



Creating A Shining Future

Thinking of people close to you as planets to watch them orbit and shining future. At Maple Leaf Cement entity, the right way to predict your future is to create it today as we are not afraid of tomorrow, for we have seen yesterday and therefore we Love today for our future.

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COMPANY INFORMATION

Board of Directors

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

Executive Directors

Mr. Sohail Sadiq	Finance
Mr. Yahya Hamid	Marketing

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
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)

0800-41111

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 quarter of financial year 2020-21 ended 30th September 2020.

During the period under review, the Company recorded net consolidated turnover of Rs. 7,521 million against Rs. 7,147 million in the corresponding period last year. The top line of the company increased by 5% mainly due to improvement in sale price in the local market on account of buoyant demand.

Growth in construction sector is directly related to economic uplift, particularly in developing countries like Pakistan. Government of Pakistan has announced a comprehensive package to accelerate construction related activities and help the economy to recover from slowdown due to COVID-19. The Government has reduced Federal Excise Duty (FED) on sale of cement in local market to Rs. 1,500 per ton, down by Rs. 500/ ton effective 1st July 2020.

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

Particulars	(July to September)		Variance	
	2020 (----- M. Tons -----)	2019	Change	Percentage
Production:				
Clinker Production	1,206,738	1,354,306	(147,568)	(10.90%)
Cement Production	1,180,976	1,368,890	(187,914)	(13.73%)
Sales:				
Domestic	1,094,079	1,214,820	(120,741)	(9.94%)
Exports	82,968	77,020	5,948	7.72%
	1,177,047	1,291,840	(114,793)	(8.89%)

Domestic cement sales are expected to show substantial growth in the second quarter mainly due to pull in demand attributable to commencement of new construction projects as investors seek to reap benefits from amnesty scheme announced for investment in real estate sector. Pro-growth policy of State Bank of Pakistan (SBP)'s to ease liquidity has accelerated the pace of growth which augurs well.

During the first quarter of the current financial year, the Company's export volumes improved at an encouraging growth rate of 7.72% to reach 82,968 metric tons. This growth is attributable to Afghanistan market where exports resumed after opening of border restrictions imposed to prevent the spread of COVID-19.

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. Relying on own power generation, the Company is able to avoid adverse impact on its margins due to hikes in electricity tariff and fuel price adjustments by NEPRA.

During the period under review global coal and oil prices started picking up due to recommencement of global industrial activity caused by substantial reduction in demand after COVID-19 lockdowns. 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. Shifting of discharge port to PIBTL from KPT under government orders added to costs for the Company. However, 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 plant site was extended till June 2021.

On account of aforementioned factors impacting cost of production, the Company achieved consolidated gross profit of Rs. 1,465 million during the reporting period, an impressive increase of 1129% from Rs. 119 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 with a significant reduction in fixed cost.

The period under review has observed a consistent monetary policy rate by the State Bank of Pakistan (SBP) at its current level of 7% as part of measures to mitigate the adverse impacts of COVID-19 on Pakistan's economy and to ease liquidity. This considerable reduction in policy rate as opposed to earlier periods, coupled with early repayment of loan obligations has improved earnings with a considerable reduction in finance cost.

The Company recorded consolidated pre-tax profit of Rs. 677 million for the reporting period against consolidated pre-tax loss of Rs. 1,025 million in corresponding period. Consolidated tax component amounted to a charge of Rs. 122 million for the reporting period as compared to Rs 43 million negative charge in the corresponding year.

Profits earned from MLPL are exempt from charge of income tax and amounted to Rs. 246 million for the first quarter of financial year 2020-21.

All the above factors have impacted post-tax bottom line for the reporting period to register an increase of 157% at a profit of Rs. 555 million against consolidated loss of Rs. 982 million in the bottom line for corresponding period last year.

The Company has established Letter of Credit for expansion of existing Waste Heat Recovery Plant to 25MW. The project is expected to complete by September 2021 with projected capital outlay of Rs. 1.8 billion. In this regard, civil contractor has been mobilized at site and piling work is in process.

FUTURE OUTLOOK

Going forward, we expect cement demand in the domestic market to rise for the rest of the financial year due to Government announcement of a comprehensive package to boost construction activities in Pakistan which include amnesty scheme for undeclared money invested in construction activities, downward revision of FBR's property valuation rates, incentivized tax schemes for builders and withholding tax exemptions on construction materials. These measures are expected to uplift construction activity in Pakistan and will directly impact the demand of cement in Pakistan.

According to the World Bank, Pakistan's GDP is expected to grow at the anaemic rate of 0.5%, which is highly uncertain and is predicted in absence of subsequent COVID-19 waves that would require further widespread lockdowns. The doubts regarding Pakistan's exit from Financial Action Task Force's (FATF) grey list also somewhat compound the uncertainty.

The cement industry is keenly eyeing private sector spending in housing sector after announcement of subsidized housing finance schemes. Other avenues to look forward to are Naya Pakistan Housing Program, dams / water reservoir construction and future developments on CPEC, which currently are progressing, albeit at a slower pace.

