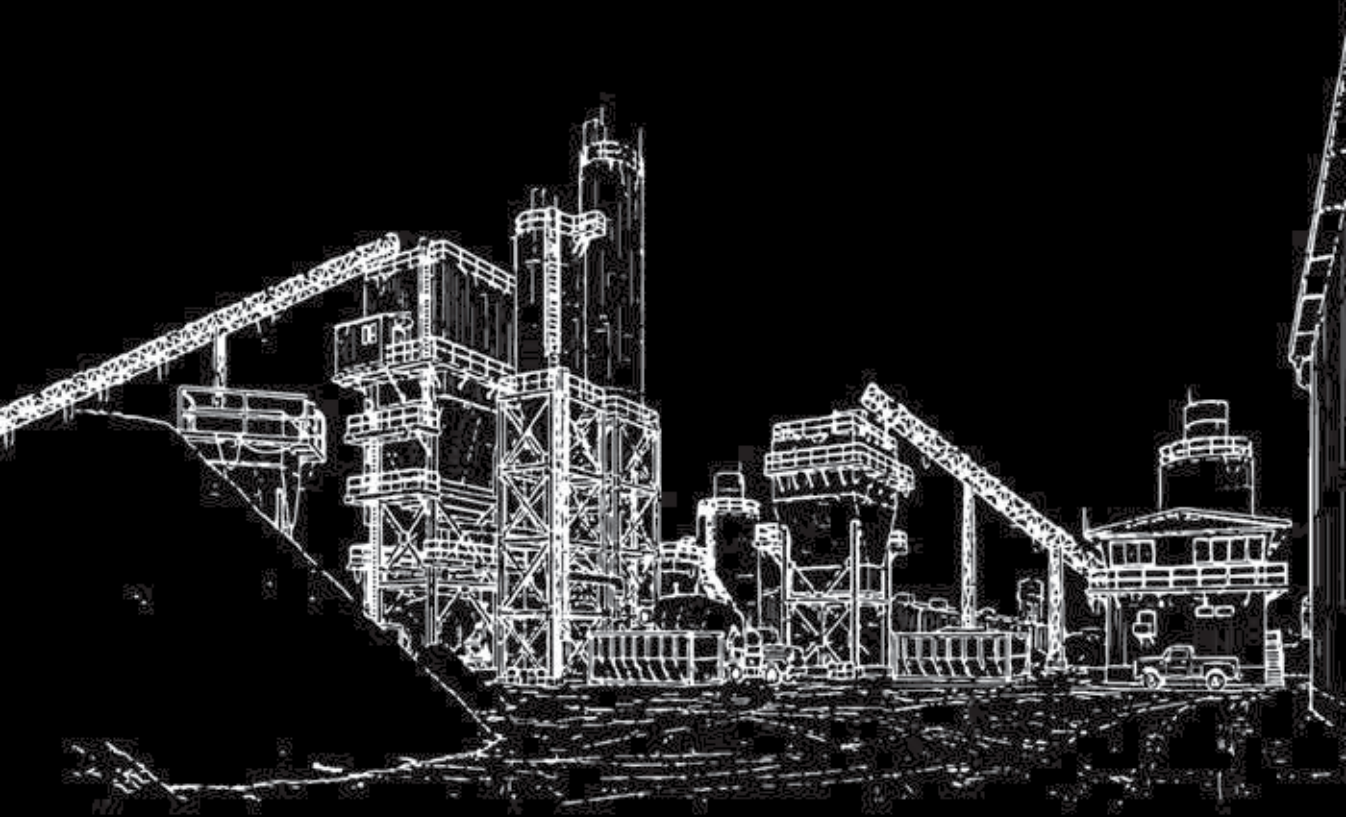




MAPLE LEAF CEMENT



# EVOLUTION OF CEMENT

3rd QUARTERLY REPORT

March 31, 2020

## 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 Jordan, 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 STATEMENTS

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 Statements .....	14

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Directors' Review.....	29
Condensed Interim Consolidated Statement of Financial Position .....	30
Condensed Interim Consolidated Statement of Profit or Loss .....	32
Condensed Interim Consolidated Statement of Comprehensive Income .....	33
Condensed Interim Consolidated Statement of Cash Flows.....	34
Condensed Interim Consolidated Statement of Changes in Equity.....	35
Selected Explanatory Notes to the Condensed Interim Consolidated Financial Statements .....	36

# COMPANY INFORMATION

## Board of Directors

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

## Executive Directors

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

## Audit Committee

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

## Human Resource & Remuneration Committee

Mr. Shafiq Ahmed Khan	Chairman
Mr. Zulfikar Monnoo	Member
Mr. Danial Taufique Saigol	Member

## Chief Financial Officer

Syed Mohsin Raza Naqvi

## Company Secretary

Mr. Muhammad Ashraf

## Chief Internal Auditor

Mr. Zeeshan Malik Bhutta

## Bankers of the Company

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
BankIslami Pakistan Limited  
Albaraka Bank Limited  
Dubai Islamic Bank Limited  
Faysal Bank Limited  
FINCA Microfinance 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  
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

## Auditors

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

## Legal Adviser

Mr. Abdul Rehman Qureshi  
Advocate High Court

## Registered Office

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

## Factory

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

## Call Centre (24 / 7)

0800-411111

## Share Registrar

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

## Company Website

www.kmlg.com

## Note

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

## 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 nine months of financial year 2019-20 ended 31st March 2020.

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

	Nine Months (July to March)		Variance	Percentage
	2020	2019		
	(----- Rupees in thousand -----)			
Net Sales Revenue	23,096,773	18,537,200	4,559,573	25%
Gross Profit	709,214	4,755,009	(4,045,795)	(85%)
Operating (Loss) / Profit	(495,149)	3,211,614	(3,706,763)	(115%)
Finance cost	(2,358,902)	(765,222)	(1,593,680)	208%
(Loss) / Profit before Taxation	(2,854,051)	2,446,392	(5,300,443)	(217%)
Taxation	126,872	(553,761)	(680,633)	(123%)
(Loss) / Profit after Taxation	(2,727,179)	1,892,631	(4,619,810)	(244%)
(Loss) / Earnings per Share (Rs.)	(3.20)	2.75	(5.95)	(216%)

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

	Nine Months (July to March)		Variance	Percentage
	2020	2019		
	(----- Rupees in thousand -----)			
Net Sales Revenue	23,096,773	18,537,200	4,559,573	25%
Gross (Loss) / Profit	(298,971)	3,908,403	(4,207,374)	(108%)
Operating (Loss) / Profit	(1,458,659)	2,428,528	(3,887,187)	(160%)
Finance cost	(2,401,814)	(723,969)	(1,677,845)	232%
(Loss) / Profit before Taxation	(3,860,473)	1,704,559	(5,565,033)	(326%)
Taxation	126,872	(553,761)	(680,633)	(123%)
(Loss) / Profit after Taxation	(3,733,601)	1,150,798	(4,884,399)	(424%)
(Loss) / Earnings per Share (Rs.)	(4.38)	1.67	(6.05)	(362%)

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 March)		Variance	
	2020 (----- M. Tons -----)	2019	Change	Percentage
<b>Production:</b>				
Clinker Production	3,987,033	2,359,241	1,627,792	69.00%
Cement Production	4,121,972	2,381,593	1,740,379	73.08%
<b>Sales:</b>				
Domestic	3,967,073	2,154,440	1,812,633	84.13%
Exports	175,507	243,369	(67,862)	(27.88%)
	4,142,580	2,397,809	1,744,771	72.77%

Total Sales volume of 4,142,580 tons achieved depicts an increase of 72.77% over 2,397,809 tons sold during the corresponding period last year. The domestic sales volume increased to 3,967,073 tons registering an increase of 84.13% and exports sales volume was recorded at 175,507 tons, a decrease of 27.88%.

