterly installments beginning on 20 March 2020
6	MCB Bank Limited (EX NIB) - Term Finance	2,000,000	1,984,505	1,984,505	28 equal quarterly installments beginning on 04 August 2020
7	MCB Islamic - Diminishing Musharika	1,500,000	1,500,000	1,500,000	24 equal quarterly installments beginning on 22 August 2020
8	Habib Bank Limited. - Term Finance	1,000,000	1,000,000	1,000,000	28 equal quarterly installments beginning on 28 September 2020
9	Askari Bank Limited - Term Finance	500,000	350,000	375,000	20 equal quarterly installments ending on 04 March 2023
10	Bank of Punjab - Demand Finance	1,500,000	1,123,017	1,197,885	20 equal quarterly installments beginning on 06 April 2023
11	MCB Bank Limited - Demand Finance	1,000,000	555,436	592,466	22 equal quarterly installments ending on 06 April 2023
12	National Bank of Pakistan - Demand Finance	1,000,000	750,000	800,000	20 equal quarterly installments ending on 06 April 2023
13	MCB Islamic Bank - Diminishing Musharika	500,000	416,667	437,500	24 equal quarterly installments ending on 13 September 2024
Loan from Development Financial Institution					
1	PAIR Investment Company Limited	300,000	300,000	300,000	16 equal quarterly installments beginning on 28 September 2019
		20,550,000	17,097,631	17,305,362	
Less: Current portion of long term loans - secured			(1,814,332)	(1,315,135)	
Long term portion of loans			15,283,299	15,990,227	

6.1 During the financial year 30 June 2018, the Company entered into a term finance agreement with a Development Financial Institution, PAIR Investment Company Limited amounting to Rs. 300 million. The tenor of loan is 5 years from first drawdown including a grace period of one year or commercial operation date of new production line. It carries markup rate at 3 month KIBOR plus 1% per annum payable quarterly in arrears. The facility is secured against first joint pari passu charge over present and future fixed assets of the Company. Personal guarantee is also provided by Mr. Sayeed Tariq Saigol (Chief Executive Officer of the Company).

	Note	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
7. TRADE AND OTHER PAYABLES			
Trade creditors		2,526,103	2,638,965
Due to related party	7.1	303,794	-
Bills payable - secured		787,404	851,659
Advances from customers		485,190	526,560
Payable to Workers' Profit Participation Fund		1,302,956	1,285,967
Payable to Workers' Welfare Fund		4,844	4,844
Accrued liabilities		758,656	761,354
Payable to Provident Fund Trust		13,374	12,861
		6,182,321	6,082,210
Payable to Government on account of:			
Federal Excise Duty payable		815,227	726,771
Royalty and Excise Duty payable		101,460	25,228
Sales Tax payable - net		115,542	122,184
Other Taxes payable		204,996	191,843
Electricity duty		69,145	57,064
		1,306,370	1,123,090
Contractors' retention money		281,873	315,877
Payable against redemption of preference shares		1,013	1,018
Security deposits repayable on demand	7.2	62,412	58,780
Other payables		22,930	14,290
		368,228	389,965
		7,856,919	7,595,265
7.1 Due to related party			
Due to Holding company	7.1.1	303,794	-
		303,794	-

7.1.1 These carry interest at 1% (30 June 2019: 1%) per annum in addition to the average borrowing rate of the Company.

7.2 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.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2019.

8.2 Commitments

	Note	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
8.2.1 In respect of:			
- capital expenditure		752,893	536,479
- irrevocable letters of credit for spare parts		926,292	329,033
		<u>1,679,185</u>	<u>865,512</u>

8.2.2 Guarantees given by banks on behalf of the Company are of Rs. 667.563 million (30 June 2019: Rs. 655.039 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

	Note	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
9. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	9.1	50,757,913	51,608,025
Capital work in progress - at cost	9.2	493,274	428,416
Stores and spares held for capital expenditure		58,847	59,917
		<u>51,310,034</u>	<u>52,096,358</u>
9.1 Operating fixed assets			
Balance at beginning of the period / year		51,608,025	28,390,629
Add: Additions / transfers during the period / year	9.1.1	52,793	25,985,238
		<u>51,660,818</u>	<u>54,375,867</u>
Less: Book value of operating assets disposed-off during the period / year		2,747	118,087
Depreciation charge during the period / year		900,158	2,649,755
		<u>50,757,913</u>	<u>51,608,025</u>

	Note	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
9.1.1 Additions during the period / year:			
- freehold land		-	767,136
- buildings on freehold land		-	7,409,581
- plant & machinery		50,629	17,692,180
- furniture, fixtures and equipment		1,785	24,311
- roads, bridges and railway sidings		-	1,784
- quarry equipment		-	7,080
- vehicles		379	83,166
		52,793	25,985,238
9.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		428,416	16,873,730
Additions during the period / year		84,463	9,098,712
Less: Transfers during the period / year		(19,605)	(25,544,026)
At end of the period / year	9.2.1	493,274	428,416
9.2.1 Capital work-in-progress - at cost			
Civil Works		303,810	306,205
Plant and machinery		20,924	21,155
Advances to suppliers against:			
- civil works		44,466	30,376
- plant and machinery		122,056	68,720
- office equipment		-	250
- vehicles		2,018	1,710
		493,274	428,416

