



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.

CONTENTS

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

Company Information	2
Directors' Review.....	4
Independent Auditors' Report to the Members on Review of Condensed Interim Financial Statements	7
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.....	37
Condensed Interim Consolidated Statement of Financial Position	38
Condensed Interim Consolidated Statement of Profit or Loss	40
Condensed Interim Consolidated Statement of Comprehensive Income	41
Condensed Interim Consolidated Statement of Cash Flows.....	42
Condensed Interim Consolidated Statement of Changes in Equity	43
Selected Explanatory Notes to the Condensed Interim Consolidated Financial Statements	44

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 (Pakistan) 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 half year of financial year 2020-21, ended 31st December 2020.

During the period under review, the Company recorded net consolidated turnover of Rs. 16,621 million against Rs. 16,182 million in the corresponding period last year. The top line of the company increased by 3% mainly due to improvement in selling prices 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 December)		Variance	
	2020	2019	Change	Percentage
	(----- M. Tons -----)			
Production:				
Clinker Production	2,428,834	2,848,551	(419,717)	(14.73%)
Cement Production	2,516,441	2,853,260	(336,819)	(11.80%)
Sales:				
Domestic	2,372,623	2,716,993	(344,370)	(12.67%)
Exports	147,707	129,456	18,251	14.10%
	2,520,330	2,846,449	(326,119)	(11.46%)

Total Sales volume of 2,520,330 tons achieved depicts a decrease of 11.46% over 2,846,449 tons sold during the corresponding period last year. The domestic sales volume decreased to 2,372,623 tons registering a decrease of 12.67%. The decline is attributable to slow down in the economy as the pandemic spread and lockdowns were instituted.

During the first half year of the current financial year, the Company's export volumes improved at an encouraging growth rate of 14.10% to reach 147,707 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.

Following substantial reduction in demand after COVID-19 lockdowns, during the period under review global coal and oil prices started picking up due to growth in global industrial activity. 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 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. 3,684 million during the reporting period, an impressive increase of 496% from Rs. 618 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 costs. These measure have started bearing fruit with a significant reduction in fixed cost.

During the period under review, a consistent monetary policy rate was maintained 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. 2,058 million for the reporting period against consolidated pre-tax loss of Rs. 1,866 million in corresponding period. Consolidated tax component amounted to a charge of Rs. 433 million for the reporting period as compared to Rs 99 million negative charge in the corresponding period.

Profits earned from MLPL are exempt from charge of income tax and amounted to Rs. 562 million for the first half of financial year 2020-21.

The above factors have impacted post-tax bottom line for the reporting period to register an increase of 192% at a profit of Rs. 1,625 million against consolidated loss of Rs. 1,767 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. The project is expected to complete by September 2021 with projected capital outlay of Rs. 1.8 billion which will increase current capacity of 16 MW to 25 MW. In this regard, civil contractor has been mobilized at site and piling work is in process.

Following the Government of Punjab's permission for expansion of the existing cement plant of Maple Leaf Cement Factory Limited situated at Daudkhel, Mianwali, the Board of Directors has approved the setting up of a brown field project by way of installation of Line 4 having capacity upto 8,000 tpd along with Waste Heat Recovery Plant with approximate capital outlay of Rs. 18.5 Billion. The proposed expansion is planned to be financed through internal cash generation and borrowings from financial institutions without issuance of Further Right Shares. The expansion would be completed within a period of 18 months from the date of establishing letter of credit.

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 provide uplift to construction activity in Pakistan and will directly impact the demand of cement in Pakistan. Moreover, pro-growth policy of State Bank of Pakistan (SBP) to ease liquidity has accelerated the pace of industrial activity which augurs well.

On the negative side, according to the World Bank, Pakistan's GDP is expected to grow at the anaemic rate of 0.5%, which also remains uncertain and is predicated on 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 compounds the uncertainty. Strengthening of PKR against US\$ has helped the cement industry and will continue to support in controlling its power and fuel cost.

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
February 24, 2021


(Syed Mohsin Raza Naqvi)
Director


(Sayeed Tariq Saigol)
Chief Executive



KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road,
Lahore 54000 Pakistan
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Independent Auditor's Review Report to the members of Maple Leaf Cement Factory Limited Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **Maple Leaf Cement Factory Limited** ("the Company") as at 31 December 2020 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion


Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019, have not been reviewed by us and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is M. Rehan Chughtai.

Lahore
Date: February 25, 2021


KPMG Taseer Hadi & Co.
Chartered Accountants

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (Un-audited)

AS AT DECEMBER 31, 2020

	Note	Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
EQUITY AND LIABILITIES			
Share capital and reserves attributable to owners of the Company			
Authorized share capital		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		11,349,693	10,133,226
Surplus on revaluation of fixed assets - net of tax	6	3,494,974	3,615,330
		32,416,942	31,320,831
NON - CURRENT LIABILITIES			
Long term loans from financial institution - secured	7	11,680,541	12,173,102
Deferred grant	8	11,940	-
Long term loan from Subsidiary Company	9	2,500,000	3,000,000
Long term deposits		8,314	8,664
Deferred taxation		3,650,348	3,379,440
Retention money		379,448	366,069
Retirement benefits		217,416	214,952
Payable to Government authority	10	123,004	232,938
		18,571,011	19,375,165
CURRENT LIABILITIES			
Current portion of long term loans from financial Institutions - secured	7	712,916	125,000
Current portion of deferred grant	8	36,928	-
Current portion of long term loans from subsidiary	9	500,000	-
Trade and other payables	11	9,278,298	7,951,221
Unclaimed dividend		28,953	48,053
Mark-up accrued on borrowings		309,869	547,189
Short term borrowings - secured		2,147,179	6,642,312
		13,014,143	15,313,775
CONTINGENCIES AND COMMITMENTS			
	12		
		64,002,096	66,009,771

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

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

Audited
June 30,
2020

ASSETS

NON - CURRENT ASSETS

Property, plant and equipment	13	43,305,634	44,297,941
Intangible assets		6,732	9,023
Long term investment	14	5,020,000	5,020,000
Long term loans to employees - secured		16,829	19,196
Long term deposits		56,855	56,420
		<hr/> 48,406,050	<hr/> 49,402,580

CURRENT ASSETS

Stores, spare parts and loose tools		8,623,179	8,395,610
Stock-in-trade		1,745,435	1,779,404
Trade debts	15	1,911,753	3,052,130
Loans and advances		571,606	414,470
Short term investments	16	125,617	75,245
Short term deposits and prepayments		320,846	176,101
Accrued profit		4,036	2,404
Other receivables	17	62,168	35,256
Advance tax - net		1,837,245	1,630,304
Cash and bank balances		394,161	1,046,267
		<hr/> 15,596,046	<hr/> 16,607,191
		<hr/> <hr/> 64,002,096	<hr/> <hr/> 66,009,771


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (Un-audited) FOR SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2020

		Half year ended December 31, 2020	Half year ended December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
	Note	(..... Rupees in thousand)			
Sales - net	18	16,620,799	16,182,293	9,099,941	9,035,251
Cost of sales	19	(13,423,695)	(16,248,952)	(7,131,407)	(8,892,822)
Gross profit / (loss)		3,197,104	(66,659)	1,968,534	142,429
Distribution cost		(400,735)	(454,598)	(238,336)	(280,625)
Administrative expenses		(430,316)	(388,395)	(235,150)	(204,177)
Other charges		(130,960)	(45,581)	(97,634)	(35,341)
		(962,011)	(888,574)	(571,120)	(520,143)
Other income		110,167	96,393	65,357	57,335
Profit / (loss) from operations		2,345,260	(858,840)	1,462,771	(320,379)
Finance cost	20	(839,382)	(1,692,596)	(369,912)	(883,390)
Profit / (loss) before taxation		1,505,878	(2,551,436)	1,092,859	(1,203,769)
Taxation		(396,503)	99,233	(292,889)	56,712
Profit / (loss) after taxation		1,109,375	(2,452,203)	799,970	(1,147,057)
Earnings / (loss) per share - basic and diluted (Rupees)	21	1.01	(3.35)	0.73	(1.48)

The annexed notes from 1 to 27 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended December 31, 2020	Half year ended December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
	(..... Rupees in thousand)			
Profit / (loss) after taxation	1,109,375	(2,452,203)	799,970	(1,147,057)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	1,109,375	(2,452,203)	799,970	(1,147,057)

The annexed notes from 1 to 27 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 SIX MONTHS ENDED DECEMBER 31, 2020

	Note	December 31, 2020 (Rupees in thousand)	December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		1,505,878	(2,551,436)
Adjustments for:			
Depreciation		1,682,609	1,657,586
Amortization		2,291	2,266
Provision for Workers' Profit Participation Fund		80,952	-
Provision for Workers' Welfare Fund		32,381	-
Provision for expected credit loss		38,243	-
Bad debts written off		-	5,643
Advances written off		-	1,467
Gain on disposal of property, plant and equipment		-	(19,434)
Fair value gain on initial recognition of payable to government authority		(31,007)	-
Gain on re-measurement of short term investments at fair value		(5,872)	(25,313)
Retirement benefits		38,365	38,828
Finance cost		839,382	1,692,596
Profit on bank deposits		(9,155)	(3,210)
		2,668,189	3,350,429
Cash generated from operations before working capital changes		4,174,067	798,993
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(227,569)	114,963
Stock-in-trade		33,969	(566,390)
Trade debts		1,102,134	(1,788,234)
Loans and advances		(157,136)	303,208
Short term deposits and prepayments		(144,745)	(44,824)
Other receivables		(26,912)	5,023
		579,741	(1,976,254)
Increase in current liabilities:			
Trade and other payables		1,155,017	564,040
Net cash generated from / (used in) operations		5,908,825	(613,221)
Decrease / (increase) in long term loans to employees - secured		2,367	(4,482)
Decrease in payable to Government authority		(30,416)	-
Decrease in long term deposits		(350)	-
Retirements benefits paid		(35,901)	(13,404)
Taxes paid		(345,800)	(477,474)
Net cash generated from / (used in) operating activities		5,498,724	(1,108,581)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(690,302)	(513,090)
Proceeds from disposal of fixed assets		-	46,077
Short term investment		(44,500)	-
Increase in long term deposits and prepayments		(435)	410
Profit on bank deposits received		7,523	3,022
Net cash used in investing activities		(727,714)	(463,581)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from / (repayments of) long term loans from financial institutions - secured - net		144,223	(3,352,733)
Share deposit money		-	6,055,747
(Repayment of) / proceeds of short term borrowings - net		(4,170,901)	1,290,043
Finance cost paid		(1,053,106)	(1,445,856)
Redemption of preference shares		-	(5)
Dividend paid		(19,100)	(285,865)
Net cash (used in) / generated from financing activities		(5,098,884)	2,261,331
Net (decrease) / increase in cash and cash equivalents		(327,874)	689,169
Cash and cash equivalents at beginning of the period		209,516	(815,565)
Cash and cash equivalents at end of the period	22	(118,358)	(126,396)