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 22, 2020


(Syed Mohsin Raza Naqvi)
Director


(Sayeed Tariq Saigol)
Chief Executive

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital	5	15,000,000	15,000,000
Issued, subscribed and paid-up share capital	5	10,983,462	10,983,462
Capital reserves		6,588,813	6,588,813
Accumulated profits		10,496,417	10,133,226
Surplus on revaluation of fixed assets - net of tax	6	3,562,799	3,615,330
		31,631,491	31,320,831
NON - CURRENT LIABILITIES			
Long term loans from financial institution - secured	7	11,614,114	12,173,102
Long term loan from Subsidiary Company		2,750,000	3,000,000
Deferred grant	7.1	19,548	-
Long term deposits		8,664	8,664
Deferred taxation		3,481,813	3,379,440
Retention money payable		372,755	366,069
Retirement benefits		228,996	214,952
Payable to government authority		183,023	232,938
		18,658,913	19,375,165
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institution - secured	7	379,723	125,000
- Deferred grant	7.1	30,783	-
- Long term loan from Subsidiary Company		250,000	-
Trade and other payables	8	8,047,511	7,951,221
Unclaimed dividend		28,707	48,053
Mark-up accrued on borrowings		358,657	547,189
Short term borrowings		4,229,544	6,642,312
		13,324,925	15,313,775
CONTINGENCIES AND COMMITMENTS			
	9	63,615,329	66,009,771

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Un-audited
Note September 30,
2020
(Rupees in thousand)

Audited
June 30,
2020

ASSETS

NON - CURRENT ASSETS

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
Property, plant and equipment	10	43,624,019	44,297,941
Intangible assets		7,877	9,023
Long term investment	11	5,020,000	5,020,000
Long term loans to employees - secured		19,314	19,196
Long term deposits		56,425	56,420
		48,727,635	49,402,580

CURRENT ASSETS

Stores, spare parts and loose tools		7,480,949	8,395,610
Stock-in-trade		1,927,348	1,779,404
Trade debts	12	2,508,412	3,052,130
Loans and advances		495,794	414,470
Short term investment	13	131,794	75,245
Short term deposits and prepayments		242,759	176,101
Accrued profit		3,150	2,404
Other receivables		59,901	35,256
Advance tax - net		1,802,280	1,630,304
Cash and bank balances		235,307	1,046,267
		14,887,694	16,607,191
		63,615,329	66,009,771


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Un-audited September 30, 2019
Sales - net	14	7,520,858	7,147,042
Cost of sales	15	(6,292,288)	(7,356,130)
Gross profit / (loss)		1,228,570	(209,088)
Distribution cost		(162,399)	(173,973)
Administrative expenses		(195,166)	(184,218)
Other charges		(33,326)	(10,240)
		(390,891)	(368,431)
Other income		44,810	39,058
Profit / (loss) from operations		882,489	(538,461)
Finance cost	16	(469,470)	(809,206)
Profit / (loss) before taxation		413,019	(1,347,667)
Taxation		(103,614)	42,521
Profit / (loss) after taxation		309,405	(1,305,146)
			(Restated)
			(----- Rupees -----)
Earnings / (loss) per share - basic and diluted		0.28	(1.87)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Un-audited September 30, 2020 (Rupees in thousand)	Un-audited September 30, 2019
Profit / (loss) after taxation	309,405	(1,305,146)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	<u>309,405</u>	<u>(1,305,146)</u>

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Un-audited September 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		413,019	(1,347,667)
Adjustments for:			
Depreciation	10.1	840,302	827,915
Amortization		1,145	1,133
Provision for Workers' Profit Participation Fund		22,313	-
Provision for Workers' Welfare Fund		8,925	-
Bad debts written off		-	5,643
Advances written off		-	1,467
Gain on disposal of property, plant and equipment		-	(2,056)
Gain on re-measurement of short term investments at fair value		(12,049)	(2,363)
Retirement benefits		19,097	14,496
Profit on bank deposits		(4,717)	(4,510)
Finance cost	16	469,470	809,206
Cash generated from operations before working capital changes		1,757,505	303,264
Effect on cash flows due to working capital changes			
Decrease / (increase) in current assets			
Stores, spare parts and loose tools		914,661	59,235
Stock-in-trade		(147,944)	(895,421)
Trade debts		543,718	(166,038)
Loans and advances		(81,324)	30,856
Short term deposits and prepayments		(66,658)	(56,904)
Other receivables		(24,643)	3,046
		1,137,810	(1,025,226)
Increase in current liabilities			
Trade and other payables		15,138	533,199
		1,152,948	(492,027)
Net cash generated from / (Used in) operations		2,910,453	(188,763)
Increase in long term loans to employees		(118)	(5,546)
Retirement benefits paid		(5,041)	(4,352)
Taxes paid		(171,976)	(210,573)
Net cash generated from / (used in) operations		2,733,318	(409,235)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		(166,380)	(116,580)
Proceeds from disposal of property, plant and equipment		-	4,803
Increase in long term deposits and prepayments		(5)	(90)
Short term investment		(44,500)	-
Profit on bank deposits received		3,971	5,271
Net cash used in investing activities		(206,914)	(106,596)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) of long term loans from banking companies - secured - net		(253,934)	(207,732)
(Repayment) / Acquisition of short term borrowings - net		(2,752,554)	512,359
Finance cost paid		(651,315)	(613,054)
Redemption of preference shares		-	(5)
Dividend paid		(19,346)	(12,353)
Net cash used in financing activities		(3,677,149)	(320,785)
Net decrease in cash and cash equivalents		(1,150,745)	(836,616)
Cash and cash equivalents at beginning of the period		209,516	(815,565)
Cash and cash equivalents at end of the period	17	(941,229)	(1,652,181)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	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 2019 - audited	5,937,007	5,112,037	528,263	5,640,300	3,884,480	15,052,799	30,514,586
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 - unaudited	5,937,007	5,112,037	528,263	5,640,300	3,769,392	13,802,363	29,149,062
Balance as at 30 June 2020 - audited	10,983,462	6,060,550	528,263	6,588,813	3,615,330	10,133,226	31,320,831
Total comprehensive income for the period							
Profit for the period ended 30 September 2020	-	-	-	-	-	309,405	309,405
Other comprehensive income for the period ended 30 September 2020	-	-	-	-	-	-	-
	-	-	-	-	-	309,405	309,405
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(53,786)	53,786	-
Effect of change in proportion of local and export sales	-	-	-	-	1,255	-	1,255
Balance as at 30 September 2020 - Unaudited	10,983,462	6,060,550	528,263	6,588,813	3,562,799	10,496,417	31,631,491