	Note	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
10. TRADE DEBTS			
Considered good			
Export - secured	10.1	32,500	354,894
Local - unsecured	10.2	2,811,653	2,328,864
Considered doubtful			
Local - unsecured		161,189	161,189
Less: Provision for doubtful balances		(161,189)	(161,189)
		<u>2,844,153</u>	<u>2,683,758</u>

10.1 These are secured against letters of credit.

10.2 This includes balance of Rs. 1.401 million (30 June 2019: Rs. 1.030 million) receivable from Kohinoor Textile Mills Limited against sale of cement & scrap and are due by not more than 150 days.

	Un-audited September 30, 2019 (Rupees in thousand)	Audited June 30, 2019
11. SHORT TERM INVESTMENT		
Investment at fair value through profit or loss - listed securities		
Next Capital Limited:		
1,500,000 (30 June 2019: 1,500,000) ordinary shares of Rs. 10 each		
1,875,000 (30 June 2019: 1,875,000) right shares of Rs. 8 each		
Market value Rs. 6.0 per share (30 June 2019: Rs. 5.3 per share)		
Cost		
At beginning and end of the period / year	30,000	30,000
Unrealized fair value gain / (loss)		
At beginning of the period / year	(12,113)	2,062
Fair value gain / (loss) for the period / year	2,363	(14,175)
At end of the period / year	(9,750)	(12,113)
Fair value at the end of period / year	<u>20,250</u>	<u>17,887</u>

11.1 There has been no investment in any foreign company during the year (30 June 2019: Nil).

Three months ended (Un-audited)
September 30, 2019 September 30, 2018
(Rupees in thousand)

12. SALES - NET

Gross local sales	11,227,771	7,505,994
Less:		
Federal Excise Duty	(2,429,641)	(1,019,519)
Sales Tax	(2,013,102)	(1,207,295)
Discount	(69,580)	(67,728)
Commission	(51,880)	(29,049)
	(4,564,203)	(2,323,591)
Net local sales	6,663,568	5,182,403
Export sales	483,474	472,573
	7,147,042	5,654,976

13. COST OF SALES

Raw materials consumed	608,043	266,642
Packing materials consumed	783,248	383,967
Fuel	2,855,441	1,745,279
Coal used in power generation	679,377	513,058
Power and associated costs	832,358	156,606
Stores, spare parts and loose tools consumed	345,346	191,765
Water charges	46,806	-
Salaries, wages and other benefits	355,954	285,587
Rent, rates and taxes	19,910	6,207
Insurance	25,964	13,183
Repairs and maintenance	95,114	114,867
Depreciation	885,460	622,648
Amortization	418	337
Vehicles running and maintenance	59,113	44,440
Freight and forwarding	150,658	186,415
Other expenses	48,000	37,376
	7,791,210	4,568,377
Work in process:		
At beginning of the period	938,430	665,606
At end of the period	(1,312,315)	(1,043,133)
	(373,885)	(377,527)
Cost of goods manufactured	7,417,325	4,190,850
Finished goods:		
At beginning of the period	496,319	303,589
At end of the period	(885,810)	(308,351)
	(389,491)	(4,762)
Cost of Sales	7,027,834	4,186,088

14. FINANCE COSTS

- Long term loans from financial institutions
- Short term borrowings

597,956	78,232
191,685	138,963
789,641	217,195
9,904	7,179
799,545	224,374

Bank and other charges

15. CASH AND CASH EQUIVALENTS

Short term running finance	(1,900,038)	(1,663,344)
Temporary bank overdrafts - unsecured	(592,869)	(297,506)
Cash and bank balances	684,671	617,951
	<u>(1,808,236)</u>	<u>(1,342,899)</u>

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

There is no associated company, subsidiary company, joint venture or holding company incorporated outside Pakistan with whom the Company has entered into any transactions or has agreements and / or arrangements in place during the financial Period.

Details of transactions and balances with related parties except those disclosed elsewhere in these Consolidated financial information are as follows:

	Three months ended (Un-audited)	
	September 30, 2019	September 30, 2018
	(Rupees in thousand)	
Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	31,160	2,666
Key management personnel		
Remuneration and other benefits	92,680	85,736
Post employment benefit plans		
Contributions to Provident Fund Trust	29,515	38,425
Payments to Employees Gratuity Fund Trust	2,053	2,152

17. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, there were no material re-arrangements.

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on 24 October 2019 by the Board of Directors of the Company.

19. GENERAL

Figures in the condensed interim consolidated financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