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR SIX MONTHS ENDED DECEMBER 31, 2020

	Share Capital	Share deposit money	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								
Loss for the six months ended 31 December 2019	-	-	-	-	-	-	(2,452,203)	(2,452,203)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Effect on deferred tax due to change in proportion of local and export sales	-	-	-	-	-	(98,171)	-	(98,171)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	(108,210)	108,210	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	(1,560)	1,560	-
Transactions with owners of the Company								
Final cash dividend @ Re. 0.5 per share for the year ended 30 June 2019	-	-	-	-	-	-	(296,850)	(296,850)
Share deposit money received during the period	-	6,055,747	-	-	-	-	-	6,055,747
Balance as at 31 December 2019 - un-audited	5,937,007	6,055,747	5,112,037	528,263	5,640,300	3,676,539	12,413,516	33,723,109
Total comprehensive Income								
Loss for the six months ended 30 June 2020	-	-	-	-	-	-	(2,391,062)	(2,391,062)
Other comprehensive income for the period	-	-	-	-	-	95,628	6,365	101,993
Effect on deferred tax due to change in proportion of local and export sales	-	-	-	-	-	95,628	(2,384,697)	(2,289,069)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	(104,432)	104,432	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	25	(25)	-
Ordinary shares issued during the year 504,645,556 shares of Rs. 10 each. Expense incurred on issuance of shares	5,046,455	(6,055,747)	1,009,292 (60,779)	-	1,009,292 (60,779)	-	-	- (60,779)
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								
Profit for the six months ended 31 December 2020	-	-	-	-	-	-	1,109,375	1,109,375
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Effect on deferred tax due to change in proportion of local and export sales	-	-	-	-	-	(13,264)	-	(13,264)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	(107,092)	107,092	-
Balance as at 31 December 2020 - un-audited	10,983,462	-	6,060,550	528,263	6,588,813	3,494,974	11,349,693	32,416,942

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (Un-audited) FOR SIX MONTHS ENDED DECEMBER 31, 2020

1. REPORTING ENTITY

- 1.1 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

These condensed interim unconsolidated financial statements are 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 condensed interim financial statements of the Company are prepared and presented separately.

The Company has the following long term investment:

	Un-audited December 31, 2020 (Direct holding percentage)	Audited June 30, 2020
Subsidiary Company		
Maple Leaf Power Limited	100	100

2.2 Statement of compliance

- 2.2.1 These condensed interim unconsolidated financial statements comprises the condensed interim unconsolidated statement of financial position of the Company, as at 31 December 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 flow and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 These condensed interim unconsolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 June 2020. Comparative numbers of condensed interim unconsolidated statement of financial position are extracted from the annual unconsolidated audited financial statements of the Company for the year ended 30 June 2020, whereas comparatives of condensed interim unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, unconsolidated statement of cash flow and unconsolidated statement of changes in equity are stated from unaudited condensed interim unconsolidated financial statements of the Company for the six months period ended 31 December 2019.

2.2.3 These condensed interim unconsolidated financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

2.2.4 These condensed interim unconsolidated financial statements are presented in Pakistan Rupees which is the Company's functional currency and all financial information presented has been rounded off to the nearest rupees, except otherwise stated.

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 and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2020 except for the following:

4.1 Government Grants

Government grants related to benefit of below market interest are recognized and presented in the statement of financial position as 'deferred grant', which is being measured as the difference between the initial carrying value of the loan (i.e. fair value of the loan) and the proceeds received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as part of profit or loss, as a deduction from the related expenses.

4.2 The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

Effective date
(accounting period
beginning on or
after)

Amendments and interpretations of approved accounting standards

- | | |
|------------------------------------------------------------------------------------------------------|-----------------|
| - Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2 | 01 January 2021 |
| - Amendment to IAS 37 - Onerous Contracts - Cost of fulfilling a contract and Errors (Amendments) | 01 January 2022 |

Annual Improvements to IFRS standards 2018-2020:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| - Amendment to IFRS 9 - Assessment of derecognition of a financial liability | 01 January 2022 |
| - Amendment to IFRS 16 - Exclusion of illustration of reimbursement of leasehold improvements by the lessor | 01 January 2022 |
| - Amendment to IAS 41 - Exclusion of taxation cash flows when measuring the fair value of a biological asset using a present value technique | 01 January 2022 |
| - Amendments to IAS 16 - Property, Plant and Equipment - Proceeds before intended use | 01 January 2022 |
| - Amendment to IFRS 3 - Business Combinations | 01 January 2022 |
| - Amendment to IFRS 4 - Insurance Contracts - Extension of the Temporary Exemption from Applying IFRS 9 | 01 January 2022 |
| - Amendments to IAS 1 - Classification of liabilities as current or non-current | 01 January 2022 |
| - Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 01 January 2022 |

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

		Un-audited December 31, 2020	Audited June 30, 2020	Un-audited December 31, 2020	Audited June 30, 2020
	Note	Number of shares		(Rupees in thousand)	
(30 June 2020: 860,972,162) ordinary shares of Rs. 10 each fully paid in cash	5.1	860,972,162	860,972,162	8,609,721	8,609,721
(30 June 2020: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		35,834,100	35,834,100	358,341	358,341
(30 June 2020: 46,069,400) ordinary shares of Rs. 10 each issued as fully, paid bonus shares		46,069,400	46,069,400	460,694	460,694
(30 June 2020: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.2	153,846,153	153,846,153	1,538,462	1,538,462
(30 June 2020: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	5.3	1,624,417	1,624,417	16,244	16,244
		<u>1,098,346,232</u>	<u>1,098,346,232</u>	<u>10,983,462</u>	<u>10,983,462</u>

- 5.1** During the financial year ended 30 June 2020, the Company issued 504,645,556 ordinary shares at the rate of Rs. 12 per share (including share premium of Rs.2 per share). The same was approved by Board of Directors ("the Board") and shareholders in their meeting held on 19 September 2019 and 26 October 2019 respectively.
- 5.2** During the financial year ended 30 June 2011, the 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.
- 5.3** 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.
- 5.4** 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.
- 5.5** Directors of the Company hold 96,706 (30 June 2020: 96,706) ordinary shares of Rs. 10 each of the Company.

Un-audited
December 31,
2020
(Rupees in thousand)

Audited
June 30,
2020

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

Gross surplus

At beginning of the period / year	4,892,797	5,058,008
Surplus on revaluation during the period / year - net of deferred tax	-	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	(107,092)	(212,642)
Related deferred tax liability	(42,766)	(83,699)
At end of the period / year	4,742,939	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)
Incremental depreciation charged during the period / year	(42,766)	(83,699)
Effect of change in tax rate due to proportion of local and export sales	13,264	150,601
At end of the period / year	1,247,965	1,277,467
	3,494,974	3,615,330

7. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Note	Sanctioned Limit	Rupees in '000'		Remaining tenure of principal repayments
				Un-audited December 31, 2020	Audited June 30, 2020	
1	Askari Bank Limited - Term Finance		1,000,000	707,129	707,129	20 equal quarterly installments starting from 28 March 2022
2	Bank of Punjab - Demand Finance		2,000,000	1,253,119	1,253,119	20 equal quarterly installments starting from 27 May 2022
3	MCB Bank Limited - Demand Finance		2,000,000	1,367,920	1,367,920	20 equal quarterly installments starting from 22 June 2022
4	National Bank of Pakistan - Demand Finance		5,500,000	2,994,285	2,994,285	21 equal quarterly installments starting from 30 September 2021
5	Samba Bank - Term Finance		750,000	450,000	450,000	12 equal quarterly installments starting from 20 March 2022
6	MCB Bank Limited (EX NIB) - Term Finance		2,000,000	1,488,379	1,488,379	21 equal quarterly installments starting from 4 May 2022
7	MCB Islamic - Diminishing Musharika		1,500,000	1,104,167	1,104,167	18 equal quarterly installments starting from 27 March 2022
8	Habib Bank Ltd. - Term Finance		1,000,000	714,286	714,286	20 equal quarterly installments starting from 28 September 2022
9	Askari Bank Limited - Term Finance		500,000	125,000	125,000	5 equal quarterly installments starting from 04 March 2022
10	Bank of Punjab - Demand Finance		1,500,000	374,339	374,339	5 equal quarterly installments starting from 06 April 2022
11	MCB Bank Limited - Demand Finance		1,000,000	185,145	185,145	5 equal quarterly installments starting from 06 April 2022
12	National Bank of Pakistan - Demand Finance		1,000,000	250,000	250,000	5 equal quarterly installments starting from 06 April 2022
13	MCB Islamic Bank - Diminishing Musharika		500,000	166,667	166,667	8 equal quarterly installments starting from 13 December 2022
14	Allied Bank Limited- SBP refinance for Wages and Salaries	7.2	933,000	853,260	433,179	8 equal quarterly installments starting from 31 January 2021
15	Pair Investment Company Limited		300,000	150,000	150,000	8 equal quarterly installments starting from 28 September 2021
16	Askari Bank Limited - Term Finance	7.3	900,000	231,885	-	20 equal quarterly installments starting from 01 February 2022
17	Bank of Punjab - Demand Finance	7.4	1,000,000	26,744	-	24 equal quarterly installments starting from 14 March 2022
Total			23,383,000	12,442,325	11,763,615	
Long term portion of cash finance and others				-	534,487	
Less:						
Impact of deferred government grant				(48,869)	-	
Current portion of long term loans from financial institutions - secured				(712,916)	(125,000)	
Long term portion of loans from financial institutions				11,680,541	12,173,102	