During the period under review, the Company recorded net consolidated sales of Rs. 23,097 million against Rs. 18,537 million in the corresponding period last year; mainly driven by 84% growth in local dispatches on the back of successful commencement of new production line 3.

An increased pressure on cement availability has been witnessed after the completion of expansion of cement plants in north region during the current financial year. This, coupled with low growth in domestic demand has compressed cement sale price in the local market. 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 partial implementation of axle load restrictions.

Despite a stunning growth of 84% in the local dispatches, topline increased by only 25%; mainly due to declined retention on account of competition in the local market against backdrop of excess cement supply.

Post budget 2019-20, Federal Board of Revenue's 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. Domestic market registered 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. However, the increase in cost of locally produced cement due to higher input and transportation costs along with declining prices in export markets due to tough competition have impacted export

sales. Moreover, 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. To control the spread of COVID-19, border closure with Afghanistan has also affected export sales for the last fortnight of current reported quarter. The export margins are still very thin due to higher input costs and competition in international markets. During the period under review, the Company's export volumes declined by 28% to reach 175,507 tons as compared to 243,369 tons exported during the corresponding period.

As part of preventive measures to control the spread of COVID-19, Government ordered lockdown in the country in late March including closure of all production plants and offices. However, after a week's closure, cement plants were allowed to resume operations at plant sites. Dispatch remained wobbly during that period but is now back on track to fulfill the demand of on-going construction projects. However, the nation-wide lockdown may pose a significant near-term volume impact if new construction projects in both private and public sector are not started.

Relying on own power generation sources, the Company was able to avoid the likely adverse impact on its profitability due to hikes in electricity tariff by NEPRA. The Company relied mainly on its internal power generation sources to meet its 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. After Waste Heat Recovery Plant, CFPP is the cheapest source of electricity for the Company.

Landed cost of coal has substantially increased due to partial implementation of axle load restriction on inland transportation, devaluation of Pak Rupee and shifting of discharge port to PIBTL from KPT under government orders, which is expensive. However, 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. 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.

Punjab Mines and Minerals Department notified substantial increase in royalty rates on extraction of minerals (120% increase in limestone and 200% for argillaceous Clay). Honourable, Lahore High Court has decide the case in favor of the Company and set aside the notification promulgating increase in royalty rates. The Company on prudent side had been booking the royalty as expense to its Income Statement on new increased rates. The excess amount of royalty charged and paid during the adjudication period is reversed and accounted for in the current reported quarter as reduction in raw material cost.

On account of aforementioned factors impacting cost of production, the Company achieved consolidated gross profit of Rs.709 million during the reporting period with a decrease of 85% from Rs. 4,755 million in the corresponding period last year.

The management of the Company has initiated cost control measures in all areas with a specific focus to reduce fixed administrative costs. These measure have started reaping fruit from the current quarter with a significant reduction in fixed cost.

Continuous hike in policy rate by State Bank of Pakistan (SBP) and additional drawdown from short-term lines to cater higher operational level has caused finance costs during the reporting

period to reach Rs. 2,359 million as compared to Rs. 765 million in the corresponding period in consolidated terms. Finance cost for the current period includes full charge on new line 3 borrowing costs.

Keeping in view the impact of COVID-19 amid pre-existing economic conditions, SBP in a span of one month issued three monetary policies and reduced the policy rate by total 4.25%. This considerable reduction in policy rate coupled with debt reduction will also improve earnings for the upcoming periods with a further reduction in markup cost.

To reduce current debt levels and to improve debt/equity leverage, the Board of Directors decided to raise a sum of Rs. 6,056 million by way of right issue. As evident from reduction in long term debt and wiping off of its current maturity as of the reporting date, with the utilization of the proceeds of right issue, the Company was able to keep the finance cost in control for the current quarter.

The Company recorded consolidated pre-tax loss of Rs. 2,854 million for the reporting period against consolidated pre-tax profit of Rs. 2,446 million in corresponding period last year. Taxation component pertains only to Maple Leaf Cement Factory Limited's standalone operations and amounted to negative charge of Rs. 127 million for the reporting period as compared to Rs 554 million charge in the corresponding period.

All the above factors have impacted post-tax bottom line for the reporting period to register a decline of 244% at a consolidated loss of Rs. 2,727 million against profit of Rs. 1,893 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. 1,006 million during the period under review 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.

### Future Outlook

To oil the wheels of the economy and to dampen the unsavoury effects of COVID-19, Government recently announced a comprehensive package to boost construction activities in Pakistan which includes amnesty scheme for undeclared money invested in construction sectors, new determination of FBR's property valuation rates, tax reduction for builders, and some tax exemptions.

Simply announcing a package after reopening of factories and businesses alone and allowing construction activities is not sufficient to fix constrained economy's woes. A prolonged crisis can put exogenous impact on the economy and cement industry as well in the presence of limited fiscal space and constrained resources.

Going forward, we expect cement demand and current price levels in the domestic market to remain choppy for the last quarter of the current financial year due to excess cement supply, shortage of labor due to upcoming harvesting season, Ramadan factor amid COVID-19. Local demand, including reduction in public and private sector development expenditure is bound to impact offtake. However, the cement industry is keenly eyeing new PSDP allocations



including for Naya Pakistan Housing Program and also the future developments on CPEC, which currently are progressing albeit at a slower pace.

To further mitigate the adverse impacts of COVID-19 on Pakistan's economy, SBP has been very active in its policy formulation. A number of policy and facilitation measures have been taken to support businesses by improving liquidity. The Company can benefit from these favourable schemes which include 4.25% reduction in policy rate, deferment of principal and markup payments, subsidized refinance scheme to support employment by partially financing 3 month's payroll bill and subsidized refinance scheme to encourage new investments.

However, lack of Government's focus to relax stringent measure already taken 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.

Responding to demand cut, Oil and international fuel prices including coal have started to decline again and may hit new low levels on account of production and plants closure on back of shrinking world economies due to COVID-19 pandemic. 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.

Exports to Afghanistan, the Company's main export market, will hopefully resume after opening of borders which are currently closed to control the spread of COVID-19.

To ensure a safe and healthy work environment, the Company is adapting its health and safety practices in line with the development of the pandemic. Measures include categorization of staff essential to be present in office for uninterrupted operations, whereas the other staff is shifted to work-from-home. Technological developments have made the minimal physical interaction possible by conversion to virtual meetings.

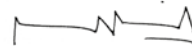
### Acknowledgement

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

For and on behalf of the Board



(Syed Mohsin Raza Naqvi)  
Director



(Sayeed Tariq Saigol)  
Chief Executive

Lahore  
April 23, 2020

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

	Note	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital	5	15,000,000	9,000,000
Issued, subscribed and paid-up share capital	5	10,983,462	5,937,007
Capital reserves		6,589,451	5,640,300
Accumulated profits		11,185,591	15,052,799
Surplus on revaluation of fixed assets - net of tax	6	3,622,516	3,884,480
		32,381,020	30,514,586
<b>NON-CURRENT LIABILITIES</b>			
Long term loans from banking companies - secured	7	11,330,435	15,990,227
Long term loan from Subsidiary Company		1,000,000	1,000,000
Long term deposits		8,664	8,664
Deferred taxation		3,677,783	3,705,927
Retention money		388,512	368,499
Retirement benefits		234,022	205,354
		16,639,416	21,278,671
<b>CURRENT LIABILITIES</b>			
Current portion of:			
- Long term loans from banking companies - secured	7	-	1,315,135
Trade and other payables	8	9,557,554	8,218,303
Unclaimed dividend		48,169	40,564
Accrued mark-up		748,010	575,029
Short term borrowings		7,470,951	4,015,487
		17,824,684	14,164,518
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		
		66,845,120	65,957,775