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 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 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, 2020 (Direct holding percentage)	Audited June 30, 2020
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 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 information comprises the condensed interim unconsolidated statement of financial position of the Company, as at 30 September 2020 and the related condensed interim unconsolidated statement of profit or loss account, 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 2020.

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 2020, whereas comparatives of condensed interim unconsolidated

statement of profit or loss account, 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 2019.

- 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. 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 2020.

4. 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 2020.

5. SHARE CAPITAL

5.1 Authorized share capital

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
Number of shares			
1,400,000,000 (30 June 2020: 1,400,000,000) ordinary shares of Rs. 10 each		14,000,000	14,000,000
100,000,000 (30 June 2020: 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>15,000,000</u>

5.2 Issued, subscribed and paid-up share capital

Number of shares			
860,972,162 (30 June 2020: 860,972,162) ordinary shares of Rs. 10 each fully paid in cash	5.2.1	8,609,721	8,609,721
35,834,100 (30 June 2020: 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 2020: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		460,694	460,694
153,846,153 (30 June 2020: 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 2020: 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>10,983,462</u>

- 5.2.1 During the financial year ended 30 June 2020, the Company issued 504,645,566 right shares at Rs. 12 per share at a premium of Rs. 2 per share.
- 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 2020: 606,497,944) ordinary shares, which represents 55.22% (30 June 2020: 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 September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
6. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
At beginning of the period / year	4,892,797	5,058,008
Surplus on revaluation during the period / year	-	95,628
Related deferred tax liability	-	37,641
Surplus on disposal of fixed assets during the period / year - net of deferred tax	-	(1,535)
Related deferred tax liability	-	(604)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(53,786)	(212,642)
Related deferred tax liability	(21,142)	(83,699)
At end of the period / year	4,817,869	4,892,797
Deferred tax liability on revaluation surplus		
At beginning of the period / year	1,277,467	1,173,528
Tax on surplus during the period / year	-	37,641
Transferred to unappropriated profit in respect of disposal of fixed assets during the period / year	-	(604)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(21,142)	(83,699)
Effect of change in tax rate and proportion of local and export sales	(1,255)	150,601
At end of the period / year	1,255,070	1,277,467
	3,562,799	3,615,330

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
7. LONG TERM LOANS FROM FINANCIAL INSTITUTION - SECURED			
Long term loans from banking companies:			
Balance at beginning of the period / year		11,330,436	17,305,362
Repayment during the period / year		-	(5,974,926)
		<hr/>	<hr/>
Balance at end of the period / year		11,330,436	11,330,436
Loan under SBP refinance scheme for wages and salaries:			
Balance at beginning of the period / year		433,179	-
Additions during the period		280,553	433,179
Less: Amortization of loan as deferred grant	7.1	(51,920)	-
Add: Unwinding of loan		1,589	-
		<hr/>	<hr/>
Balance at end of the period / year		663,401	433,179
Long term portion of cash finance and others:			
Balance at beginning of the period / year		534,487	-
Additions during the period		-	534,487
Repayment during the period / year		(534,487)	-
		<hr/>	<hr/>
Balance at end of the period / year		-	534,487
Long term loans from banking companies - secured		11,993,837	12,298,102
Less: Current portion of long term loans		(379,723)	(125,000)
		<hr/>	<hr/>
		11,614,114	12,173,102
		<hr/>	<hr/>
7.1 Deferred grant			
Balance at beginning of the period / year		-	-
Transactions during the period / year	7.1.1	51,920	-
Amortization during the period / year		(1,589)	-
		<hr/>	<hr/>
Unamortized balance of deferred grant		50,331	-
Less: current portion		(30,783)	-
		<hr/>	<hr/>
Balance at end of the period / year		19,548	-

- 7.1.1 The Company obtained term finance facility under "SBP refinance scheme for payment of wages and salaries" introduced by Government of Pakistan in order to prevent entities from laying-off employees during COVID-19 outbreak. The Company obtained Rs. 714 million for paying salaries for the months from April 2020 to August 2020 under this scheme. The facility carries mark-up at the rate specified by State Bank of Pakistan plus 1% for first 3 months' salaries and 0.50% for second 2 month salaries. The tenor of this facility is up to 31 October 2022 repayable in 8 equally quarterly installments.