- 7.1 There is no change in markup rates, terms and securities related to the existing loans as disclosed in note 8 to the audited unconsolidated financial statements of the Company for the year ended 30 June 2020.
- 7.2 The Company has obtained this loan to finance salaries and wages of permanent, contractual, daily wagers as well as outsourced employees for the months from April 2020 to September 2020 as explained in note 8 to these condensed interim unconsolidated financial statements. The loan is secured by the way of 1st pari passu charge over all fixed assets of the Company with 25% margin.
- 7.3 This represents loan obtained during the year to finance import and setting up new waste heat recovery plant (WHRP). The loan is secured by the way of ranking hypothecation charge of Rs. 310 million, with 25% margin, over all present and future fixed assets (excluding land and building) of the Company. This loan carries markup at the rate of 3-Month KIBOR plus 75bps, payable quarterly in arrears.
- 7.4 This represents loan obtained during the year to purchase machinery / equipment from local market and for the construction and installation of above mentioned plant (WHRP). The loan is secured by the way of 1st join pari passu charge over all present and future fixed assets of the Company with 25% margin, amounting to Rs. 4,667 million. This loan carries markup at the rate of 3-Month KIBOR plus 75bps, payable quarterly in arrears.

	Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
8. DEFERRED GRANT		
Balance as at 01 July	-	-
Recognized during the year	60,941	-
Amortization during the year	(12,073)	-
Balance as at 31 December	48,868	-
Current portion	(36,928)	-
Non - current portion	11,940	-

As mentioned in note 7.2 to these condensed interim unconsolidated financial statements, the Company borrowed Rs. 853.26 million under “SBP refinance scheme for payment of salaries and wages” for paying salaries for the months from April 2020 to September 2020. The facility carries mark-up at the rate specified by the State Bank of Pakistan plus relevant bank’s spread of 0.5% to 1% per annum. The loan has been measured at fair value in accordance with IFRS 9 “Financial Instruments” using market rate of return. 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.

	Note	Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
9. LONG TERM LOAN FROM SUBSIDIARY COMPANY			
Long term loan I	9.1	1,000,000	1,000,000
Long term loan II	9.2	2,000,000	2,000,000
		<u>3,000,000</u>	<u>3,000,000</u>
Current portion of loan		(500,000)	-
		<u>2,500,000</u>	<u>3,000,000</u>

9.1 This represents conversion of balance payable to Maple Leaf Power Limited, the Subsidiary of the Company, in lieu of electricity purchased during the financial year 2018-2019 to long term loan with effect from 01 June 2019. This loan is payable in four equal quarterly installments starting from 1 September 2021 and carries markup at the rate of 3 month KIBOR plus 1% per annum, payable quarterly in arrears. The effective rates during the period ranges from 8.26% to 8.29% per annum (30 June 2020: 12.19% to 13.97%)

9.2 This represents conversion of balance payable to Maple Leaf Power Limited, the Subsidiary of the Company, in lieu of electricity purchased during the financial year 2019-2020 to long term loan with effect from 01 May 2020. The loan is payable in eight equal quarterly installments after the full settlement of loan - I. This loan carries markup of 3 month KIBOR plus 1% at per annum, payable quarterly. The effective rates during the period ranges from 8.26% to 8.29% per annum (30 June 2020: 8.26%)

	Note	Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
10. PAYABLE TO GOVERNMENT AUTHORITY			
Payable to government authority		348,115	399,322
Less: Current maturity of payable to government authority	11.1	(225,111)	(166,384)
	10.1	<u>123,004</u>	<u>232,938</u>

10.1 This represents non-current portion of Gas Infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL). During previous years, the Company, along with various other companies had challenged the legality and validity of levy and demand of GIDC in Honorable Lahore High Court which was pending adjudication as at 30 June 2020. However, during the period, Supreme Court of Pakistan vide judgement dated 13 August 2020, while dismissing appeals filed by various industrial and commercial entities with respect to the legality and validity of levy and demand of GIDC, decided the case in favor of SNGPL. Now the Company is to pay the balance amount of GIDC in 24 equal monthly installments. This liability has been recognized at fair value using discount rate of 8.31% per annum and the difference between the fair value and the total amount of liability is recognized in profit or loss account as other income. Subsequent to initial recognition, the effect of unwinding of liability is recognized in profit or loss account as finance cost.

	Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
11. TRADE AND OTHER PAYABLES	Note	
Trade creditors	3,288,278	3,233,086
Due to holding company - unsecured	-	35,528
Due to subsidiary company - unsecured	956,982	287,259
Bills payable - secured	1,306,394	653,598
Contract liabilities	222,279	235,928
Accrued liabilities	829,825	638,629
Payable to Workers' Profit Participation Fund	1,203,648	1,122,696
Payable to Workers' Welfare Fund	37,225	4,844
Payable to Provident Fund Trust	15,816	1,116
	7,860,447	6,212,684
Payable to Government on account of:		
Federal Excise Duty payable	746,673	961,578
Royalty and Excise Duty payable	61,503	55,859
Sales tax payable - net	280,946	274,889
Other taxes payable	137,218	93,089
	1,226,340	1,385,415
Contractors' retention money	127,602	269,175
Payable against redemption of preference shares	1,016	1,016
Security deposits repayable on demand	62,647	64,101
Other payables	246	18,830
	191,511	353,122
	9,278,298	7,951,221

11.1 This includes current portion of discounted GIDC payable as at 31 December 2020, amounting to Rs. 225.11 million (30 June 2020: Rs. 166.38 million), as explained in note 10 to these condensed interim unconsolidated financial statements.

12. CONTINGENCIES AND COMMITMENTS

12.1 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 except as disclosed below:

Competition Commission of Pakistan, vide order dated 27 August 2009, has imposed penalty on twenty cement factories of Pakistan at the rate of 7.5% of the turnover value. The Commission imposed penalty amounting to Rs. 586.19 million on the Company. The Commission alleged that provisions of section 4(1) of the Competition Commission Ordinance, 2007 have been violated. However, after the abeyance of Honorable Islamabad High Court pursuant to the judgment of Honorable Supreme Court of Pakistan dated 31 July 2009, the titled petition has become infructuous and the Company has filed a writ petition no. 15618/2009 before the Honorable Lahore High Court (LHC).

During the period, LHC vide its order dated 26 October 2020 decided the writ petition challenging the vires of the law against the Company and the appeal impugning the levy of penalty vide order dated 28 August 2009 has been referred to the Competition Appellate Tribunal. The Company has challenged decision of LHC before the Honorable Supreme Court of Pakistan which is pending adjudication.

No provision has been made in these condensed interim unconsolidated financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

- 12.2** Guarantees given by banks on behalf of the Company are of Rs. 686.91 million (30 June 2020: Rs. 774.01 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

		Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
12.3 Commitments	Note		
12.3.1 In respect of:			
- capital expenditure		1,010,581	5,088
- irrevocable letters of credit for spare parts		40,830	195,913
		<u>1,051,411</u>	<u>201,001</u>
13. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	13.1	41,872,437	43,372,508
Capital work in progress - at cost	13.2	1,371,262	871,386
Stores and spares held for capitalization		61,935	54,047
		<u>43,305,634</u>	<u>44,297,941</u>
13.1 Operating fixed assets			
Balance at beginning of the period / year		43,372,508	46,152,331
Add: Additions during the period / year	13.1.1	182,538	418,376
Revaluation adjustment		-	281,843
		<u>43,555,046</u>	<u>46,852,550</u>
Less: Book value of operating assets disposed - off during the period / year		-	30,413
Revaluation adjustment		-	148,574
Depreciation charge during the period / year		1,682,609	3,301,055
		<u>41,872,437</u>	<u>43,372,508</u>

	Note	Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
13.1.1 Additions during the period / year:			
- buildings on freehold land		-	110,816
- plant and machinery		177,231	292,416
- furniture, fixtures and equipment		5,307	6,262
- roads, bridges and railway sidings		-	527
- quarry equipment		-	5,713
- vehicles		-	2,642
		182,538	418,376
13.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		871,386	428,416
Additions during the period / year	13.2.2	499,876	556,955
Less: Transfers during the period / year		-	(113,985)
At end of the period / year	13.2.1	1,371,262	871,386
13.2.1 Capital work-in-progress - at cost			
Civil works		20,512	6,089
Buildings		371,512	203,372
Plant and machinery		372,474	318,413
Roads and bridges		314,639	314,629
Advance to supplier against:			
- civil works		1,684	415
- plant and machinery		263,591	28,468
- vehicles		26,850	-
		1,371,262	871,386

13.2.2 This includes capitalization of markup on loan obtained to finance import and setting up new waste heat recovery plant (WHRP) of Rs. 1.24 million (30 June 2020: Nil)

		Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
14. LONG TERM INVESTMENT			
Investment in Maple Leaf Power Limited - Unquoted		5,020,000	5,020,000
14.1	The Company holds 100% (30 June 2020: 100%) shares in the Maple Leaf Power Limited, a wholly owned subsidiary of the Company.		
14.2	There has been no long term investment in any foreign company as at 31 December 2020 (30 June 2020: Nil).		

	Note	Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
15. TRADE DEBTS			
Export debtors			
Considered good - unsecured		8,595	26,051
Local debtors			
Considered good - unsecured		1,903,158	3,026,079
Considered doubtful - unsecured		218,932	180,689
Less: Provision for expected credit losses		(218,932)	(180,689)
		1,903,158	3,026,079
		1,911,753	3,052,130
16. SHORT TERM INVESTMENTS			
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. 9.22 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		5,872	7,358
At the end of period / year		1,117	(4,755)
Fair value at the end of period / year		31,117	25,245
Investment at amortized cost - debt instrument			
Term deposit receipts	16.1	94,500	50,000
		125,617	75,245

16.1 This represents term deposits having maturity of one year and carries mark-up ranges from 6.5% to 7.2% per annum. (30 June 2020: 7.2%).