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

	Note	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	10	44,950,896	46,640,664
Intangible assets		10,143	13,529
Long term investment	11	5,020,000	5,020,000
Long term loans to employees - secured		21,812	19,824
Long term deposits		56,420	56,880
		<b>50,059,271</b>	<b>51,750,897</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		7,076,727	7,208,762
Stock-in-trade		1,972,681	1,739,014
Trade debts	12	4,332,535	2,683,758
Loans and advances		489,470	805,159
Short term investment	13	22,612	17,887
Short term deposits and prepayments		183,106	173,598
Accrued profit		2,610	2,272
Other receivables		398,126	35,319
Income tax refundable		1,485,955	1,046,711
Cash and bank balances		822,027	494,398
		<b>16,785,849</b>	<b>14,206,878</b>
		<b>66,845,120</b>	<b>65,957,775</b>

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

**CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

	Note	Nine Months Period Ended		Three Months Period Ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(..... Rupees in thousand .....)			
Sales - net	14	23,096,773	18,537,200	6,914,480	6,104,253
Cost of sales	15	(23,395,744)	(14,628,797)	(7,146,792)	(4,960,473)
<b>Gross (loss) / profit</b>		(298,971)	3,908,403	(232,312)	1,143,780
Distribution cost		(629,924)	(607,036)	(175,326)	(217,432)
Administrative expenses		(564,597)	(515,420)	(176,202)	(159,846)
Other charges		(67,069)	(380,046)	(21,488)	(13,687)
		(1,261,590)	(1,502,502)	(373,016)	(390,965)
Other income		101,902	22,627	5,509	7,771
<b>(Loss) / profit from operations</b>		(1,458,659)	2,428,528	(599,819)	760,586
Finance cost	16	(2,401,814)	(723,969)	(709,218)	(269,896)
<b>(Loss) / profit before taxation</b>		(3,860,473)	1,704,559	(1,309,037)	490,690
Taxation		126,872	(553,761)	27,639	(140,363)
<b>(Loss) / profit after taxation</b>		(3,733,601)	1,150,798	(1,281,398)	350,327
		(..... Rupees .....)			
<b>(Loss) / earnings per share - basic and diluted</b>		(4.38)	1.67	(1.17)	0.51

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

**CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020**

	Nine Months Period Ended		Three Months Period Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(..... Rupees in thousand .....)			
(Loss) / profit after taxation	(3,733,601)	1,150,798	(1,281,398)	350,327
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(3,733,601)</b>	<b>1,150,798</b>	<b>(1,281,398)</b>	<b>350,327</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	March 31, 2020 (Rupees in thousand)	March 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before taxation		(3,860,473)	1,704,559
Adjustments for:			
Depreciation	10.1	2,476,531	1,676,236
Amortization		3,386	7,254
Provision for Workers' Profit Participation Fund		-	92,916
Provision for Workers' Welfare Fund		-	52,867
Bad debts written off		5,643	-
Advances written off		1,467	-
(Gain) / loss on disposal of property, plant and equipment		(21,623)	10,383
(Gain) / loss on re-measurement of short term investments at fair value		(4,725)	9,585
Retirement benefits		59,757	42,809
Profit on bank deposits		(20,000)	(13,528)
Finance cost	16	2,401,814	940,333
<b>Cash generated from operations before working capital changes</b>		<b>1,041,777</b>	<b>4,523,414</b>
<b>Effect on cash flows due to working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		132,035	(1,293,237)
Stock-in-trade		(233,667)	(437,679)
Trade debts		(1,654,420)	(455,963)
Loans and advances		314,222	873,507
Short term deposits and prepayments		(9,508)	(46,203)
Other receivables		(362,807)	10,556
		(1,814,145)	(1,349,019)
<b>Increase in current liabilities</b>			
Trade and other payables		1,339,256	1,024,511
		(474,889)	(324,508)
<b>Net cash generated from operations</b>		<b>566,888</b>	<b>4,198,906</b>
Increase in long term loans to employees		(1,988)	(10,987)
Retirement benefits paid		(31,082)	(25,599)
Workers' Profit Participation Fund paid		-	(672)
Workers' Welfare Fund paid		-	(87,162)
Taxes paid		(439,244)	(572,498)
<b>Net cash generated from operating activities</b>		<b>94,574</b>	<b>3,501,988</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(817,199)	(6,528,903)
Purchase of intangible assets		-	(5,658)
Proceeds from disposal of property, plant and equipment		52,059	75,011
Increase / (decrease) in long term deposits and prepayments		460	(326)
Profit on bank deposits received		19,662	12,708
<b>Net cash used in investing activities</b>		<b>(745,018)</b>	<b>(6,447,167)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment) / drawdown of long term loans from banking companies - secured - net		(5,974,927)	3,760,395
Issuance of shares		5,995,606	-
Acquisition of short term borrowings - net		3,372,155	320,222
Decrease in long term deposits		-	(50)
Finance cost paid		(2,208,820)	(669,139)
Redemption of preference shares		(5)	(21)
Dividend paid		(289,245)	(594,116)
<b>Net cash generated from financing activities</b>		<b>894,764</b>	<b>2,817,291</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>244,320</b>	<b>(127,888)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>(815,565)</b>	<b>(636,985)</b>
<b>Cash and cash equivalents at end of the period</b>	17	<b>(571,245)</b>	<b>(764,873)</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	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 .....							
<b>Balance as at 30 June 2018 - as reported</b>	5,937,007	5,112,037	528,263	5,640,300	4,264,543	14,069,289	29,911,139
<b>Total comprehensive income for the period</b>							
Profit for the period ended March 31, 2019	-	-	-	-	-	1,150,798	1,150,798
Other comprehensive income for the period ended March 31, 2019	-	-	-	-	-	-	-
	-	-	-	-	-	1,150,798	1,150,798
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(171,688)	171,688	-
Effect of change in proportion of local and export sales	-	-	-	-	5,104	-	5,104
Final cash dividend @ Re. 1 per share for the year ended June 30, 2019	-	-	-	-	-	(593,701)	(593,701)
<b>Balance as at March 31, 2019 - un-audited</b>	<b>5,937,007</b>	<b>5,112,037</b>	<b>528,263</b>	<b>5,640,300</b>	<b>4,097,959</b>	<b>14,798,074</b>	<b>30,473,340</b>
<b>Balance as at June 30, 2019 - audited</b>	<b>5,937,007</b>	<b>5,112,037</b>	<b>528,263</b>	<b>5,640,300</b>	<b>3,884,480</b>	<b>15,052,799</b>	<b>30,514,586</b>
<b>Total comprehensive income for the period</b>							
Loss for the period ended March 31, 2020	-	-	-	-	-	(3,733,601)	(3,733,601)
Other comprehensive income for the period ended March 31, 2020	-	-	-	-	-	-	-
	-	-	-	-	-	(3,733,601)	(3,733,601)
Issuance of shares	5,046,455	1,009,291	-	1,009,291	-	-	6,055,746
Shares issue cost	-	(60,140)	-	(60,140)	-	-	(60,140)
	5,046,455	949,151	-	949,151	-	-	5,995,606
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(161,683)	161,683	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	(1,560)	1,560	-
Effect of change in proportion of local and export sales	-	-	-	-	(98,721)	-	(98,721)
Final dividend for the year ended June 30, 2019	-	-	-	-	-	(296,850)	(296,850)
<b>Balance as at March 31, 2020 - un-audited</b>	<b>10,983,462</b>	<b>6,061,188</b>	<b>528,263</b>	<b>6,589,451</b>	<b>3,622,516</b>	<b>11,185,591</b>	<b>32,381,020</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

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

The Company has the following long term investment:

	Un-audited March 31, 2020 (Direct holding percentage)	Audited June 30, 2019
<b>Subsidiary Company</b>		
Maple Leaf Power Limited	100	100

### 2.2 Statement of compliance

**2.2.1** This condensed interim unconsolidated financial statements of the Company for the nine months period ended March 31, 2020 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 statements comprises the condensed interim unconsolidated statement of financial position of the Company, as at March 31, 2020 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 statements 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 June 30, 2019.