The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) Using effective interest rate of 3 months KIBOR+1% and 3 months KIBOR+0.50%. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

		Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
8. TRADE AND OTHER PAYABLES			
		2,711,124	3,233,086
	8.1	844,613	322,787
		305,893	653,598
		290,002	235,928
		1,145,008	1,122,696
		13,769	4,844
		968,237	638,629
		13,910	1,116
		6,292,556	6,212,684
		Payable to Government on account of:	
		739,870	961,578
		77,587	55,859
		540,985	274,889
		104,698	93,089
		1,463,140	1,385,415
		226,813	269,175
		1,016	1,016
	8.2	63,608	64,101
		378	18,830
		291,815	353,122
		8,047,511	7,951,221
8.1 Due to related party			
	8.1.1	11,189	35,528
	8.1.1	833,424	287,259
		844,613	322,787

8.1.1 These carry interest at 1% (30 June 2020: 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 2020.

9.2 Commitments

	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
9.2.1 In respect of:		
- capital expenditure	817,809	5,088
- irrevocable letters of credit for stores and spares	381,998	195,913
	1,199,807	201,001

9.2.2 Guarantees given by banks on behalf of the Company are of Rs. 627.189 million (30 June 2020: Rs. 774.010 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
10. PROPERTY, PLANT AND EQUIPMENT		

Operating fixed assets	10.1	42,616,271	43,372,508
Capital work in progress - at cost	10.2	953,701	871,386
Stores and spares held for capital expenditure		54,047	54,047
		43,624,019	44,297,941

10.1 Operating fixed assets

Balance at beginning of the period / year		43,372,508	46,152,331
Add: Additions / transfers during the period / year	10.1.1	84,065	418,376
Revaluation adjustment for the period / year		-	281,843
		43,456,573	46,852,550
Less: Book value of operating assets disposed-off during the period / year		-	30,413
Revaluation adjustment for the period / year		-	148,574
Depreciation charge during the period / year		840,302	3,301,055
		42,616,271	43,372,508

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
10.1.1 Additions during the period / year:			
- buildings on freehold land		-	110,816
- plant & machinery		82,247	292,416
- furniture, fixtures and equipment		1,818	6,262
- roads, bridges and railway sidings		-	527
- quarry equipment		-	5,713
- vehicles		-	2,642
		84,065	418,376
10.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		871,386	428,416
Additions during the period / year		100,755	556,955
Less: Transfers during the period / year		(18,440)	(113,985)
At end of the period / year	10.2.1	953,701	871,386
10.2.1 Capital work-in-progress - at cost			
Civil Works		274,875	6,089
Building		-	203,372
Plant and machinery		353,744	318,413
Roads and bridges		314,639	314,629
Advances to suppliers against:			
- civil works		416	415
- plant and machinery		10,027	28,468
		953,701	871,386
11. LONG TERM INVESTMENT			
Investment in Maple Leaf Power Limited - Unquoted	11.1	5,020,000	5,020,000
		5,020,000	5,020,000
11.1 The Company holds 100% (30 June 2020: 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 (30 June 2020: Nil).			

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
12. TRADE DEBTS			
Considered good			
Export - secured	12.1	11,971	26,051
Local - unsecured		2,496,441	3,026,079
Considered doubtful			
Local - unsecured		180,689	180,689
Less: Provision for doubtful balances		(180,689)	(180,689)
		2,508,412	3,052,130
12.1 These are secured against letters of credit.			
13. SHORT TERM INVESTMENT			
Investment at fair value through profit or loss - listed securities			
Next Capital Limited:			
1,500,000 (30 June 2020: 1,500,000) ordinary shares of Rs. 10 each			
1,875,000 (30 June 2020: 1,875,000) right shares of Rs. 8 each			
Market value Rs. 11.05 per share (30 June 2020: Rs. 7.48 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		(4,755)	(12,113)
Fair value gain for the period / year		12,049	7,358
At end of the period / year		7,294	(4,755)
Fair value at the end of period / year		37,294	25,245
Investment at amortised cost - debt instrument			
- Term deposit receipts		94,500	50,000
		131,794	75,245
13.1 There has been no investment in any foreign company during the period / year (30 June 2020: Nil).			

Three months ended (Un-audited)
September 30, September 30,
2020 2019
(Rupees in thousand)

14. SALES - NET	2020	2019
Gross local sales	10,569,631	11,287,007
Less:		
Federal Excise Duty	(1,641,119)	(2,429,641)
Sales Tax	(1,738,929)	(2,013,102)
Discount	(121,536)	(128,816)
Commission	(51,409)	(51,880)
	(3,552,993)	(4,623,439)
Net local sales	7,016,638	6,663,568
Export sales	504,220	483,474
	7,520,858	7,147,042
15. COST OF SALES		
Raw materials consumed	560,353	616,125
Packing materials consumed	650,283	783,248
Fuel	2,183,985	2,845,426
Power and associated costs	1,455,719	1,967,470
Stores, spare parts and loose tools consumed	185,459	332,289
Water charges	35,866	46,806
Salaries, wages and other benefits	294,275	336,072
Rent, rates and taxes	7,037	7,724
Insurance	19,804	22,995
Repairs and maintenance	82,893	92,140
Depreciation	825,031	813,216
Amortization	423	418
Vehicles running and maintenance	44,060	57,264
Freight and forwarding	136,405	150,658
Other expenses	40,241	47,654
	6,521,834	8,119,506
Work in process:		
At beginning of the period	903,522	938,430
At end of the period	(1,155,562)	(1,312,314)
	(252,040)	(373,884)
Cost of goods manufactured	6,269,794	7,745,622
Finished goods:		
At beginning of the period	575,494	496,319
At end of the period	(553,000)	(885,811)
	22,494	(389,492)
Cost of sales	6,292,288	7,356,130