17. OTHER RECEIVABLES

This includes due from the ultimate Holding Company amounting to Rs. 23.65 million (30 June 2020: Nil).

Half year ended (Un-audited)
31 December 2020 31 December 2019
(Rupees in thousand)

18. SALES - NET

Gross local sales	23,514,713	25,725,835
Less:		
Federal Excise Duty	(3,558,935)	(5,433,986)
Sales Tax	(3,857,344)	(4,492,436)
Discount	(252,871)	(308,057)
Commission	(107,468)	(122,151)
	(7,776,618)	(10,356,630)
Net local sales	15,738,095	15,369,205
Export sales	882,704	813,088
	16,620,799	16,182,293

18.1 Disaggregation of Revenue (Gross sales)

Primary Geographical Markets

Pakistan	23,514,713	25,725,835
Afghanistan	786,580	509,029
Mozambique	1,792	1,797
Oman	22,080	34,509
Qatar	4,258	2,623
Seychelles	52,821	79,512
Sri Lanka	2,403	-
Tanzania	12,771	42,239
Comoros	-	41,573
Madagascar	-	100,947
Nigeria	-	859
	24,397,417	26,538,923

		Half year ended (Un-audited)	
		December 31, 2020	December 31, 2019
		(Rupees in thousand)	
19. COST OF SALES	Note		
Raw materials consumed		1,120,419	1,294,153
Packing materials consumed		1,393,639	1,776,035
Fuel		4,574,433	5,844,510
Power and associated costs		2,968,380	3,935,396
Stores, spare parts and loose tools consumed		373,954	748,883
Water charges		66,213	87,001
Salaries, wages and other benefits		598,642	667,272
Rent, rates and taxes		890	14,975
Insurance		39,127	46,273
Repairs and maintenance		164,919	205,550
Depreciation		1,652,062	1,627,573
Amortization		846	837
Vehicles running and maintenance		77,280	112,935
Freight and forwarding		277,695	329,545
Other expenses		55,703	79,153
		13,364,202	16,770,091
Work in process:			
At beginning of the period		903,521	928,144
At end of the period		(912,676)	(1,432,638)
		(9,155)	(504,494)
Cost of goods manufactured		13,355,047	16,265,597
Finished goods:			
At beginning of the period		575,503	500,060
At end of the period		(506,855)	(516,705)
		68,648	(16,645)
Cost of sales		13,423,695	16,248,952
20. FINANCE COST			
Profit / interest / mark up on:			
- Long term loans from financial institutions	20.1	476,417	1,219,040
- Long term loans from Subsidiary Company		124,843	72,642
- Short term borrowings		193,698	364,607
		794,958	1,656,289
Notional interest on unwinding of retention money payable		13,379	13,342
Notional interest on unwinding of payable to government authority		10,217	-
Bank and other charges		20,828	22,965
		839,382	1,692,596

20.1 This includes amortization of government grant amounting to Rs.12.07 million (30 June 2020: Nil).

21. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

21.1 Basic earnings / (loss) per share

	Unit	Half year Un-audited December 31, 2020	Half year Un-audited December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
Profit / (loss) after taxation	Rupees in '000	1,109,375	(2,452,203)	799,970	(1,147,057)
Weighted average number of ordinary shares	No. of shares in '000	1,098,346	731,047	1,098,346	773,342
	Rupees	1.01	(3.35)	0.73	(1.48)
21.2 Weighted average number of ordinary shares					
Number of shares as at 01 July (in '000)		1,098,346	593,701	1,098,346	593,701
Add: Impact on weighted average number of shares due to right shares during the period (in '000)		-	137,346	-	179,641
		1,098,346	731,047	1,098,346	773,342

21.3 There is no dilution effect on the basic earnings / (loss) per share.

Half year ended (Un-audited)
December 31, December 31,
2020 2019
(Rupees in thousand)

22. CASH AND CASH EQUIVALENTS

Short term running finance	(425,554)	(1,335,093)
Temporary bank overdraft - unsecured	(86,965)	-
Term deposit receipts	-	324,868
Cash and bank balances	394,161	883,829
	(118,358)	(126,396)

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

		December 31, 2020						
		Carrying Amount (Un-audited)			Fair Value (Un-audited)			
		Fair Value through profit or loss	Financial assets at amortized costs	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note		----- (Rupees in thousand) -----						
On-Balance sheet financial instruments								
Financial assets measured at fair value								
Short term investment		31,117	-	-	31,117	31,117	-	-
		31,117	-	-	31,117	31,117	-	-
Financial assets not measured at fair value								
Cash and bank balances		-	394,161	-	394,161	-	-	-
Long term loans to employees		-	28,592	-	28,592	-	-	-
Short term investment - term deposit receipt		-	94,500	-	94,500	-	-	-
Margin and short term deposits		-	176,185	-	176,185	-	-	-
Other receivables		-	62,168	-	62,168	-	-	-
Accrued profit		-	4,036	-	4,036	-	-	-
Long term deposits		-	56,855	-	56,855	-	-	-
Trade debts		-	1,911,753	-	1,911,753	-	-	-
23.1		-	2,728,250	-	2,728,250	-	-	-
Financial liabilities measured at fair value								
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from financial institution - secured		-	-	12,393,457	12,393,457	-	-	-
Long term loan from Subsidiary Company		-	-	3,000,000	3,000,000	-	-	-
Long term deposits		-	-	8,314	8,314	-	-	-
Retention money payable		-	-	379,448	379,448	-	-	-
Payable to Government authority		-	-	348,115	348,115	-	-	-
Trade and other payables		-	-	6,347,880	6,347,880	-	-	-
Unclaimed dividend		-	-	28,953	28,953	-	-	-
Mark-up accrued on borrowings		-	-	309,869	309,869	-	-	-
Short term borrowing		-	-	2,147,179	2,147,179	-	-	-
23.1		-	-	24,963,215	24,963,215	-	-	-

		June 30, 2020						
		Carrying Amount (Audited)			Fair Value (Audited)			
		Fair Value through profit or loss	Financial assets at amortized costs	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note		(Rupees in thousand)						
On-Balance sheet financial instruments								
Financial assets measured at fair value								
Short term investment		25,245	-	-	25,245	25,245	-	-
		25,245	-	-	25,245	25,245	-	-
Financial assets not measured at fair value								
Cash and bank balances		-	1,046,267	-	1,046,267	-	-	-
Long term loans to employees		-	30,705	-	30,705	-	-	-
Short term investment - term deposit receipt		-	50,000	-	50,000	-	-	-
Margin and short term deposits		-	171,071	-	171,071	-	-	-
Other receivables		-	35,256	-	35,256	-	-	-
Accrued profit		-	2,404	-	2,404	-	-	-
Long term deposits		-	56,420	-	56,420	-	-	-
Trade debts		-	3,052,130	-	3,052,130	-	-	-
23.1		-	4,444,253	-	4,444,253	-	-	-
Financial liabilities measured at fair value								
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from banking companies - secured		-	-	12,298,102	12,298,102	-	-	-
Long term loan from Subsidiary Company		-	-	3,000,000	3,000,000	-	-	-
Long term deposits		-	-	8,664	8,664	-	-	-
Retention money payable		-	-	366,069	366,069	-	-	-
Payable to government authority		-	-	399,322	399,322	-	-	-
Trade and other payables		-	-	5,034,838	5,034,838	-	-	-
Unclaimed dividend		-	-	48,053	48,053	-	-	-
Mark-up accrued on borrowings		-	-	547,189	547,189	-	-	-
Short term borrowings		-	-	6,642,312	6,642,312	-	-	-
23.1		-	-	28,344,549	28,344,549	-	-	-

23.1 The Company has not disclosed the fair values of these financial assets and liabilities as their carrying values are reasonable approximation of fair values.

23.2 Freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations were conducted by the valuation experts appointed by the Company as at 30 June 2020. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. For revaluation of freehold land fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. In case of buildings on freehold land, roads, bridges and railway sidings, construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation

was calculated to determine the current assessed market value. For revaluation of plant and machinery, suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these condensed interim unconsolidated financial statements.

24. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	December 31, 2020 (Un-audited)					
	Dividend payable	Long term financing	Deferred government grant	Short term borrowing	Accrued markup	Total
----- (Rupees in thousand) -----						
As at 30 June 2020	48,053	12,298,102	-	6,642,312	547,189	19,535,656
Changes from financing cash flows						
Dividend paid	(19,100)	-	-	-	-	(19,100)
Finance cost paid	-	-	-	-	(1,053,106)	(1,053,106)
Proceeds of short term borrowings - net	-	-	-	(4,170,901)	-	(4,170,901)
Repayment of long term financing - net	-	144,223	-	-	-	144,223
Total changes from financing cash flows	(19,100)	144,223	-	(4,170,901)	(1,053,106)	(5,098,884)
Other changes						
Change in short term running finance - net	-	-	-	(324,232)	-	(324,232)
Impact of government grant	-	(48,868)	48,868	-	-	-
Finance cost	-	-	-	-	839,382	839,382
Notional interest on unwinding of retention money	-	-	-	-	(13,379)	(13,379)
Notional interest on unwinding of payable to government authority	-	-	-	-	(10,217)	(10,217)
Total liability related other changes	-	(48,868)	48,868	(324,232)	815,786	491,554
As at 31 December 2020	28,953	12,393,457	48,868	2,147,179	309,869	14,928,326