2.2.4 Comparative unconsolidated statement of financial statements numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended June 30, 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 statements of the Company for the nine months period ended March 31, 2019.

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

### 3. JUDGMENTS AND ESTIMATES

In preparing these condensed interim unconsolidated financial statements management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited unconsolidated financial statements for the year ended 30 June 2019.

### 4. SIGNIFICANT ACCOUNTING POLICIES

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

### 5. SHARE CAPITAL

#### 5.1 Authorized share capital

	Note	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>Number of shares</b>			
1,400,000,000 (30 June 2019: 800,000,000) ordinary shares of Rs. 10 each	5.1.1	14,000,000	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>1,500,000,000</u>		<u>15,000,000</u>	<u>9,000,000</u>

5.1.1 Pursuant to the approval of the Board of Directors and the shareholders in their meeting held on 19 September 2019 and 26 October 2019, respectively, the Company has increased its authorised share capital during the period.

## 5.2 Issued, subscribed and paid-up share capital

Number of shares			Un-audited	Audited
			March 31, 2020	June 30, 2019
			(Rupees in thousand)	
860,972,162	(30 June 2019: 356,326,596)			
	ordinary shares of Rs. 10 each	5.2.1	8,609,721	3,563,266
	fully paid in cash			
35,834,100	(30 June 2019: 35,834,100)			
	ordinary shares of Rs. 10 each issued as			
	fully paid for consideration other		358,341	358,341
	than cash			
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)	5.2.2	1,538,462	1,538,462
	ordinary shares of Rs. 10 each issued as fully			
	paid right shares at discount			
1,624,417	(30 June 2019: 1,624,417)	5.2.3	16,244	16,244
	ordinary shares of Rs. 10 each issued as			
	conversion of preference shares			
	into ordinary shares			
<u>1,098,346,232</u>			<u>10,983,462</u>	<u>5,937,007</u>

- 5.2.1** During the nine months period ended 31 March 2020, the Company issued 504,645,566 right shares at Rs. 12 per share at a premium of Rs. 2 per share. The Company has fully utilised proceeds from issuance of right shares in early repayment of its long term financing from financial institutions.
- 5.2.2** During the financial year ended 30 June 2011, Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.
- 5.2.3** During the financial years ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.
- 5.3** The Holding Company holds 606,497,944 (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.
- 5.4** All shares issued by the company has equal voting rights. There is no special rights available to any shareholder.

	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>6. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX</b>		
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	(1,560)	(3,411)
Related deferred tax liability	(580)	(1,138)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(161,683)	(223,170)
Related deferred tax liability	(60,060)	(76,545)
<b>At end of the period / year</b>	<b>4,834,125</b>	<b>5,058,008</b>
<b>Deferred tax liability on revaluation surplus</b>		
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	(580)	(1,138)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(60,060)	(76,545)
Effect of change in tax rate and proportion of local and export sales	98,721	153,482
<b>At end of the period / year</b>	<b>1,211,609</b>	<b>1,173,528</b>
	<b>3,622,516</b>	<b>3,884,480</b>

7. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

Lender	Sanctioned Limit	Un-audited March 31, 2020	Audited June 30, 2019	Remaining tenure of principal repayment
----- Rupees in '000' -----				
<b>Loans from banking companies</b>				
1 Askari Bank Limited - Term Finance	1,000,000	707,129	989,981	20 equal quarterly installments starting from 28 March 2022
2 Bank of Punjab - Demand Finance	2,000,000	1,253,119	1,754,367	20 equal quarterly installments starting from 27 May 2022
3 MCB Bank Limited - Demand Finance	2,000,000	1,367,921	1,915,088	20 equal quarterly installments starting from 22 June 2022
4 National Bank of Pakistan - Demand Finance	5,500,000	2,994,285	3,708,570	21 equal quarterly installments starting from 30 September 2021
5 Samba Bank - Term Finance	750,000	450,000	750,000	12 equal quarterly installments starting from 01 April 2022
6 MCB Bank Limited (EX NIB) - Term Finance	2,000,000	1,488,379	1,984,505	21 equal quarterly installments starting from 4 May 2022
7 MCB Islamic - Diminishing Musharikah	1,500,000	1,104,167	1,500,000	18 equal quarterly installments starting from 27 March 2022
8 Habib Bank Limited. - Term Finance	1,000,000	714,286	1,000,000	20 equal quarterly installments starting from 28 September 2022
9 Askari Bank Limited - Term Finance	500,000	125,000	375,000	5 equal quarterly installments starting from 04 March 2022
10 Bank of Punjab - Demand Finance	1,500,000	374,539	1,197,885	5 equal quarterly installments starting from 06 April 2022
11 MCB Bank Limited - Demand Finance	1,000,000	185,145	592,466	5 equal quarterly installments starting from 09 April 2022
12 National Bank of Pakistan - Demand Finance	1,000,000	250,000	800,000	5 equal quarterly installments starting from 06 March 2022
13 MCB Islamic Bank - Diminishing Musharikah	500,000	166,665	437,500	8 equal quarterly installments starting from 13 December 2022
<b>Loan from Development Financial Institution</b>				
1 Pair Investment Company Limited	300,000	150,000	300,000	8 equal quarterly installments starting from 28 September 2021
	20,550,000	11,330,435	17,305,362	
		-	(1,315,135)	
		11,330,435	15,990,227	
<b>Less: Current portion of long term loans - secured</b>				
<b>Long term portion of loans</b>				

	Note	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>8. TRADE AND OTHER PAYABLES</b>			
Trade creditors		3,255,800	2,614,735
Due to related party	8.1	1,725,926	1,142,050
Bills payable - secured		41,259	673,915
Advances from customers		216,457	526,357
Payable to Workers' Profit Participation Fund		1,193,949	1,193,949
Accrued liabilities		778,623	757,679
Payable to Provident Fund Trust		-	12,861
		<b>7,212,014</b>	<b>6,921,546</b>
Payable to Government on account of:			
Federal Excise Duty payable		1,508,885	726,771
Royalty and Excise Duty payable		32,538	25,228
Sales Tax payable - net		311,862	122,184
Other Taxes payable		145,515	95,012
		<b>1,998,800</b>	<b>969,195</b>
Contractors' retention money		279,528	261,461
Payable against redemption of preference shares		1,013	1,018
Security deposits repayable on demand	8.2	61,130	58,780
Other payables		5,069	6,303
		<b>346,740</b>	<b>327,562</b>
		<b>9,557,554</b>	<b>8,218,303</b>
<b>8.1 Due to related party - unsecured</b>			
Due to Holding company	8.1.1	183,157	-
Due to Subsidiary company	8.1.1	1,542,769	1,142,050
		<b>1,725,926</b>	<b>1,142,050</b>

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

**8.2** 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.

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 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 except for disclosed below:

- 9.1.1** During the period, Additional Commissioner Inland Revenue (ACIR) vide order dated 27 January 2020 raised additional income tax demand of Rs. 303.360 million, relating to the tax year 2017, under section 122(5A) of the Income Tax Ordinance, 2001. The Company is in process of filing an appeal against the said order before the Commissioner Inland Revenue (Appeals). Based on opinion of the Company's tax advisor, management is confident of favourable outcome of the matter, hence no provision is being recognized in respect of this matter in these condensed interim unconsolidated financial statements.