Three months ended (Un-audited)
September 30, 2020 September 30, 2019
(Rupees in thousand)

16. FINANCE COST

Profit / interest / mark up on:

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

Unwinding interest - Retention money payable
Bank and other charges

247,238	597,956
62,459	35,212
142,614	166,427
452,312	799,595
6,686	-
10,473	9,611
469,470	809,206

17. CASH AND CASH EQUIVALENTS

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

(814,018)	(1,700,038)
(362,518)	(592,870)
235,307	640,727
(941,229)	(1,652,181)

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 period.

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

	Three months ended (Un-audited)	
	September 30, 2020	September 30, 2019
	(Rupees in thousand)	
Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	29,572	31,160
Wholly owned subsidiary company (Maple Leaf Power Limited)		
Sale of goods and services	286,360	376,868
Purchase of goods and services	1,122,772	1,433,880
Markup charged during the period	62,459	-
Key management personnel		
Remuneration and other benefits	102,001	92,680
Post employment benefit plans		
Contributions to Provident Fund Trust	32,186	29,515
Payments to Employees Gratuity Fund Trust	1,937	2,053

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 22 October 2020 by the Board of Directors of the Company.

21. GENERAL

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

The image shows a large industrial facility, likely a power plant or refinery. In the center, there is a large blue machine with a logo on top. The machine is surrounded by yellow railings. The ceiling is high and has a grid of lights. The floor is polished and reflects the lights. There are several levels of walkways and stairs. A person is visible in the distance on the right side. The overall scene is brightly lit and appears to be a well-maintained industrial environment.

Consolidated Financial Statements

For The First Quarter Ended September 30, 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 quarter ended 30 September 2020.

GROUP RESULTS

The Group has earned gross profit of Rupees 1,465 million as compared to Rupees 119 million of corresponding period. The Group made after tax profit of Rupees 555 million during this period as compared to net loss after tax of Rupees 982 million during the corresponding period.

The overall group financial results are as follows:

	September 30, 2020	September 30, 2019
	(Rupees in million)	
Sales	7,521	7,147
Gross Profit	1,465	119
Profit / (Loss) from operations	1,103	(225)
Financial cost	426	800
Profit / (Loss) after tax	555	(982)
	(-----Rupees-----)	
	(Restated)	
Earnings/ (loss) per share – Basic and diluted	0.51	(1.41)

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

Lahore
22 October 2020


(Syed Mohsin Raza Naqvi)
Director


(Sayeed Tariq Saigol)
Chief Executive

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital	5	15,000,000	15,000,000
Issued, subscribed and paid-up share capital	5	10,983,462	10,983,462
Capital reserves		6,588,813	6,588,813
Accumulated profits		13,922,083	13,310,143
Surplus on revaluation of fixed assets - net of tax	6	3,611,652	3,667,156
		35,106,010	34,549,574
NON - CURRENT LIABILITIES			
Long term loans from financial institutions - secured	7	11,614,114	12,206,058
Deferred grant	7.1	19,548	-
Long term deposits		8,664	8,664
Deferred taxation		3,481,813	3,379,440
Retention money payable		372,755	366,069
Retirement benefits		228,996	214,952
Payable to government authority		183,023	232,938
		15,908,913	16,408,121
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institutions - secured	7	379,723	125,000
- Deferred grant	7.1	30,783	-
Trade and other payables	8	7,647,886	8,175,531
Unclaimed dividend		28,707	48,053
Mark-up accrued on borrowings		315,209	509,934
Short term borrowings		4,854,197	7,181,815
		13,256,505	16,040,333
CONTINGENCIES AND COMMITMENTS			
	9	64,271,428	66,998,028

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Un-audited Audited
 Note September 30, June 30,
 2020 2020
 (Rupees in thousand)

ASSETS

NON - CURRENT ASSETS

		Un-audited September 30, 2020	Audited June 30, 2020
Property, plant and equipment	10	48,789,326	49,539,836
Intangible assets		7,877	9,023
Long term loans to employees - secured		19,314	19,196
Long term deposits		56,425	56,420
		48,872,942	49,624,475

CURRENT ASSETS

Stores, spare parts and loose tools		7,759,164	8,863,233
Stock-in-trade		1,927,348	1,779,404
Trade debts	11	2,508,412	3,052,130
Loans and advances		502,828	492,623
Short term investment	12	131,794	75,245
Short term deposits and prepayments		252,558	191,958
Accrued profit		3,225	3,168
Other receivables		76,384	35,672
Advance tax - net		1,977,570	1,821,238
Cash and bank balances		259,203	1,058,882
		15,398,486	17,373,553
		64,271,428	66,998,028