	December 31, 2019 (Un-audited)					
	Dividend Payable	Long term financing	Share Deposit Money	Short term borrowing	Accrued markup	Total
----- (Rupees in thousand) -----						
As at June 30, 2019	40,564	17,305,362	-	4,015,487	575,029	21,936,442
Changes from financing cash flows						
Dividend paid	(285,865)	-	-	-	-	(285,865)
Finance cost paid	-	-	-	-	(1,445,856)	(1,445,856)
Proceeds of short term borrowings - net	-	-	-	1,290,043	-	1,290,043
Repayment of long term financing - net	-	(3,352,733)	-	-	-	(3,352,733)
Share deposit money received	-	-	6,055,747	-	-	6,055,747
Total changes from financing cash flows	(285,865)	(3,352,733)	6,055,747	1,290,043	(1,445,856)	2,261,336
Other changes						
Final cash dividend	296,850	-	-	-	-	296,850
Change in short term running finance - net	-	-	-	25,130	-	25,130
Finance cost excluding unwinding of retention money	-	-	-	-	1,679,254	1,679,254
Total liability related other changes	296,850	-	-	25,130	1,679,254	2,001,234
As at December 31, 2019	51,549	13,952,629	6,055,747	5,330,660	808,427	26,199,012

25. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of the Holding Company, the Subsidiary Company, directors of the Company, key management personnel and close family members of directors and other key management personnel, and post employment retirement plan. Amount due from and due to related parties are shown under respective notes. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of parties	Relationship	Transactions	Half year ended (Un-audited) December 31,	
			2020 (Rupees in thousand)	December 31, 2019
a) Kohinoor Textile Mills Limited	Holding Company (55.22% equity held)	Sale of goods and services	64,578	77,862
		Expenses paid by related party on behalf of the company	8,589	13,476
		Markup charged by holding company	-	6,685
		Dividend paid	-	163,918
		Funds received during the period	-	870,000
		Funds paid during the period	-	600,000
b) Maple Leaf Power Limited	Subsidiary Company (100% equity held)	Sale of goods and services	779,153	1,174,249
		Purchase of goods and services	2,378,406	2,994,117
		Markup charged during the period	124,843	72,642
		Expense paid on behalf of related party	142,605	224,397
c) Key management personnel		Remuneration and other benefits	95,462	86,485
d) Employee benefits				
Gratuity	Post employment benefit plan	Contribution	18,236	9,106
Provident Fund Trust	Employees benefit fund	Contribution	85,033	77,447

25.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel.

Name	Relationship	% of shareholding in the Company
Mr. Tariq Sayeed Saigol	Director / Key management personnel	0.0030%
Mr. Sayeed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Taufique Sayeed Saigol	Director / Key management personnel	0.0015%
Mr. Waleed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Danial Taufique Saigol	Director / Key management personnel	0.0005%
Mr. Jahanara Saigol	Director / Key management personnel	0.0002%
Mr. Shafiq Ahmed Khan	Director / Key management personnel	0.0014%
Mr. Zulfikar Monnoo	Director / Key management personnel	0.0003%
Mr. Syed Mohsin Raza Naqvi	Director / Key management personnel	N/A
Mr. Sohail Sadiq	Key management personnel	N/A
Mr. Yahya Hamid	Key management personnel	N/A
Mr. Amir Feroze	Key management personnel	N/A
Mr. Zeeshan Malik Bhutta	Key management personnel	N/A
Mr. Nasir Iqbal	Key management personnel	N/A
Mr. Tariq Ahmed Mir	Key management personnel	N/A
Mr. Amer Bilal	Key management personnel	N/A
Mr. Muhammad Sajjad	Key management personnel	N/A
Mr. Muhammad Basharat	Key management personnel	N/A

26. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on February 24, 2021 by the Board of Directors of the Company.

27. 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 background image shows a large industrial facility, likely a power plant or refinery. In the center, there is a large blue machine with a logo that includes the Chinese characters "中核" (CNNC). The machine is surrounded by yellow safety railings. Below the machine, there is a complex network of pipes, valves, and machinery. The ceiling is high and has a green and yellow striped pattern. The overall scene is brightly lit, with some colorful light effects in the upper left corner.

Consolidated Financial Statements

For the Half Year Ended December 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 half-year ended 31 December 2020.

GROUP RESULTS

The Group has earned gross profit of Rupees 3,684 million as compared to Rupees 618 million of corresponding period. The Group made after tax profit of Rupees 1,625 million during this period as compared to net loss after tax of Rupees 1,767 million during the corresponding period.

The overall group financial results are as follows:

	December 31, 2020	December 31, 2019
	(Rupees in million)	
Sales	16,621	16,182
Gross Profit	3,684	618
Profit / (Loss) from operations	2,802	(197)
Financial Charges	743	1,669
Net Profit / (Loss) after Tax	1,625	(1,767)
	(-----Rupees-----)	
Earnings / (loss) per share – Basic and diluted	1.48	(2.42)

SUBSIDIARY COMPANY

MAPLE LEAF POWER LIMITED (MLPL)

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

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
24 February 2021


(Syed Mohsin Raza Naqvi)
Director


(Sayeed Tariq Saigol)
Chief Executive

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Un-audited) AS AT DECEMBER 31, 2020

	Note	Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
EQUITY AND LIABILITIES			
Share capital and reserves attributable to owners of the Company			
Authorized share capital		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		15,048,630	13,310,143
Surplus on revaluation of fixed assets - net of tax	6	3,540,854	3,667,156
		36,161,759	34,549,574
NON - CURRENT LIABILITIES			
Long term loans from financial institution - secured	7	11,680,541	12,206,058
Deferred grant	8	11,940	-
Long term deposits		8,314	8,664
Deferred taxation		3,650,348	3,379,440
Retention money		379,448	366,069
Retirement benefits		217,416	214,952
Payable to Government authority	9	123,004	232,938
		16,071,011	16,408,121
CURRENT LIABILITIES			
Current portion of long term loans from financial Institutions - secured	7	712,916	125,000
Current portion of deferred grant	8	36,928	-
Trade and other payables	10	8,892,613	8,175,531
Unclaimed dividend		28,953	48,053
Mark-up accrued on borrowings		269,157	509,934
Short term borrowings - secured		2,499,765	7,181,815
		12,440,332	16,040,333
CONTINGENCIES AND COMMITMENTS			
	11		
		64,673,102	66,998,028

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

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

Audited
June 30,
2020

ASSETS

NON - CURRENT ASSETS

Property, plant and equipment	12	48,394,353	49,539,836
Intangible assets		6,732	9,023
Long term loans to employees - secured		16,829	19,196
Long term deposits		56,855	56,420
		<hr/>	<hr/>
		48,474,769	49,624,475

CURRENT ASSETS

Stores, spare parts and loose tools		9,046,274	8,863,233
Stock-in-trade		1,699,123	1,779,404
Trade debts	13	1,911,753	3,052,130
Loans and advances		587,683	492,623
Short term investments	14	125,617	75,245
Short term deposits and prepayments		342,317	191,958
Accrued profit		4,111	3,168
Other receivables	15	63,665	35,672
Advance tax - net		1,998,524	1,821,238
Cash and bank balances		419,266	1,058,882
		<hr/>	<hr/>
		16,198,333	17,373,553
		<hr/>	<hr/>
		64,673,102	66,998,028
		<hr/>	<hr/>


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Un-audited) FOR SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2020

		Half year ended December 31, 2020	Half year ended December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
Note		Rupees in thousand			
		(..... Rupees in thousand)			
Sales - net	16	16,620,799	16,182,293	9,099,941	9,035,251
Cost of sales	17	(12,936,832)	(15,564,141)	(6,881,036)	(8,536,307)
Gross profit / (loss)		3,683,967	618,152	2,218,905	498,944
Distribution cost		(400,735)	(454,598)	(238,336)	(280,625)
Administrative expenses		(433,748)	(392,167)	(236,362)	(206,120)
Other charges		(162,470)	(67,806)	(114,250)	(42,261)
		(996,953)	(914,571)	(588,948)	(529,006)
Other income		114,489	99,474	68,545	58,454
Profit / (loss) from operations		2,801,503	(196,945)	1,698,502	28,392
Finance cost	18	(743,255)	(1,669,372)	(317,198)	(869,827)
Profit / (loss) before taxation		2,058,248	(1,866,317)	1,381,304	(841,435)
Taxation		(432,799)	99,233	(311,037)	56,712
Profit / (loss) after taxation		1,625,449	(1,767,084)	1,070,267	(784,723)
Earnings / (loss) per share - basic and diluted (Rupees)	19	1.48	(2.42)	0.97	(1.01)

The annexed notes from 1 to 25 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2020

	Half year ended December 31, 2020	Half year ended December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
	(..... Rupees in thousand)			
Profit / (loss) after taxation	1,625,449	(1,767,084)	1,070,267	(784,723)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	1,625,449	(1,767,084)	1,070,267	(784,723)

The annexed notes from 1 to 25 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 SIX MONTHS ENDED DECEMBER 31, 2020