**Un-audited**  
**March 31,**  
**2020**  
**(Rupees in thousand)**

Audited  
June 30,  
2019

### 9.2 Commitments

#### 9.2.1 In respect of:

- capital expenditure	8,651	529,999
- irrevocable letters of credit for spare parts	817,076	326,077
	<u>825,727</u>	<u>856,076</u>

- 9.2.2** Guarantees given by banks on behalf of the Company are of Rs. 710.470 million (30 June 2019: Rs. 655.039 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

**Note**  
**Un-audited**  
**March 31,**  
**2020**  
**(Rupees in thousand)**

Audited  
June 30,  
2019

## 10. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	10.1	43,927,453	46,152,331
Capital work in progress - at cost	10.2	964,601	428,416
Stores and spares held for capital expenditure		58,842	59,917
		<u>44,950,896</u>	<u>46,640,664</u>

### 10.1 Operating fixed assets

Balance at beginning of the period / year		46,152,331	22,815,983
Add: Additions / transfers during the period / year	10.1.1	282,051	25,810,545
		<u>46,434,382</u>	<u>48,626,528</u>
Less: Book value of operating assets disposed-off during the period / year		30,398	118,087
Depreciation charge during the period / year		2,476,531	2,356,110
		<u>43,927,453</u>	<u>46,152,331</u>

	Note	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>10.1.1 Additions during the period / year:</b>			
- freehold land		-	767,136
- buildings on freehold land		59,133	7,361,436
- plant & machinery		208,081	17,565,846
- furniture, fixtures and equipment		5,956	24,097
- roads, bridges and railway sidings		527	1,784
- quarry equipment		5,713	7,080
- vehicles		2,641	83,166
		282,051	25,810,545
<b>10.2 Movement in capital work-in-progress - at cost</b>			
At beginning of the period / year		428,416	16,873,730
Additions during the period / year		600,485	9,098,712
Less: Transfers during the period / year		(64,300)	(25,544,026)
<b>At end of the period / year</b>	10.2.1	964,601	428,416
<b>10.2.1 Capital work-in-progress - at cost</b>			
Civil Works		230,356	306,205
Plant and machinery		280,120	21,155
Roads and bridges		314,625	-
Advances to suppliers against:			
- civil works		51,189	30,376
- plant and machinery		88,311	68,720
- office equipment		-	250
- vehicles		-	1,710
		964,601	428,416
<b>11. LONG TERM INVESTMENT</b>			
Investment in Maple Leaf Power Limited - Unquoted		5,020,000	5,020,000
		5,020,000	5,020,000

**11.1** The Company holds 100% (30 June 2019: 100%) shares in the Maple Leaf Power Limited, a wholly owned subsidiary of the Company.

**11.2** There has been no long term investment in any foreign company during the period / year (2019: Nil).

	Note	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>12. TRADE DEBTS</b>			
Considered good			
Export - secured	12.1	26,565	354,894
Local - unsecured		4,305,970	2,328,864
Considered doubtful			
Local - unsecured.		161,189	161,189
Less: Provision for doubtful balances		(161,189)	(161,189)
		<u>4,332,535</u>	<u>2,683,758</u>
<b>12.1</b> These are secured against letters of credit.			
<b>13. SHORT TERM INVESTMENT</b>			
<b>Investment at fair value through profit or loss - listed securities</b>			
<b>Next Capital Limited</b>			
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. 6.70 per share (30 June 2019: Rs. 5.30 per share)			
<b>Cost</b>			
At beginning and end of the period / year		30,000	30,000
<b>Unrealized fair value gain / (loss)</b>			
At beginning of the period / year		(12,113)	2,062
Fair value gain / (loss) for the period / year		4,725	(14,175)
At end of the period / year		(7,388)	(12,113)
Fair value at the end of period / year		<u>22,612</u>	<u>17,887</u>
<b>13.1</b> There has been no investment in any foreign company during the period / year (30 June 2019: Nil).			



Nine months ended (Un-audited)  
**March 31,**      **March 31,**  
**2020**              **2019**  
**(Rupees in thousand)**

**14. SALES - NET**

Gross local sales	36,950,954	24,338,031
Less:		
Federal Excise Duty	(7,934,146)	(3,231,659)
Sales Tax	(6,402,189)	(3,904,298)
Discount	(436,339)	(232,475)
Commission	(178,240)	(95,160)
	<u>(14,950,914)</u>	<u>(7,463,592)</u>
Net local sales	22,000,040	16,874,439
Export sales	1,096,733	1,662,761
	<u>23,096,773</u>	<u>18,537,200</u>

**15. COST OF SALES**

Raw materials consumed	1,439,930	834,415
Packing materials consumed	2,561,342	1,350,620
Fuel	8,226,026	5,223,091
Power and associated costs	5,559,064	3,256,204
Stores, spare parts and loose tools consumed	1,166,063	672,533
Water charges	116,743	-
Salaries, wages and other benefits	966,267	802,681
Rent, rates and taxes	22,039	18,548
Insurance	69,257	33,736
Repairs and maintenance	296,274	267,418
Depreciation	2,431,562	1,633,740
Amortization	1,251	3,617
Vehicles running and maintenance	160,290	135,207
Freight and forwarding	472,664	648,454
Other expenses	113,234	171,467
	<u>23,602,006</u>	<u>15,051,731</u>
<b>Work in process:</b>		
At beginning of the period / year	928,144	665,606
At end of the period / year	(1,146,131)	(1,016,014)
	<u>(217,987)</u>	<u>(350,408)</u>
<b>Cost of goods manufactured</b>	<u>23,384,019</u>	<u>14,701,323</u>
<b>Finished goods:</b>		
At beginning of the period / year	500,060	303,589
At end of the period / year	(488,335)	(376,115)
	<u>11,725</u>	<u>(72,526)</u>
<b>Cost of sales</b>	<u>23,395,744</u>	<u>14,628,797</u>

Nine months ended (Un-audited)  
**March 31,**      **March 31,**  
**2020**              **2019**  
**(Rupees in thousand)**

**16. FINANCE COSTS**

**Profit / interest / mark up on:**

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

1,629,362	280,634
108,942	-
610,608	399,577
2,348,912	680,211
20,013	16,896
32,889	26,862
2,401,814	723,969

Unwinding interest - Retention money payable  
 Bank and other charges

**17. CASH AND CASH EQUIVALENTS**

- Short term running finance
- Temporary bank overdrafts - unsecured
- Cash and bank balances

(1,834,118)	(1,568,694)
440,846	212,591
822,027	591,230
(571,245)	(764,873)

**18. 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 year.

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

	Nine months ended (Un-audited)	
	March 31, 2020 (Rupees in thousand)	March 31, 2019
<b>Holding company (Kohinoor Textile Mills Limited)</b>		
Sale of goods and services	104,749	79,156
Markup charged / (incurred) during the period	(6,685)	(3,024)
Dividend paid	163,918	327,837
<b>Wholly owned subsidiary company (Maple Leaf Power Limited)</b>		
Sale of goods and services	2,001,220	38,227
Purchase of goods and services	4,427,972	3,505,186
Markup charged during the period	(108,942)	-
<b>Key management personnel</b>		
Remuneration and other benefits	300,431	253,526
<b>Post employment benefit plans</b>		
Contributions to Provident Fund Trust	137,684	120,401
Payments to Employees Gratuity Fund Trust	17,840	15,278

## 19. CORRESPONDING FIGURES

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

## 20. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on 23 April 2020 by the Board of Directors of the Company.

## 21. GENERAL

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



# Consolidated Financial Statements

For The Nine Months Ended March 31, 2020





# 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 nine months ended 31 March 2020.

## GROUP RESULTS

The Group has earned gross profit of Rupees 709 million as compared to Rupees 4,755 million of corresponding period. The Group made after tax loss of Rupees 2,727 million during this period as compared to profit of Rupees 1,893 million during the corresponding period.