 CHIEF EXECUTIVE OFFICER


 CHIEF FINANCIAL OFFICER


 DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Un-audited September 30, 2019
Sales - net	13	7,520,858	7,147,042
Cost of sales	14	(6,055,796)	(7,027,834)
Gross profit		1,465,062	119,208
Distribution cost		(162,399)	(173,973)
Administrative expenses		(197,386)	(186,047)
Other charges		(48,220)	(25,545)
		(408,005)	(385,565)
Other income		45,944	41,020
Profit / (loss) from operations		1,103,001	(225,337)
Finance cost	15	(426,057)	(799,545)
Profit / (loss) before taxation		676,944	(1,024,882)
Taxation		(121,762)	42,521
Profit / (loss) after taxation		555,182	(982,361)
			(Restated)
		(----- Rupees -----)	
Earnings / (loss) per share - basic and diluted		0.51	(1.41)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Un-audited September 30, 2020 (Rupees in thousand)	Un-audited September 30, 2019
Profit / (loss) after taxation	555,181	(982,361)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	<u>555,181</u>	<u>(982,361)</u>

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Un-audited September 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		676,943	(1,024,882)
Adjustments for:			
Depreciation	10.1	916,891	900,158
Amortization		1,145	1,133
Provision for Workers' Profit Participation Fund		37,208	16,989
Provision for Workers' Welfare Fund		8,925	-
Bad debts written off		-	5,643
Advances written off		-	1,467
Gain on disposal of property, plant and equipment		-	(2,056)
Gain on re-measurement of short term investments at fair value		(12,049)	(2,363)
Retirement benefits		19,097	14,496
Profit on bank deposits		(4,837)	(6,229)
Finance cost	15	426,057	799,545
Cash generated from operations before working capital changes		2,069,380	703,901
Effect on cash flows due to working capital changes			
Decrease / (increase) in current assets			
Stores, spare parts and loose tools		1,104,069	56,461
Stock-in-trade		(147,944)	(895,421)
Trade debts		543,718	(166,038)
Loans and advances		(10,205)	8,925
Short term deposits and prepayments		(60,600)	(67,584)
Other receivables		(40,711)	5,564
		1,388,327	(1,058,093)
(Decrease) / increase in current liabilities			
Trade and other payables		(623,694)	244,670
		764,633	(813,423)
Net cash generated from / (used in) operations		2,834,013	(109,522)
Increase in long term loans to employees		(118)	(5,546)
Retirement benefits paid		(5,039)	(4,352)
Taxes paid		(174,480)	(219,874)
Net cash generated from / (used in) operations		2,654,376	(339,294)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		(166,381)	(116,580)
Proceeds from disposal of property, plant and equipment		-	4,803
Increase in long term deposits and prepayments		(5)	(90)
Short term investment		(44,500)	-
Profit on bank deposits received		4,778	6,753
Net cash used in investing activities		(206,106)	(105,114)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) of long term loans from banking companies - secured - net		(286,891)	(207,732)
(Repayment) / Acquisition of short term borrowings - net		(2,659,496)	659,643
Finance cost paid		(614,095)	(640,430)
Redemption of preference shares		-	(5)
Dividend paid		(19,346)	(12,353)
Net cash used in financing activities		(3,579,828)	(200,877)
Net decrease in cash and cash equivalents		(1,131,558)	(645,285)
Cash and cash equivalents at beginning of the period		14,141	(1,162,951)
Cash and cash equivalents at end of the period	16	(1,117,417)	(1,808,236)

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED SEPTEMBER 30, 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							
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	-	-	-	-	(54,711)	54,711	-
Effect of change in proportion of local and export sales	-	-	-	-	(60,378)	-	(60,378)
Balance as at 30 September 2019 - unaudited	5,937,007	5,112,037	528,263	5,640,300	3,769,391	16,018,160	31,364,858
Balance as at 30 June 2020 - audited	10,983,462	6,060,550	528,263	6,588,813	3,667,156	13,310,143	34,549,574
Total comprehensive income for the period							
Profit for the period ended 30 September 2020	-	-	-	-	-	555,181	555,181
Other comprehensive income for the period ended 30 September 2020	-	-	-	-	-	-	-
	-	-	-	-	-	555,181	555,181
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(56,759)	56,759	-
Effect of change in proportion of local and export sales	-	-	-	-	1,255	-	1,255
Balance as at 30 September 2020 - Unaudited	10,983,462	6,060,550	528,263	6,588,813	3,611,652	13,922,083	35,106,010

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 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.

The Subsidiary Company was granted electricity generation license from National Electric and Power Regulatory Authority (NEPRA) on 20 December 2016. The Subsidiary Company entered into a Power Purchase Agreement (“PPA”) and Steam Purchase Agreement with the Holding Company on 04 July 2017 and 31 October 2019, respectively, which are valid for 20 years.

The Holding 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 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 information comprises the condensed interim consolidated statement of financial position of the Group, as at 30 September 2020 and the related condensed interim consolidated statement of profit or loss account, 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 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 2020.
- 2.1.4 Comparative consolidated statement of financial information numbers are extracted from the annual audited consolidated financial statements of the Group for the year ended 30 June 2020, whereas comparatives of condensed interim consolidated statement of profit or loss account, 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 2019.
- 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 JUDGMENTS AND ESTIMATES

In preparing these condensed interim consolidated 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 consolidated financial statements for the year ended 30 June 2020.

4 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 2020.