	Note	December 31, 2020 (Rupees in thousand)	December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		2,058,248	(1,866,317)
Adjustments for:			
Depreciation		1,835,786	1,802,113
Amortization		2,291	2,266
Provision for Workers' Profit Participation Fund		112,462	31,850
Provision for Workers' Welfare Fund		32,381	-
Provision for expected credit loss		38,243	-
Bad debts written off		-	5,643
Advances written off		-	1,467
Gain on disposal of property, plant and equipment		-	(19,434)
Fair value gain on initial recognition of payable to government authority		(31,007)	-
Gain on re-measurement of short term investments at fair value		(5,872)	(25,313)
Retirement benefits		38,365	38,828
Finance cost		743,255	1,669,372
Profit on bank deposits		(9,155)	(3,210)
		2,756,749	3,503,582
Cash generated from operations before working capital changes		4,814,997	1,637,265
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(183,041)	80,679
Stock-in-trade		80,281	(566,390)
Trade debts		1,102,134	(1,788,234)
Loans and advances		(95,060)	273,579
Short term deposits and prepayments		(150,359)	(50,598)
Other receivables		(27,993)	1,447
		725,962	(2,049,517)
Increase in current liabilities:			
Trade and other payables		513,512	76,570
Net cash generated from / (used in) operations		6,054,471	(335,682)
Decrease / (increase) in long term loans to employees - secured		2,367	(4,482)
Decrease in payable to Government authority		(30,416)	-
Decrease in long term deposits		(350)	-
Retirements benefits paid		(35,901)	(13,404)
Taxes paid		(352,442)	(487,113)
Net cash generated from / (used in) operating activities		5,637,729	(840,681)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(690,303)	(544,922)
Proceeds from disposal of fixed assets		-	46,077
Short term investment		(44,500)	-
Increase / (decrease) in long term deposits and prepayments		(435)	410
Profit on bank deposits received		8,212	3,159
Net cash used in investing activities		(727,026)	(495,276)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from / (repayments of) long term loans from financial institutions - secured - net		111,267	(3,352,733)
Share deposit money		-	6,055,747
(Repayment of) / proceeds of short term borrowings - net		(4,502,414)	1,277,294
Finance cost paid		(960,436)	(1,490,939)
Redemption of preference shares		-	(5)
Dividend paid		(19,100)	(285,865)
Net cash (used in) / generated from financing activities		(5,370,683)	2,203,499
Net (decrease) / increase in cash and cash equivalents		(459,980)	867,542
Cash and cash equivalents at beginning of the period		14,141	(1,162,951)
Cash and cash equivalents at end of the period	20	(445,839)	(295,409)

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR SIX MONTHS ENDED DECEMBER 31, 2020

	Share Capital	Share deposit money	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								
Loss for the six months ended 31 December 2019	-	-	-	-	-	-	(1,767,084)	(1,767,084)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Effect on deferred tax due to change in proportion of local and export sales	-	-	-	-	-	-	(1,767,084)	(1,767,084)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	(98,171)	-	(98,171)
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	(108,210)	108,210	-
	-	-	-	-	-	(1,560)	1,560	-
Transactions with owners of the Company								
Final cash dividend @ Re. 0.5 per share for the year ended 30 June 2019	-	-	-	-	-	-	(296,850)	(296,850)
Share deposit money received during the period	-	6,055,747	-	-	-	-	-	6,055,747
Balance as at 31 December 2019 - un-audited	5,937,007	6,055,747	5,112,037	528,263	5,640,300	3,676,539	14,991,646	36,301,239
Total comprehensive Income								
Loss for the six months ended 30 June 2020	-	-	-	-	-	-	(1,792,275)	(1,792,275)
Other comprehensive income for the period	-	-	-	-	-	147,454	6,365	153,819
Effect on deferred tax due to change in proportion of local and export sales	-	-	-	-	-	147,454	(1,785,910)	(1,638,456)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	(52,430)	-	(52,430)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	(104,432)	104,432	-
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	-	25	(25)	-
Ordinary shares issued during the year 504,645,556 shares of Rs. 10 each	5,046,455	(6,055,747)	1,009,292	-	1,009,292	-	-	-
Expense incurred on issuance of shares	-	-	(60,779)	-	(60,779)	-	-	(60,779)
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								
Profit for the six months ended 31 December 2020	-	-	-	-	-	-	1,625,449	1,625,449
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Effect on deferred tax due to change in proportion of local and export sales	-	-	-	-	-	-	1,625,449	1,625,449
Effect on deferred tax due to change in proportion of local and export sales	-	-	-	-	-	(13,264)	-	(13,264)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	(113,038)	113,038	-
Balance as at 31 December 2020 - un-audited	10,983,462	-	6,060,550	528,263	6,588,813	3,540,854	15,048,630	36,161,759

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited) FOR SIX MONTHS ENDED DECEMBER 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 These condensed interim consolidated financial statements comprises the condensed interim consolidated statement of financial position of the Group, as at 31 December 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 flow and condensed interim consolidated statement of changes in equity together with the notes forming part thereof.

These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 June 2020. Comparative numbers of condensed interim consolidated statement of financial position are extracted from the annual consolidated audited financial statements of the Group for the year ended 30 June 2020, whereas comparatives of condensed interim consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flow and consolidated statement of changes in equity are stated from unaudited condensed interim consolidated financial statements of the Group for the six months period ended 31 December 2019.

2.1.3 These condensed interim consolidated financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

2.1.4 These condensed interim consolidated financial statements are presented in Pakistan Rupees which is the Group's functional currency and all financial information presented has been rounded off to the nearest rupees, except otherwise stated.

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 Group'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 and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are same as those applied in the preparation of the consolidated financial statements for the year ended 30 June 2020 except for the following:

4.1 Government Grants

Government grants related to benefit of below market interest are recognized and presented in the statement of financial position as 'deferred grant', which is being measured as the difference between the initial carrying value of the loan (i.e fair value of the loan) and the proceeds received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as part of profit or loss, as a deduction from the related expenses.

- 4.2 The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

Effective date
(accounting period
beginning on or
after)

Amendments and interpretations of approved accounting standards

- | | |
|-----------------------------------------------------------------------------------------------------|-----------------|
| - Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 -Interest Rate Benchmark Reform - Phase 2 | 01 January 2021 |
| - Amendment to IAS 37 - Onerous Contracts - Cost of fulfilling a contract and Errors (Amendments) | 01 January 2022 |

Annual Improvements to IFRS standards 2018-2020:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| - Amendment to IFRS 9 - Assessment of derecognition of a financial liability | 01 January 2022 |
| - Amendment to IFRS 16 - Exclusion of illustration of reimbursement of leasehold improvements by the lessor | 01 January 2022 |
| - Amendment to IAS 41 - Exclusion of taxation cash flows when measuring the fair value of a biological asset using a present value technique | 01 January 2022 |
| - Amendments to IAS 16 - Property, Plant and Equipment - Proceeds before intended use | 01 January 2022 |
| - Amendment to IFRS 3 - Business Combinations | 01 January 2022 |
| - Amendment to IFRS 4 - Insurance Contracts - Extension of the Temporary Exemption from Applying IFRS 9 | 01 January 2022 |
| - Amendments to IAS 1 - Classification of liabilities as current or non-current | 01 January 2022 |
| - Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 01 January 2022 |

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

		Un-audited December 31, 2020	Audited June 30, 2020	Un-audited December 31, 2020	Audited June 30, 2020
	Note	Number of shares		(Rupees in thousand)	
(30 June 2020: 860,972,162) ordinary shares of Rs. 10 each fully paid in cash	5.1	860,972,162	860,972,162	8,609,721	8,609,721
(30 June 2020: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		35,834,100	35,834,100	358,341	358,341
(30 June 2020: 46,069,400) ordinary shares of Rs. 10 each issued as fully, paid bonus shares		46,069,400	46,069,400	460,694	460,694
(30 June 2020: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.2	153,846,153	153,846,153	1,538,462	1,538,462
(30 June 2020: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	5.3	1,624,417	1,624,417	16,244	16,244
		<u>1,098,346,232</u>	<u>1,098,346,232</u>	<u>10,983,462</u>	<u>10,983,462</u>

- 5.1** During the financial year ended 30 June 2020, the Holding Company issued 504,645,556 ordinary shares at the rate of Rs. 12 per share (including share premium of Rs.2 per share). The same was approved by Board of Directors ("the Board") and shareholders in their meeting held on 19 September 2019 and 26 October 2019 respectively.
- 5.2** During the financial year ended 30 June 2011, the Holding Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Ultimate Holding Company, after complying with all procedural requirements in this respect.
- 5.3** 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.
- 5.4** 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 Holding Company.
- 5.5** Directors of the Holding Company hold 96,706 (30 June 2020: 96,706) ordinary shares of Rs. 10 each of the Holding Company.

Un-audited
December 31,
2020
(Rupees in thousand)

Audited
June 30,
2020

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

Gross surplus

At beginning of the period / year	4,944,623	5,058,008
Surplus on revaluation during the period / year		
- net of deferred tax	-	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	(113,038)	(212,642)
Related deferred tax liability	(42,766)	(83,699)
At end of the period / year	4,788,819	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	(42,766)	(83,699)
Effect of change in tax rate due to proportion of local and export sales	13,264	150,601
At end of the period / year	1,247,965	1,277,467
	3,540,854	3,667,156

7. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Note	Sanctioned Limit	Un-audited December 31, 2020	Audited June 30, 2020	Remaining tenure of principal repayments

- 7.1 There is no change in markup rates, terms and securities related to the existing loans as disclosed in note 8 to the audited consolidated financial statements of the Group for the year ended 30 June 2020.
- 7.2 The Group has obtained this loan to finance salaries and wages of permanent, contractual, daily wagers as well as outsourced employees for the months from April 2020 to September 2020 as explained in note 8 to these condensed interim consolidated financial statements. The loan is secured by the way of 1st pari passu charge over all fixed assets of the Holding Company with 25% margin.
- 7.3 This represents loan obtained during the year to finance import and setting up new waste heat recovery plant (WHRP). The loan is secured by the way of ranking hypothecation charge of Rs. 310 million, with 25% margin, over all present and future fixed assets (excluding land and building) of the Group. This loan carries markup at the rate of 3-Month KIBOR plus 75bps, payable quarterly in arrears.
- 7.4 This represents loan obtained during the year to purchase machinery / equipment from local market and for the construction and installation of above mentioned plant (WHRP). The loan is secured by the way of 1st join pari passu charge over all present and future fixed assets of the Holding Company with 25% margin, amounting to Rs. 4,667 million. This loan carries markup at the rate of 3-Month KIBOR plus 75bps, payable quarterly in arrears.

	Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
8. DEFERRED GRANT		
Balance as at 01 July	-	-
Recognized during the year	60,941	-
Amortization during the year	(12,073)	-
Balance as at 31 December	48,868	-
Current portion	(36,928)	-
Non - current portion	11,940	-

As mentioned in note 7.2 to these condensed interim consolidated financial statements, the Group borrowed Rs. 853.26 million under “SBP refinance scheme for payment of salaries and wages” for paying salaries for the months from April 2020 to September 2020. The facility carries mark-up at the rate specified by the State Bank of Pakistan plus relevant bank’s spread of 0.5% to 1% per annum. The loan has been measured at fair value in accordance with IFRS 9 “Financial Instruments” using market rate of return. 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 December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
9. PAYABLE TO GOVERNMENT AUTHORITY	Note		
Payable to government authority		348,115	399,322
Less: Current maturity of payable to government authority	10.1	(225,111)	(166,384)
	9.1	123,004	232,938

- 9.1** This represents non-current portion of Gas Infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL). During previous years, the Group, along with various other companies had challenged the legality and validity of levy and demand of GIDC in Honorable Lahore High Court which was pending adjudication as at 30 June 2020. However, during the period, Supreme Court of Pakistan vide judgement dated 13 August 2020, while dismissing appeals filed by various industrial and commercial entities with respect to the legality and validity of levy and demand of GIDC, decided the case in favor of SNGPL. Now the Group is to pay the balance amount of GIDC in 24 equal monthly installments. This liability has been recognized at fair value using discount rate of 8.31% per annum and the difference between the fair value and the total amount of liability is recognized in profit or loss account as other income. Subsequent to initial recognition, the effect of unwinding of liability is recognized in profit or loss account as finance cost.

		Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
10. TRADE AND OTHER PAYABLES	Note		
Trade creditors		3,329,032	3,257,091
Due to holding company - unsecured		-	35,528
Bills payable - secured		1,407,417	750,472
Contract liabilities		223,694	236,220
Accrued liabilities	10.1	832,759	647,804
Payable to Workers' Profit Participation Fund		1,396,817	1,284,355
Payable to Workers' Welfare Fund		37,225	4,844
Payable to Provident Fund Trust		15,816	1,116
		7,242,760	6,217,430
Payable to Government on account of:			
Federal Excise Duty payable		746,673	961,578
Royalty and Excise Duty payable		61,503	55,859
Sales Tax payable - net		301,340	279,845
Electricity Duty		112,919	92,296
Other taxes payable		233,295	213,095
		1,455,730	1,602,673
Contractors' retention money		129,685	271,258
Payable against redemption of preference shares		1,016	1,016
Security deposits repayable on demand		62,647	64,101
Other payables		776	19,053
		194,124	355,428
		8,892,613	8,175,531

- 10.1 This includes current portion of discounted GIDC payable as at 31 December 2020, amounting to Rs. 225.11 million (30 June 2020: Rs. 166.38 million), as explained in note 9 to these condensed interim consolidated financial statements.

11. CONTINGENCIES AND COMMITMENTS

11.1 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 except as disclosed below:

Competition Commission of Pakistan, vide order dated 27 August 2009, has imposed penalty on twenty cement factories of Pakistan at the rate of 7.5% of the turnover value. The Commission imposed penalty amounting to Rs. 586.19 million on the Group. The Commission alleged that provisions of section 4(1) of the Competition Commission Ordinance, 2007 have been violated. However, after the abeyance of Honorable Islamabad High Court pursuant to the judgment of Honorable Supreme Court of Pakistan dated 31 July 2009, the titled petition has become infructuous and the Group has filed a writ petition no. 15618/2009 before the Honorable Lahore High Court (LHC).

During the period, LHC vide its order dated 26 October 2020 decided the writ petition challenging the vires of the law against the Group and the appeal impugning the levy of penalty vide order dated 28 August 2009 has been referred to the Tribunal to decide the same after issuance of notice to the Group. No notice from the Tribunal has been received by the Group yet. The Group has challenged decision of LHC before the Honorable Supreme Court of Pakistan which is pending adjudication.

No provision has been made in these condensed interim consolidated financial statements as the management and the Group's legal advisor are confident that the ultimate outcome of this case will be in favor of the Group.

- 11.2 Guarantees given by banks on behalf of the Group are of Rs. 686.91 million (30 June 2020: Rs. 789.01 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

11.3 Commitments

11.3.1 In respect of:

- capital expenditure
- spare parts
- irrevocable letters of credit for spare parts

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

Audited
June 30,
2020

1,010,581	5,088
34,053	52,227
94,229	215,483
<u>1,138,863</u>	<u>272,798</u>

	Note	Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
12. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	12.1	46,961,156	48,614,403
Capital work in progress - at cost	12.2	1,371,262	871,386
Stores and spares held for capitalization		61,935	54,047
		<u>48,394,353</u>	<u>49,539,836</u>
12.1 Operating fixed assets			
Balance at beginning of the period / year		48,614,404	51,608,025
Add: Additions during the period / year	12.1.1	182,538	450,207
Revaluation adjustment		-	341,643
		<u>48,796,942</u>	<u>52,399,875</u>
Less: Book value of operating assets disposed - off during the period / year		-	31,602
Revaluation adjustment		-	156,549
Depreciation charge during the period / year		1,835,786	3,597,321
		<u>46,961,156</u>	<u>48,614,403</u>
12.1.1 Additions during the period / year:			
- buildings on freehold land		-	153,015
- plant and machinery		177,231	266,954
- furniture, fixtures and equipment		5,307	12,216
- roads, bridges and railway sidings		-	527
- quarry equipment		-	14,853
- vehicles		-	2,642
		<u>182,538</u>	<u>450,207</u>
12.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		871,386	428,416
Additions during the period / year	12.2.2	499,876	556,955
Less: Transfers during the period / year		-	(113,985)
At end of the period / year	12.2.1	<u>1,371,262</u>	<u>871,386</u>

Un-audited
December 31,
2020
(Rupees in thousand)

Audited
June 30,
2020

12.2.1 Capital work-in-progress - at cost

Civil works	20,512	6,089
Buildings	371,512	203,372
Plant and machinery	372,474	318,413
Roads and bridges	314,639	314,629
Advance to supplier against:		
- civil works	1,684	415
- plant and machinery	263,591	28,468
- vehicles	26,850	-
	1,371,262	871,386

12.2.2 This includes capitalization of markup on loan obtained to finance import and setting up new waste heat recovery plant (WHRP) of Rs. 1.24 million (30 June 2020: Nil).

Un-audited
December 31,
2020
(Rupees in thousand)

Audited
June 30,
2020

13. TRADE DEBTS

Export debtors

Considered good - unsecured	8,595	26,051
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Local debtors

Considered good - unsecured	1,903,158	3,026,079
Considered doubtful - unsecured	218,932	180,689
Less: Provision for expected credit losses	(218,932)	(180,689)
	1,903,158	3,026,079
	1,911,753	3,052,130

	Un-audited December 31, 2020 (Rupees in thousand)	Audited June 30, 2020
14. Short term investments		
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. 9.22 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		
At beginning of the period / year	(4,755)	(12,113)
Fair value gain for the period / year	5,872	7,358
At the end of period / year	1,117	(4,755)
Fair value at the end of period / year	31,117	25,245
Investment at amortized cost - debt instrument		
Term deposit receipts 14.1	94,500	50,000
	125,617	75,245

14.1 This represents term deposits having maturity of one year and carries mark-up ranges from 6.5% to 7.2% per annum. (30 June 2020: 7.2%).

15. OTHER RECEIVABLES

This includes due from the ultimate Holding Company amounting to Rs. 23.65 million (30 June 2020: Nil).

Half year ended (Un-audited)
December 31, December 31,
2020 2019
(Rupees in thousand)

16. SALES - NET

Gross local sales	23,514,713	25,725,835
Less:		
Federal Excise Duty	(3,558,935)	(5,433,986)
Sales Tax	(3,857,344)	(4,492,436)
Discount	(252,871)	(308,057)
Commission	(107,468)	(122,151)
	(7,776,618)	(10,356,630)
Net local sales	15,738,095	15,369,205
Export sales	882,704	813,088
	16,620,799	16,182,293

16.1 Disaggregation of Revenue (Gross sales)

Primary Geographical Markets

Pakistan	23,514,713	25,725,835
Afghanistan	786,580	509,029
Mozambique	1,792	1,797
Oman	22,080	34,509
Qatar	4,258	2,623
Seychelles	52,821	79,512
Sri Lanka	2,403	-
Tanzania	12,770	42,239
Comoros	-	41,573
Madagascar	-	100,947
Nigeria	-	859
	24,397,417	26,538,923

		Half year ended (Un-audited)	
		December 31, 2020	December 31, 2019
		(Rupees in thousand)	
17. COST OF SALES	Note		
Raw materials consumed		1,103,754	1,278,313
Packing materials consumed		1,393,639	1,776,035
Fuel		5,723,792	7,309,683
Power and associated costs		1,021,252	1,545,312
Stores, spare parts and loose tools consumed		436,860	776,098
Water charges		66,213	87,001
Salaries, wages and other benefits		642,660	709,146
Rent, rates and taxes		1,098	39,352
Insurance		45,168	52,210
Repairs and maintenance		174,236	212,609
Depreciation		1,805,239	1,772,100
Amortization		846	837
Vehicles running and maintenance		82,531	117,475
Freight and forwarding		277,695	329,545
Other expenses		56,044	79,564
		12,831,027	16,085,280
Work in process:			
At beginning of the period		903,521	928,144
At end of the period		(883,214)	(1,432,638)
		20,307	(504,494)
Cost of goods manufactured		12,851,334	15,580,786
Finished goods:			
At beginning of the period		575,503	500,060
At end of the period		(490,005)	(516,705)
		85,498	(16,645)
Cost of sales		12,936,832	15,564,141
18. FINANCE COST			
Profit / interest / mark up on:			
- Long term loans from financial institutions	18.1	476,417	1,219,040
- Short term borrowings		221,588	413,714
		698,005	1,632,754
Notional interest on unwinding of retention money payable		13,379	13,342
Notional interest on unwinding of payable to government authority		10,217	-
Bank and other charges		21,654	23,276
		743,255	1,669,372