The overall group financial results are as follows:

	March 31, 2020	March 31, 2019
	(Rupees in million)	
Net Sales Revenues	23,097	18,537
Gross Profit	709	4,755
(Loss) / Profit from operations	(495)	3,212
Financial charges	(2,359)	(765)
Net (Loss) / Profit After Tax	(2,727)	1,893
	-----Rupees-----	
(Loss) / Earning per share - basic and diluted	(3.20)	2.75

## SUBSIDIARY COMPANY

### MAPLE LEAF POWER LIMITED (MLPL)

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

Lahore  
April 23, 2020

  
(Syed Mohsin Raza Naqvi)  
Director

  
(Sayeed Tariq Saigol)  
Chief Executive

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

	Note	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital	5	15,000,000	9,000,000
Issued, subscribed and paid-up share capital	5	10,983,462	5,937,007
Capital reserves		6,589,451	5,640,300
Accumulated profits		14,085,024	16,945,810
Surplus on revaluation of fixed assets - net of tax	6	3,622,516	3,884,480
		35,280,453	32,407,597
<b>NON - CURRENT LIABILITIES</b>			
Long term loans from banking companies - secured	7	11,330,435	15,990,227
Long term deposits		8,664	8,664
Deferred taxation		3,677,783	3,705,927
Retention money		388,512	368,499
Retirement benefits		234,022	205,354
		15,639,416	20,278,671
<b>CURRENT LIABILITIES</b>			
Current portion of:			
- Long term loans from banking companies - secured	7	-	1,315,135
Trade and other payables	8	8,436,247	7,595,265
Unclaimed dividend		48,169	40,564
Accrued mark-up		641,203	583,027
Short term borrowings		8,054,892	4,693,036
		17,180,511	14,227,027
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	68,100,380	66,913,295

The annexed notes from 1 to 20 form an integral part of these condensed interim consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



	Note	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	10	50,222,026	52,096,358
Intangible assets		10,143	13,529
Long term loans to employees - secured		21,812	19,824
Long term deposits		56,420	56,880
		<b>50,310,401</b>	<b>52,186,591</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		7,762,335	7,441,071
Stock-in-trade		1,972,681	1,739,014
Trade debts	11	4,332,535	2,683,758
Loans and advances		536,935	816,946
Short term investment	12	22,612	17,887
Short term deposits and prepayments		200,736	188,598
Accrued profit		2,680	2,584
Other receivables		402,312	35,453
Income tax refundable		1,725,981	1,276,588
Cash and bank balances		831,172	524,805
		<b>17,789,979</b>	<b>14,726,704</b>
		<b>68,100,380</b>	<b>66,913,295</b>

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

**CONDENSED INTERIM CONSOLIDATED  
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020**

	Note	Nine Months Period Ended		Three Months Period Ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(..... Rupees in thousand .....)			
Sales - net	13	23,096,773	18,537,200	6,914,480	6,104,253
Cost of sales	14	(22,387,559)	(13,782,191)	(6,823,418)	(4,724,228)
<b>Gross profit</b>		709,214	4,755,009	91,062	1,380,025
Distribution cost		(629,924)	(607,036)	(175,326)	(217,432)
Administrative expenses		(569,966)	(518,993)	(177,799)	(161,181)
Other charges		(123,087)	(447,830)	(55,281)	(24,615)
		(1,322,977)	(1,573,859)	(408,406)	(403,228)
Other income		118,614	30,464	19,140	10,486
<b>(Loss) / profit from operations</b>		(495,149)	3,211,614	(298,204)	987,283
Finance cost	15	(2,358,902)	(765,222)	(689,530)	(289,012)
<b>(Loss) / profit before taxation</b>		(2,854,051)	2,446,392	(987,734)	698,271
Taxation		126,872	(553,761)	27,639	(140,363)
<b>(Loss) / profit after taxation</b>		(2,727,179)	1,892,631	(960,095)	557,908
		(..... Rupees .....)			
<b>(Loss) / earnings per share - basic and diluted</b>		(3.20)	2.75	(0.87)	0.81

The annexed notes from 1 to 20 form an integral part of these condensed interim consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

**CONDENSED INTERIM CONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020**

	Nine Months Period Ended		Three Months Period Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(..... Rupees in thousand .....)			
<b>(Loss) / profit after taxation</b>	(2,727,179)	1,892,631	(960,095)	557,908
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	(2,727,179)	1,892,631	(960,095)	557,908

The annexed notes from 1 to 20 form an integral part of these condensed interim consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	March 31, 2020 (Rupees in thousand)	March 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before taxation		(2,854,051)	2,446,392
Adjustments for:			
Depreciation	10.1	2,692,926	1,888,607
Amortization		3,386	7,254
Provision for Workers' Profit Participation Fund		56,018	131,963
Provision for Workers' Welfare Fund		-	52,867
Bad debts written off		5,643	-
Advances written off		1,467	-
(Gain) / loss on disposal of property, plant and equipment		(21,623)	10,383
(Gain) / loss on re-measurement of short term investments at fair value		(4,725)	9,585
Retirement benefits		59,757	42,808
Profit on bank deposits		(23,463)	(14,684)
Finance cost	15	2,358,902	1,009,692
<b>Cash generated from operations before working capital changes</b>		<b>2,274,237</b>	<b>5,584,867</b>
<b>Effect on cash flows due to working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		(321,264)	(1,137,358)
Stock-in-trade		(233,667)	(437,679)
Trade debts		(1,654,420)	(455,963)
Loans and advances		278,545	1,048,842
Short term deposits and prepayments		(12,138)	(49,095)
Other receivables		(366,859)	(14,196)
		(2,309,803)	(1,045,449)
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		784,970	(312,591)
		(1,524,833)	(1,358,040)
<b>Net cash generated from operations</b>		<b>749,404</b>	<b>4,226,827</b>
Increase in long term loans to employees		(1,988)	(10,987)
Retirement benefits paid		(31,083)	(25,599)
Workers' Profit Participation Fund paid		-	(672)
Workers' Welfare Fund paid		-	(87,162)
Taxes paid		(449,393)	(615,915)
<b>Net cash generated from operating activities</b>		<b>266,940</b>	<b>3,486,492</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(849,030)	(6,703,189)
Purchase of intangible assets		-	(5,658)
Proceeds from disposal of property, plant and equipment		52,059	75,011
Increase / (decrease) in long term deposits and prepayments		460	(326)
Profit on bank deposits received		23,365	13,865
<b>Net cash used in investing activities</b>		<b>(773,146)</b>	<b>(6,620,297)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment) / drawdown of long term loans from banking companies - secured - net		(5,974,927)	3,760,395
Issuance of shares		5,995,606	-
Acquisition of short term borrowings - net		2,993,918	551,428
Decrease in long term deposits		-	(50)
Finance cost paid		(2,280,713)	(728,565)
Redemption of preference shares		(5)	(21)
Dividend paid		(289,245)	(594,116)
<b>Net cash generated from financing activities</b>		<b>444,634</b>	<b>2,989,071</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(61,572)</b>	<b>(144,734)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>(1,162,951)</b>	<b>(584,693)</b>
<b>Cash and cash equivalents at end of the period</b>	16	<b>(1,224,523)</b>	<b>(729,427)</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim consolidated financial statements.

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	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 .....							
<b>Balance as at 30 June 2018 - as reported</b>	5,937,007	5,112,037	528,263	5,640,300	4,264,543	14,967,338	30,809,188
<b>Total comprehensive income for the period</b>							
Profit for the period ended March 31, 2019	-	-	-	-	-	1,892,631	1,892,631
Other comprehensive income for the period ended March 31, 2019	-	-	-	-	-	-	-
	-	-	-	-	-	1,892,631	1,892,631
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(171,688)	171,688	-
Effect of change in proportion of local and export sales	-	-	-	-	5,104	-	5,104
Final cash dividend @ Re. 1 per share for the year ended June 30, 2019	-	-	-	-	-	(593,701)	(593,701)
<b>Balance as at March 31, 2019 - un-audited</b>	<b>5,937,007</b>	<b>5,112,037</b>	<b>528,263</b>	<b>5,640,300</b>	<b>4,097,959</b>	<b>16,437,956</b>	<b>32,113,222</b>
<b>Balance as at June 30, 2019 - audited</b>	<b>5,937,007</b>	<b>5,112,037</b>	<b>528,263</b>	<b>5,640,300</b>	<b>3,884,480</b>	<b>16,945,810</b>	<b>32,407,597</b>
<b>Total comprehensive income for the period</b>							
Loss for the period ended March 31, 2020	-	-	-	-	-	(2,727,179)	(2,727,179)
Other comprehensive income for the period ended March 31, 2020	-	-	-	-	-	-	-
	-	-	-	-	-	(2,727,179)	(2,727,179)
Issuance of shares	5,046,455	1,009,291	-	1,009,291	-	-	6,055,746
Shares issue cost	-	(60,140)	-	(60,140)	-	-	(60,140)
	5,046,455	949,151	-	949,151	-	-	5,995,606
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(161,683)	161,683	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	(1,560)	1,560	-
Effect of change in proportion of local and export sales	-	-	-	-	(98,721)	-	(98,721)
Final dividend for the year ended June 30, 2019	-	-	-	-	-	(296,850)	(296,850)
<b>Balance as at March 31, 2020 - un-audited</b>	<b>10,983,462</b>	<b>6,061,188</b>	<b>528,263</b>	<b>6,589,451</b>	<b>3,622,516</b>	<b>14,085,024</b>	<b>35,280,453</b>