5. SHARE CAPITAL

5.1 Authorized share capital

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
Number of shares			
1,400,000,000	(30 June 2020: 1,400,000,000) ordinary shares of Rs. 10 each	14,000,000	14,000,000
100,000,000	(30 June 2020: 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>15,000,000</u>

5.2 Issued, subscribed and paid-up share capital

Number of shares				
860,972,162	(30 June 2020: 860,972,162) ordinary shares of Rs. 10 each fully paid in cash	5.2.1	8,609,721	8,609,721
35,834,100	(30 June 2020: 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 2020: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		460,694	460,694
153,846,153	(30 June 2020: 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 2020: 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>10,983,462</u>

5.2.1 During the financial year ended 30 June 2020, the Holding Company issued 504,645,566 right shares at Rs. 12 per share at a premium of Rs. 2 per share.

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

5.2.3 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 Ultimate Holding Company holds 606,497,944 (30 June 2020: 606,497,944) ordinary shares, which represents 55.22% (30 June 2020: 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 September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
6. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
At beginning of the period / year	4,944,623	5,058,008
Surplus on revaluation during the period / year	-	147,454
Related deferred tax liability	-	37,641
Surplus on disposal of fixed assets during the period / year - net of deferred tax	-	(1,535)
Related deferred tax liability	-	(604)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(56,759)	(212,642)
Related deferred tax liability	(21,142)	(83,699)
At end of the period / year	4,866,722	4,944,623
Deferred tax liability on revaluation surplus		
At beginning of the period / year	1,277,467	1,173,528
Tax on surplus during the period / year	-	37,641
Transferred to unappropriated profit in respect of disposal of fixed assets during the period / year	-	(604)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(21,142)	(83,699)
Effect of change in tax rate and proportion of local and export sales	(1,255)	150,601
At end of the period / year	1,255,070	1,277,467
	3,611,652	3,667,156

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
7. LONG TERM LOANS FROM FINANCIAL INSTITUTION - SECURED			
Long term loans from banking companies:			
Balance at beginning of the period / year		11,330,436	17,305,362
Repayment during the period / year		-	(5,974,926)
		11,330,436	11,330,436
Loan under SBP refinance scheme for wages and salaries:			
Balance at beginning of the period / year		433,179	-
Additions during the period		280,553	433,179
Less: Amortization of loan as deferred grant	7.1	(51,920)	-
Add: Unwinding of loan		1,589	-
		663,401	433,179
Long term portion of cash finance and others:			
Balance at beginning of the period / year		534,487	-
Additions during the period		-	534,487
Repayment during the period / year		(534,487)	-
		-	534,487
Long term portion of finance against trust receipts			
Balance at beginning of the period / year		32,956	-
Additions during the period		-	32,956
Repayment / re-classified to short term borrowing during the period / year		(32,956)	-
		-	32,956
Long term loans from banking companies - secured		11,993,837	12,331,058
Less: Current portion of long term loans		(379,723)	(125,000)
		11,614,114	12,206,058
7.1 Deferred grant			
Balance at beginning of the period / year		-	-
Transactions during the period / year	7.1.1	51,920	-
Amortization during the period / year		(1,589)	-
		50,331	-
Unamortized balance of deferred grant		50,331	-
Less: current portion		(30,783)	-
		19,548	-
Balance at end of the period / year		19,548	-

7.1.1 The Group obtained term finance facility under “SBP refinance scheme for payment of wages and salaries” introduced by Government of Pakistan in order to prevent entities from laying-off employees during COVID-19 outbreak. The Company obtained Rs. 714 million for paying salaries for the months from April 2020 to August 2020 under this scheme. The facility carries mark-up at the rate specified by State Bank of Pakistan plus 1% for first 3 months’ salaries and 0.50% for second 2 month salaries. The tenor of this facility is up to 31 October 2022 repayable in 8 equally quarterly installments.

The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) Using effective interest rate of 3 months KIBOR+1% and 3 months KIBOR+0.50%. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

		Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
8. TRADE AND OTHER PAYABLES			
		2,742,517	3,257,091
	8.1	11,189	35,528
		306,318	750,472
		290,294	236,220
		1,321,562	1,284,355
		13,769	4,844
		970,223	647,804
		13,910	1,116
		5,669,782	6,217,430
		Payable to Government on account of:	
		739,870	961,578
		77,587	55,859
		540,985	279,845
		101,769	92,296
		214,280	213,095
		1,674,491	1,602,673
		228,896	271,258
		1,016	1,016
	8.2	63,608	64,101
		10,092	19,053
		303,612	355,428
		7,647,885	8,175,531

- 8.1 These carry interest at 1% (30 June 2020: 1%) per annum in addition to the average borrowing rate of the Group.
- 8.2 This represents security deposits received from distributors and contractors of the Group. Distributors and contractors have given the Group a right to utilize deposits in ordinary course of business.

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 Group for the year ended 30 June 2020.

