

1st quarterly
report
september 30
2021





At Maple Leaf we connect black as a colour of creativity, it's poetic. As a leader we must be creative and encourage the creativity and innovation of our team members too. Nothing is purer than something completely black-a blanket of spirituality comes to mind. Maple Leaf Cement sees the world in situational shades of black rather than as a completely black and white world.

When things are in black, there is a finality and a commitment to us. As a leader our intentions must be pure, our ethics must be in check, and we must be as transparent to others in our thoughts and actions as possible. As leaders we are committed, hold firm to commitments and lead from that foundation. That commitment level makes things clearer for us from darkness.

Therefore easier for us to lead and more consistent for others resulting black consciousness which is an attitude of the mind and a way of life, the most positive call to emanate from the new corporate world because stars can't shine without darkness.

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COMPANY INFORMATION

Board of Directors

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

Executive Directors

Mr. Sohail Sadiq	Finance
Mr. Yahya Hamid	Marketing

Audit Committee

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

Human Resource & Remuneration Committee

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

Chief Financial Officer

Syed Mohsin Raza Naqvi

Company Secretary

Mr. Muhammad Ashraf

Chief Internal Auditor

Mr. Zeeshan Malik Bhutta

Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Albaraka Bank (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 three months of financial year 2021-22, ended 30th September 2021.

During the period under review, the Company recorded net consolidated turnover of Rs. 9,896 million against Rs. 7,521 million in the corresponding period last year. The top line of the Company increased by 32% mainly due to improvement in selling prices in the local market. Growth in construction sector is directly related to economic activity post Covid and higher GDP growth, particularly in developing countries like Pakistan. In continuation of its growth policies, Government of Pakistan enhanced PSDP budget by 38% in the Federal Budget for FY 2021-22 with special emphasis on regional connectivity, investment on building large dams and water conservation systems. The budget allocates portions to the National Highway Authority for the construction of roads and bridges, Naya Pakistan Housing Program, Dasu, Diamir-Bhasha, Mohmand and Neelum Jhelum dams and their colonies. However, due to slow implementation of the large scale projects in addition to the prolonged rainy season and Eid holidays during the period, resulted insignificance growth in cement consumption in local markets was observed.

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

Particulars	(July to September)		Variance	
	2021	2020	Change	Percentage
	(----- M. Tons -----)			
Production:				
Clinker Production	1,200,422	1,206,738	(6,316)	(0.52 %)
Cement Production	1,137,633	1,180,706	(43,073)	(3.65 %)
Sales:				
Domestic	1,094,331	1,094,079	252	0.02%
Exports	41,189	82,968	(41,779)	(50.36%)
	<u>1,135,520</u>	<u>1,177,047</u>	<u>(41,527)</u>	<u>(3.53%)</u>

Total Sales volume of 1,135,520 tons achieved depicts a decrease of 3.53% over 1,177,047 tons sold during the corresponding period last year. Domestic sales volume was 1,094,331 tons depicting the same level of demand in local market as was witnessed in corresponding period last year.

The Company's export volumes decreased by almost 50.36% to reach 41,189 metric tons. This decline is mainly attributable to Afghanistan market due to the slow economic activity post American exodus from the country and low margins.

During the quarter under review, global coal and oil prices further escalated sharply due to growth in global industrial activity on account of buoyancy in post Covid demand. Coal and pet coke prices are currently at an unprecedented high level and still contain the uncertainty to predict its outlook. Further, devaluation of Pak Rupee by approximately 8% during the quarter under review resulted in pressure on fuel and power costs of the Company that is mainly based on imported coal and pet coke. However, the Company was able to keep its fuel and power costs under control by increased use of pet coke which is cost effective due to higher energy content and earlier purchases of coal and pet coke at cheaper rates. Further, the Company is benefitting from lower inland transportation costs through transport via railway network resulting in reasonable savings.

The Company was successfully able to complete its Waste Heat Recovery Project of 9MW on newly installed cement line 3, during the period. This will contribute to the Company's efforts to reduce its power cost in upcoming times of high inflation. Waste Heat Recovery Plant is now representing one third of the power mix.

On account of aforementioned factors impacting cost of production, the Company achieved consolidated gross profit of Rs. 2,207 million during the reporting period, an increase of 50% from Rs. 1,472 million in the corresponding period last year.

The Company recorded consolidated pre-tax profit of Rs. 1,112 million for the reporting period against consolidated pre-tax profit of Rs. 677 million in corresponding period. Consolidated tax component amounted to a charge of Rs. 273 million for the reporting period as compared to Rs. 122 million in the corresponding period.

Profits earned from MLPL are exempt from charge of income tax and amounted to Rs. 283 million for the first three months of financial year 2021-22.

The above factors have increased post-tax bottom line for the reporting period at a consolidated profit of Rs. 839 million as against Rs. 555 million for corresponding period last year, an increase of 51%.