The annexed notes from 1 to 20 form an integral part of these condensed interim consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

## 1. REPORTING ENTITY

### 1.1 Maple Leaf Cement Factory Limited - (“the Holding Company”)

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

### 1.2 Maple Leaf Power Limited - (“the Subsidiary Company”)

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

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

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

2.1.1 This condensed interim consolidated financial statements of the Company for the nine months period ended March 31, 2020 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.

2.1.2 This condensed interim consolidated financial statements comprises the condensed interim consolidated statement of financial position of the Company, as at March 31, 2020 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 in equity together with the notes forming part thereof.

- 2.1.3 This condensed interim consolidated financial statements 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 June 30, 2019.
- 2.1.4 Comparative consolidated statement of financial statements numbers are extracted from the annual audited consolidated financial statements of the Company for the year ended June 30, 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 statements of the Company for the nine months period ended March 31, 2019.
- 2.1.5 This condensed interim financial statements is being submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

### 3. JUDGMENTS AND ESTIMATES

In preparing these condensed interim consolidated statements management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited consolidated financial statements for the year ended 30 June 2019.

### 4. SIGNIFICANT ACCOUNTING POLICIES

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

## 5. SHARE CAPITAL

### 5.1 Authorized share capital

	Note	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>Number of shares</b>			
1,400,000,000 (30 June 2019: 800,000,000) ordinary shares of Rs. 10 each	5.1.1	14,000,000	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>1,500,000,000</u>		<u>15,000,000</u>	<u>9,000,000</u>

5.1.1 Pursuant to the approval of the Board of Directors and the shareholders in their meeting held on 19 September 2019 and 26 October 2019, respectively, the Company has increased its authorised share capital during the period.

### 5.2 Issued, subscribed and paid-up share capital

	Note	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>Number of shares</b>			
860,972,162 (30 June 2019: 356,326,596) ordinary shares of Rs. 10 each fully paid in cash	5.2.1	8,609,721	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	5.2.2	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	5.2.3	16,244	16,244
<u>1,098,346,232</u>		<u>10,983,462</u>	<u>5,937,007</u>

5.2.1 During the nine months period ending 31 March 2020, the Company issued 504,645,566 right shares at Rs. 12 per share at a premium of Rs. 2 per share. The Company has fully utilised proceeds from issuance of right shares in early repayment of its long term financing from financial institutions.



- 5.2.2 During the financial year ended 30 June 2011, Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.
- 5.2.3 During the financial years ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.
- 5.3 The Holding Company holds 606,497,944 (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.
- 5.4 All shares issued by the company has equal voting rights. There is no special rights available to any shareholder.

	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>6. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX</b>		
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	(1,560)	(3,411)
Related deferred tax liability	(580)	(1,138)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(161,683)	(223,170)
Related deferred tax liability	(60,060)	(76,545)
<b>At end of the period / year</b>	<b>4,834,125</b>	<b>5,058,008</b>
<b>Deferred tax liability on revaluation surplus</b>		
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	(580)	(1,138)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(60,060)	(76,545)
Effect of change in tax rate and proportion of local and export sales	98,721	153,482
<b>At end of the period / year</b>	<b>1,211,609</b>	<b>1,173,528</b>
	<b>3,622,516</b>	<b>3,884,480</b>

7. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

Lender	Sanctioned Limit	Un-audited March 31, 2020	Audited June 30, 2019	Remaining tenure of principal repayment
----- Rupees in '000' -----				
<b>Loans from banking companies</b>				
1 Askari Bank Limited - Term Finance	1,000,000	707,129	989,981	20 equal quarterly installments starting from 28 March 2022
2 Bank of Punjab - Demand Finance	2,000,000	1,253,119	1,754,367	20 equal quarterly installments starting from 27 May 2022
3 MCB Bank Limited - Demand Finance	2,000,000	1,367,921	1,915,088	20 equal quarterly installments starting from 22 June 2022
4 National Bank of Pakistan - Demand Finance	5,500,000	2,994,285	3,708,570	21 equal quarterly installments starting from 30 September 2021
5 Samba Bank - Term Finance	750,000	450,000	750,000	12 equal quarterly installments starting from 01 April 2022
6 MCB Bank Limited (EX NIB) - Term Finance	2,000,000	1,488,379	1,984,505	21 equal quarterly installments starting from 4 May 2022
7 MCB Islamic - Diminishing Musharikah	1,500,000	1,104,167	1,500,000	18 equal quarterly installments starting from 27 March 2022
8 Habib Bank Limited. - Term Finance	1,000,000	714,286	1,000,000	20 equal quarterly installments starting from 28 September 2022
9 Askari Bank Limited - Term Finance	500,000	125,000	375,000	5 equal quarterly installments starting from 04 March 2022
10 Bank of Punjab - Demand Finance	1,500,000	374,539	1,197,885	5 equal quarterly installments starting from 06 April 2022
11 MCB Bank Limited - Demand Finance	1,000,000	185,145	592,466	5 equal quarterly installments starting from 09 April 2022
12 National Bank of Pakistan - Demand Finance	1,000,000	250,000	800,000	5 equal quarterly installments starting from 06 March 2022
13 MCB Islamic Bank - Diminishing Musharikah	500,000	166,665	437,500	8 equal quarterly installments starting from 13 December 2022
<b>Loan from Development Financial Institution</b>				
1 Pair Investment Company Limited	300,000	150,000	300,000	8 equal quarterly installments starting from 28 September 2021
	20,550,000	11,330,435	17,305,362	
		-	(1,315,135)	
		11,330,435	15,990,227	
<b>Less: Current portion of long term loans - secured</b>				
<b>Long term portion of loans</b>				

	Note	Un-audited March 31, 2020	Audited June 30, 2019
<b>8. TRADE AND OTHER PAYABLES</b>			
Trade creditors		3,278,563	2,638,965
Due to related party	8.1	183,157	-
Bills payable - secured		53,514	851,659
Advances from customers		216,819	526,560
Payable to Workers' Profit Participation Fund		1,341,985	1,285,967
Accrued liabilities		785,891	761,354
Payable to Provident Fund Trust		-	12,861
		5,859,929	6,077,366
Payable to Government on account of:			
Federal Excise Duty payable		1,508,885	726,771
Royalty and Excise Duty payable		32,538	25,228
Sales Tax payable - net		311,862	122,184
Provision for electricity duty		89,278	57,064
Other Taxes payable		284,705	191,843
		2,227,268	1,123,090
Contractors' retention money		281,611	315,877
Payable against redemption of preference shares		1,013	1,018
Security deposits repayable on demand	8.2	61,130	58,780
Other payables		5,296	19,134
		349,050	394,809
		8,436,247	7,595,265
<b>8.1 Due to related party</b>			
Due to Holding company	8.1.1	183,157	-
		183,157	-

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

**8.2** 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.

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 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 except for disclosed below:

9.1.1 During the period, Additional Commissioner Inland Revenue (ACIR) vide order dated 27 January 2020 raised additional income tax demand of Rs. 303.360 million, relating to the tax year 2017, under section 122(5A) of the Income Tax Ordinance, 2001. The Company is in process of filing an appeal against the said order before the Commissioner Inland Revenue (Appeals). Based on opinion of the Company's tax advisor, management is confident of favourable outcome of the matter, hence no provision is being recognized in respect of this matter in these condensed interim consolidated financial statements.