9.2 Commitments

	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
9.2.1 In respect of:		
- capital expenditure	817,809	5,088
- spare parts	9,004	52,227
- irrevocable letters of credit for stores and spares	404,182	215,483
	1,230,996	272,798

- 9.2.2 Guarantees given by banks on behalf of the Group are of Rs. 642.189 million (30 June 2020: Rs. 789.010 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

Note	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
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10. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	10.1	47,781,578	48,614,403
Capital work in progress - at cost	10.2	953,701	871,386
Stores and spares held for capital expenditure		54,047	54,047
		48,789,326	49,539,836
10.1 Operating fixed assets			
Balance at beginning of the period / year		48,614,404	51,608,025
Add: Additions / transfers during the period / year	10.1.1	84,065	450,207
Revaluation adjustment for the period / year		-	341,643
		48,698,469	52,399,875
Less: Book value of operating assets disposed-off during the period / year		-	31,602
Revaluation adjustment for the period / year		-	156,549
Depreciation charge during the period / year		916,891	3,597,321
		47,781,578	48,614,403

	Note	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
10.1.1 Additions during the period / year:			
- buildings on freehold land		-	153,015
- plant & machinery		82,247	266,954
- furniture, fixtures and equipment		1,818	12,216
- roads, bridges and railway sidings		-	527
- quarry equipment		-	14,853
- vehicles		-	2,642
		84,065	450,207
10.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		871,386	428,416
Additions during the period / year		100,755	556,955
Less: Transfers during the period / year		(18,440)	(113,985)
At end of the period / year	10.2.1	953,701	871,386
10.2.1 Capital work-in-progress - at cost			
Civil Works		274,875	6,089
Building		-	203,372
Plant and machinery		353,744	318,413
Roads and bridges		314,639	314,629
Advances to suppliers against:			
- civil works		416	415
- plant and machinery		10,027	28,468
		953,701	871,386
11. TRADE DEBTS			
Considered good			
Export - secured	11.1	11,971	26,051
Local - unsecured		2,496,441	3,026,079
Considered doubtful			
Local - unsecured		180,689	180,689
Less: Provision for doubtful balances		(180,689)	(180,689)
		2,508,412	3,052,130

11.1 These are secured against letters of credit.

	Un-audited September 30, 2020 (Rupees in thousand)	Audited June 30, 2020
12. SHORT TERM INVESTMENT		
Investment at fair value through profit or loss - listed securities		
Next Capital Limited:		
1,500,000 (30 June 2020: 1,500,000) ordinary shares of Rs. 10 each		
1,875,000 (30 June 2020: 1,875,000) right shares of Rs. 8 each		
Market value Rs. 11.05 per share (30 June 2020: Rs. 7.48 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	(4,755)	(12,113)
Fair value gain for the period / year	12,049	7,358
At end of the period / year	7,294	(4,755)
Fair value at the end of period / year	37,294	25,245
Investment at Amortised cost - debt instrument		
- Term deposit receipts	94,500	50,000
	<u>131,794</u>	<u>75,245</u>

12.1 There has been no investment in any foreign company during the period / year (30 June 2020: Nil).

Three months ended (Un-audited)
September 30, September 30,
2020 2019
(Rupees in thousand)

13. SALES - NET		
Gross local sales	10,569,631	11,287,007
Less:		
Federal Excise Duty	(1,641,119)	(2,429,641)
Sales Tax	(1,738,929)	(2,013,102)
Discount	(121,536)	(128,816)
Commission	(51,409)	(51,880)
	(3,552,993)	(4,623,439)
Net local sales	7,016,638	6,663,568
Export sales	504,220	483,474
	7,520,858	7,147,042
14. COST OF SALES		
Raw materials consumed	552,851	608,043
Packing materials consumed	650,283	783,248
Fuel	2,192,626	2,855,441
Coal used in power generation	520,558	679,377
Power and associated costs	559,173	832,358
Stores, spare parts and loose tools consumed	216,376	345,346
Water charges	35,866	46,806
Salaries, wages and other benefits	315,174	355,954
Rent, rates and taxes	7,146	19,910
Insurance	22,700	25,964
Repairs and maintenance	86,630	95,114
Depreciation	901,620	885,460
Amortization	423	418
Vehicles running and maintenance	46,925	59,113
Freight and forwarding	136,405	150,658
Other expenses	40,586	48,000
	6,285,342	7,791,210
Work in process:		
At beginning of the period	903,522	938,430
At end of the period	(1,155,562)	(1,312,314)
	(252,040)	(373,885)
Cost of goods manufactured	6,033,302	7,417,325
Finished goods:		
At beginning of the period	575,494	496,319
At end of the period	(553,000)	(885,811)
	22,494	(389,491)
Cost of sales	6,055,796	7,027,834

Three months ended (Un-audited)
September 30, September 30,
2020 2019
(Rupees in thousand)

15. FINANCE COST

Profit / interest / mark up on:

- Long term loans from financial institutions
- Short term borrowings

Unwinding interest - Retention money payable
Bank and other charges

247,238	597,956
161,542	191,685
408,780	789,641
6,686	-
10,591	9,904
426,057	799,545

16. CASH AND CASH EQUIVALENTS

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

(1,014,018)	(1,900,038)
(362,602)	(592,869)
259,203	684,671
(1,117,417)	(1,808,236)

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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 else where in these consolidated financial statements are as follows:

	Three months ended (Un-audited)	
	September 30, 2020	September 30, 2019
	(Rupees in thousand)	
Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	29,572	31,160
Key management personnel		
Remuneration and other benefits	102,001	92,680
Post employment benefit plans		
Contributions to Provident Fund Trust	32,186	29,515
Payments to Employees Gratuity Fund Trust	1,937	2,053

18. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, there were no material re-arrangements. Figures in these condensed interim consolidated financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on 22 October 2020 by the Board of Directors of the Group.

20. GENERAL

Figures in these 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