18.1 This includes amortization of government grant amounting to Rs.12.07 million (30 June 2020: Nil)

19. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

19.1 Basic earnings / (loss) per share

	Unit	Half year Un-audited December 31, 2020	Half year Un-audited December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
Profit / (loss) after taxation	Rupees in '000	1,625,449	(1,767,084)	1,070,267	(784,723)
Weighted average number of ordinary shares	No. of shares in '000	1,098,346	731,047	1,098,346	773,342
	Rupees	1.48	(2.42)	0.97	(1.01)
19.2 Weighted average number of ordinary shares					
Number of shares as at 01 July (in '000)		1,098,346	593,701	1,098,346	593,701
Add: Impact on weighted average number of shares due to right shares during the period (in '000)		-	137,346	-	179,641
		1,098,346	731,047	1,098,346	773,342

19.3 There is no dilution effect on the basic earnings / (loss) per share.

Half year ended (Un-audited)
December 31, December 31.
2020 2019
(Rupees in thousand)

20. CASH AND CASH EQUIVALENTS

Short term running finance	(625,554)	(1,535,093)
Temporary bank overdraft - unsecured	(86,965)	-
Term deposit receipts	-	324,868
Islamic mode of financing - Murabaha	(152,586)	-
Cash and bank balances	419,266	914,816
	(445,839)	(295,409)

21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

		December 31, 2020						
		Carrying Amount (Un-audited)				Fair Value (Un-audited)		
		Fair Value through profit or loss	Financial assets at amortized costs	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note		----- (Rupees in thousand) -----						
On-Balance sheet financial instruments								
Financial assets measured at fair value								
Short term investment		31,117	-	-	31,117	31,117	-	-
		<u>31,117</u>	<u>-</u>	<u>-</u>	<u>31,117</u>	<u>31,117</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value								
Cash and bank balances		-	419,266	-	419,266	-	-	-
Long term loans to employees		-	28,592	-	28,592	-	-	-
Short term investment - term deposit receipt		-	94,500	-	94,500	-	-	-
Margin and short term deposits		-	176,185	-	176,185	-	-	-
Other receivables		-	63,665	-	63,665	-	-	-
Accrued profit		-	4,111	-	4,111	-	-	-
Long term deposits		-	56,855	-	56,855	-	-	-
Trade debts		-	1,911,753	-	1,911,753	-	-	-
21.1		<u>-</u>	<u>2,754,927</u>	<u>-</u>	<u>2,754,927</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value								
		-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Long term loans from financial institution - secured		-	-	12,393,457	12,393,457	-	-	-
Long term deposits		-	-	8,314	8,314	-	-	-
Retention money payable		-	-	379,448	379,448	-	-	-
Payable to Government authority		-	-	348,115	348,115	-	-	-
Trade and other payables		-	-	5,538,221	5,538,221	-	-	-
Unclaimed dividend		-	-	28,953	28,953	-	-	-
Mark-up accrued on borrowings		-	-	269,157	269,157	-	-	-
Short term borrowing		-	-	2,499,765	2,499,765	-	-	-
21.1		<u>-</u>	<u>-</u>	<u>21,465,430</u>	<u>21,465,430</u>	<u>-</u>	<u>-</u>	<u>-</u>

June 30, 2020							
	Carrying Amount (Audited)			Fair Value (Audited)			
	Fair Value through profit or loss	Financial assets at amortized costs	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note	----- (Rupees in thousand) -----						
On-Balance sheet financial instruments							
Financial assets measured at fair value							
Short term investment	25,245	-	-	25,245	25,245	-	-
	25,245	-	-	25,245	25,245	-	-
Financial assets not measured at fair value							
Cash and bank balances	-	1,058,882	-	1,058,882	-	-	-
Long term loans to employees	-	30,705	-	30,705	-	-	-
Short term investment - term deposit receipt	-	50,000	-	50,000	-	-	-
Margin and short term deposits	-	186,928	-	186,928	-	-	-
Other receivables	-	35,672	-	35,672	-	-	-
Accrued profit	-	3,168	-	3,168	-	-	-
Long term deposits	-	56,420	-	56,420	-	-	-
Trade debts	-	3,052,130	-	3,052,130	-	-	-
21.1	-	4,473,905	-	4,473,905	-	-	-
Financial liabilities measured at fair value							
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Financial liabilities not measured at fair value							
Long term loans from banking companies - secured	-	-	12,331,058	12,331,058	-	-	-
Long term deposits	-	-	8,664	8,664	-	-	-
Retention money payable	-	-	366,069	366,069	-	-	-
Payable to government authority	-	-	399,322	399,322	-	-	-
Trade and other payables	-	-	4,844,411	4,844,411	-	-	-
Unclaimed dividend	-	-	48,053	48,053	-	-	-
Mark-up accrued on borrowings	-	-	509,934	509,934	-	-	-
Short term borrowings	-	-	7,181,815	7,181,815	-	-	-
21.1	-	-	25,689,326	25,689,326	-	-	-

21.1 The Group has not disclosed the fair values of these financial assets and liabilities as their carrying values are reasonable approximation of fair values.

21.2 Freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations were conducted by the valuation experts appointed by the Group as at 30 June 2020. The valuation experts used a market based approach to arrive at the fair value of the Group's properties. For revaluation of freehold land fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. In case of buildings on freehold land, roads, bridges and railway sidings, construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the

current assessed market value. For revaluation of plant and machinery, suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these condensed interim consolidated financial statements.

22. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	December 31, 2020 (Un-audited)					
	Dividend Payable	Long term financing	Deferred government grant	Short term borrowing	Accrued markup	Total
----- (Rupees in thousand) -----						
As at 30 June 2020	48,053	12,331,058	-	7,181,815	509,934	20,070,860
Changes from financing cash flows						
Dividend paid	(19,100)	-	-	-	-	(19,100)
Finance cost paid	-	-	-	-	(960,436)	(960,436)
Proceeds of short term borrowings - net	-	-	-	(4,502,414)	-	(4,502,414)
Repayment of long term financing - net	-	111,267	-	-	-	111,267
Total changes from financing cash flows	(19,100)	111,267	-	(4,502,414)	(960,436)	(5,370,683)
Other changes						
Change in short term running finance - net	-	-	-	(324,232)	-	(324,232)
Impact of government grant	-	(48,868)	48,868	-	-	-
Finance cost	-	-	-	-	743,255	743,255
Notional interest on unwinding of retention money	-	-	-	-	(13,379)	(13,379)
Notional interest on unwinding of payable to government authority	-	-	-	-	(10,217)	(10,217)
Total liability related other changes	-	(48,868)	48,868	(324,232)	719,659	395,427
As at 31 December 2020	28,953	12,393,457	48,868	2,355,169	269,157	15,095,604

	December 31, 2019 (Un-audited)					
	Dividend Payable	Long term financing	Share Deposit Money	Short term borrowing	Accrued markup	Total
----- (Rupees in thousand) -----						
As at 30 June 2019	40,564	17,305,362	-	4,693,036	583,027	22,621,989
Changes from financing cash flows						
Dividend paid	(285,865)	-	-	-	-	(285,865)
Finance cost paid	-	-	-	-	(1,490,939)	(1,490,939)
Proceeds of short term borrowings - net	-	-	-	1,277,294	-	1,277,294
Repayment of long term financing - net	-	(3,352,733)	-	-	-	(3,352,733)
Share deposit money received	-	-	6,055,747	-	-	6,055,747
Total changes from financing cash flows	(285,865)	(3,352,733)	6,055,747	1,277,294	(1,490,939)	2,203,504
Other changes						
Final cash dividend	296,850	-	-	-	-	296,850
Change in short term running finance - net	-	-	-	225,130	-	225,130
Finance cost excluding unwinding of retention money	-	-	-	-	1,656,030	1,656,030
Total liability related other changes	296,850	-	-	225,130	1,656,030	2,178,010
As at 31 December 2019	51,549	13,952,629	6,055,747	6,195,460	748,118	27,003,503

23. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of the Holding Company, the Subsidiary Company, directors of the Company, key management personnel and close family members of directors and other key management personnel, and post employment retirement plan. Amount due from and due to related parties are shown under respective notes. Other significant transactions with related parties except those disclosed elsewhere are as follows:

			Half year ended (Un-audited)	
			December 31, 2020	December 31, 2019
Name of parties	Relationship	Transactions	(Rupees in thousand)	
a) Kohinoor Textile Mills Limited	Holding Company (55.22% equity held)	Sale of goods and services	64,578	77,862
		Expenses paid by related party on behalf of the holding company	8,589	13,476
		Markup charged by holding company	-	6,685
		Dividend paid	-	163,918
		Funds received during the period	-	870,000
		Funds paid during the period	-	600,000
b) Key management personnel		Remuneration and other benefits	95,462	86,485
c) Employee benefits				
Gratuity	Post employment benefit plan	Contribution	18,236	9,106
Provident Fund Trust	Employees benefit fund	Contribution	85,033	77,447

23.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Group considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel.

Name	Relationship	% of shareholding in the Group
Mr. Tariq Sayeed Saigol	Director / Key management personnel	0.0030%
Mr. Sayeed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Taufique Sayeed Saigol	Director / Key management personnel	0.0015%
Mr. Waleed Tariq Saigol	Director / Key management personnel	0.0010%
Mr. Danial Taufique Saigol	Director / Key management personnel	0.0005%
Mr. Jahanara Saigol	Director / Key management personnel	0.0002%
Mr. Shafiq Ahmed Khan	Director / Key management personnel	0.0014%
Mr. Zulfikar Monnoo	Director / Key management personnel	0.0003%
Mr. Syed Mohsin Raza Naqvi	Director / Key management personnel	N/A
Mr. Sohail Sadiq	Key management personnel	N/A
Mr. Yahya Hamid	Key management personnel	N/A
Mr. Amir Feroze	Key management personnel	N/A
Mr. Zeeshan Malik Bhutta	Key management personnel	N/A
Mr. Nasir Iqbal	Key management personnel	N/A
Mr. Tariq Ahmed Mir	Key management personnel	N/A
Mr. Amer Bilal	Key management personnel	N/A
Mr. Muhammad Sajjad	Key management personnel	N/A
Mr. Muhammad Basharat	Key management personnel	N/A

24. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on February 24, 2021 by the Board of Directors of the Group.

25. 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