**Un-audited**  
**March 31,**  
**2020**  
**(Rupees in thousand)**

Audited  
June 30,  
2019

## 9.2 Commitments

### 9.2.1 In respect of:

- capital expenditure	8,651	529,999
- irrevocable letters of credit for spare parts	817,076	326,077
<b>Subsidiary Company</b>		
-spare parts	74,992	2,956
-minimum lease payments		
-not later than one year	426	360
-1 to 5 years	2,077	1,440
-later than 5 years	9,394	4,680
	<u>912,616</u>	<u>865,512</u>

9.2.2 Guarantees given by banks on behalf of the Company are of Rs. 710.470 million (30 June 2019: Rs. 655.039 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

**Note**

**Un-audited**  
**March 31,**  
**2020**  
**(Rupees in thousand)**

Audited  
June 30,  
2019

## 10. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	10.1	49,198,582	51,608,025
Capital work in progress - at cost	10.2	964,602	428,416
Stores and spares held for capital expenditure		58,842	59,917
		<u>50,222,026</u>	<u>52,096,358</u>

### 10.1 Operating fixed assets

Balance at beginning of the period / year		51,608,025	28,390,629
Add: Additions / transfers during the period / year	10.1.1	313,882	25,985,238
		51,921,907	54,375,867
Less: Book value of operating assets disposed-off during the period / year		30,399	118,087
Depreciation charge during the period / year		2,692,926	2,649,755
		<u>49,198,582</u>	<u>51,608,025</u>

	Note	Un-audited March 31, 2020 (Rupees in thousand)	Audited June 30, 2019
<b>10.1.1 Additions during the period / year:</b>			
- freehold land		-	767,136
- buildings on freehold land		60,275	7,409,581
- plant & machinery		238,770	17,692,180
- furniture, fixtures and equipment		5,956	24,311
- roads, bridges and railway sidings		527	1,784
- quarry equipment		5,713	7,080
- vehicles		2,641	83,166
		313,882	25,985,238
<b>10.2 Movement in capital work-in-progress - at cost</b>			
At beginning of the period / year		428,416	16,873,730
Additions during the period / year		600,486	9,098,712
Less: Transfers during the period / year		(64,300)	(25,544,026)
<b>At end of the period / year</b>	10.2.1	964,602	428,416
<b>10.2.1 Capital work-in-progress - at cost</b>			
Civil Works		230,356	306,205
Plant and machinery		280,120	21,155
Roads and bridges		314,625	-
Advances to suppliers against:			
- civil works		51,189	30,376
- plant and machinery		88,312	68,720
- office equipment		-	250
- vehicles		-	1,710
		964,602	428,416
<b>11. TRADE DEBTS</b>			
Considered good			
Export - secured	11.1	26,565	354,894
Local - unsecured		4,305,970	2,328,864
Considered doubtful			
Local - unsecured		161,189	161,189
Less: Provision for doubtful balances		(161,189)	(161,189)
		4,332,535	2,683,758

11.1 These are secured against letters of credit.

	Un-audited March 31, 2020	Audited June 30, 2019
	(Rupees in thousand)	
<b>12. SHORT TERM INVESTMENT</b>		
Investment at fair value through profit or loss - listed securities		
<b>Next Capital Limited</b>		
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. 6.70 per share (30 June 2019: Rs. 5.30 per share)		
<b>Cost</b>		
At beginning and end of the period / year	30,000	30,000
<b>Unrealized fair value gain / (loss)</b>		
At beginning of the period / year	(12,113)	2,062
Fair value gain / (loss) for the period / year	4,725	(14,175)
At end of the period / year	(7,388)	(12,113)
Fair value at the end of period / year	22,612	17,887

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

	Nine months ended (Un-audited)	
	March 31, 2020	March 31, 2019
	(Rupees in thousand)	
<b>13. SALES - NET</b>		
Gross local sales	36,950,954	24,338,031
Less:		
Federal Excise Duty	(7,934,146)	(3,231,659)
Sales Tax	(6,402,189)	(3,904,298)
Discount	(436,338)	(232,475)
Commission	(178,240)	(95,160)
	(14,950,914)	(7,463,592)
Net local sales	22,000,039	16,874,439
Export sales	1,096,733	1,662,761
	23,096,773	18,537,200

**Nine months ended (Un-audited)**  
**March 31,      March 31,**  
**2020              2019**  
**(Rupees in thousand)**

**14. COST OF SALES**

Raw materials consumed	1,415,693	813,823
Packing materials consumed	2,561,342	1,350,620
Fuel	8,258,025	5,234,614
Coal used in power generation	2,151,484	1,592,790
Power and associated costs	2,009,108	458,993
Stores, spare parts and loose tools consumed	1,208,286	719,371
Water charges	116,743	-
Salaries, wages and other benefits	1,027,753	871,931
Rent, rates and taxes	57,863	18,848
Insurance	78,163	42,224
Repairs and maintenance	306,520	279,218
Depreciation	2,647,957	1,846,110
Amortization	1,251	3,617
Vehicles running and maintenance	167,581	137,267
Freight and forwarding	472,664	648,455
Other expenses	113,388	187,245
	<b>22,593,821</b>	<b>14,205,126</b>
<b>Work in process:</b>		
At beginning of the period / year	928,144	665,606
At end of the period / year	(1,146,131)	(1,016,014)
	<b>(217,987)</b>	<b>(350,408)</b>
<b>Cost of goods manufactured</b>	<b>22,375,834</b>	<b>13,854,718</b>
<b>Finished goods:</b>		
At beginning of the period / year	500,060	303,589
At end of the period / year	(488,335)	(376,115)
	<b>11,725</b>	<b>(72,526)</b>
<b>Cost of sales</b>	<b>22,387,559</b>	<b>13,782,191</b>

**Nine months ended (Un-audited)**  
**March 31,      March 31,**  
**2020              2019**  
**(Rupees in thousand)**

**15. FINANCE COST**

**Profit / interest / mark up on:**

- Long term loans from financial institutions
- Short term borrowings

	1,629,362	280,634
	676,032	440,322
	2,305,394	720,956
Unwinding interest - Retention money payable	20,013	16,896
Bank and other charges	33,495	27,370
	<u>2,358,902</u>	<u>765,222</u>

**16. CASH AND CASH EQUIVALENTS**

Short term running finance	(1,634,118)	(1,568,694)
Temporary bank overdrafts - unsecured	(421,577)	212,590
Cash and bank balances	831,172	626,677
	<u>(1,224,523)</u>	<u>(729,427)</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 year.



Details of transactions and balances with related parties except those disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

	Nine months ended (Un-audited)	
	March 31, 2020	March 31, 2019
	(Rupees in thousand)	
<b>Holding company (Kohinoor Textile Mills Limited)</b>		
Sale of goods and services	104,749	79,156
Markup charged / (incurred) during the period	(6,685)	(3,024)
Dividend paid	163,918	327,837
<b>Key management personnel</b>		
Remuneration and other benefits	300,431	253,526
<b>Post employment benefit plans</b>		
Contributions to Provident Fund Trust	137,684	120,401
Payments to Employees Gratuity Fund Trust	17,840	15,278

## 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 consolidated financial statements were authorized for issue on 23 April 2020 by the Board of Directors of the Company.

## 20. GENERAL

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR





میپل لیف



**MAPLE LEAF CEMENT**

A Kohinoor Maple Leaf Group Company  
42-Lawrence Road, Lahore, Pakistan