During the period under review, monetary policy rate was reviewed by the State Bank of Pakistan (SBP) and it was enhanced from 7% to 7.25% as part of measures to mitigate the adverse impacts of COVID-19 on Pakistan's economy and to ease inflation. The Temporary Economic Refinance Facility (TERF) launched under the directives of the SBP has lent sustainable financial support to the Company by helping it avail long term borrowing at attractive mark-up rates to purchase imported and local manufactured plant and machinery and setting up new projects.

To get benefit from the upcoming demand of cement, the Company has already started its capacity enhancement project i.e. Line 4 (7000 tpd) at its existing plant site. The construction work is underway with satisfying pace and approximately four shipments of plant and machinery have arrived at construction site till to date. The said project is being financed with a mix of concessionary debt and internally generated cash during the period. Management is targeting to achieve COD in 2QFY23.

Further, to control the upcoming inflationary trend in power cost, the Company has already started to commission a solar power plant of 5MW which is expected to be completed in 3rd Quarter of FY 2022.

FUTURE OUTLOOK

Going forward, we expect cement demand in the domestic market to rise for the upcoming financial year due to Government announcement of a comprehensive package to boost construction activities in Pakistan which include provision of subsidized housing finance scheme, 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 is expected to 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.

However, high coal rates rising in international markets coupled with high sea freight rates, stumbling Pak Rupee against US\$, rising SBP discount rate and gas shortage in international markets will put pressure on the input costs of cement. Moreover, due to mounting pressure on the Government to meet IMF conditions, the Government intends to increase power tariffs and streamline fuel price adjustments to prevent accumulation of future power sector arrears. As a consequence, National Grid prices are expected to rise, which will result in increased power costs for the Company. To partially mitigate the above mentioned cost escalation factors, the Company is working on installation of further renewable energy resources to reduce reliance on National Grid at minimum.

The worsening Law and Order situation in Afghanistan, post American evacuation, poses a threat to regional stability. The spillover effect of the conflict will continue to disrupt the exports of cement from Pakistan to Afghanistan.

ACKNOWLEDGEMENT

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

For and on behalf of the Board



(Syed Mohsin Raza Naqvi)
Director



(Sayeed Tariq Saigol)
Chief Executive Officer

Lahore
October 21, 2021

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

	Note	Un-audited September 30, 2021	Audited June 30, 2021
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital	5	15,000,000	15,000,000
Issued, subscribed and paid-up share capital	5	10,983,462	10,983,462
Capital reserves		6,588,813	6,588,813
Accumulated profits		17,576,813	16,880,291
Surplus on revaluation of fixed assets - net of tax	6	2,950,570	3,089,975
		38,099,658	37,542,541
NON - CURRENT LIABILITIES			
Long term loans from financial institution - secured	7	10,964,017	11,636,749
Deferred grant		132,895	49,569
Long term loan from Subsidiary Company		1,000,000	1,000,000
Long term deposits		8,214	8,214
Deferred taxation		4,018,621	3,889,907
Retention money payable		398,651	391,694
Payable to government authority		-	42,890
Retirement benefits		235,774	228,266
		16,758,172	17,247,289
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institution - secured	7	2,493,376	1,704,612
- Deferred grant		60,088	49,997
Trade and other payables	8	7,666,789	7,511,637
Unclaimed dividend		27,994	28,134
Mark-up accrued on borrowings		290,245	260,953
Short term borrowings		4,637,605	1,894,115
		15,176,097	11,449,448
CONTINGENCIES AND COMMITMENTS			
	9		
		70,033,927	66,239,278

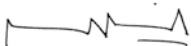
The annexed notes from 1 to 20 form an integral part of this unconsolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

	Note	Un-audited September 30, 2021	Audited June 30, 2021
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	44,889,454	44,215,539
Intangible assets		5,512	6,017
Long term investment	11	5,020,000	5,020,000
Long term loans to employees - secured		19,356	17,004
Long term deposits		57,302	57,302
		49,991,624	49,315,862
CURRENT ASSETS			
Stores, spare parts and loose tools		11,327,679	9,738,717
Stock-in-trade		2,694,966	2,150,183
Trade debts	12	2,165,891	1,679,704
Loans and advances		518,205	481,492
Short term investment		168,666	149,148
Short term deposits and prepayments		401,214	225,040
Accrued profit		7,523	6,061
Other receivables		176,809	165,835
Advance income tax - net of provision		1,936,452	1,836,907
Cash and bank balances		644,898	490,329
		20,042,303	16,923,416
		70,033,927	66,239,278


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	Three Months Period Ended	
		September 30, 2021	September 30, 2020
		(Rupees in thousand)	
Sales - net	13	9,895,557	7,520,858
Cost of sales	14	(7,966,856)	(6,285,388)
Gross profit		1,928,701	1,235,470
Distribution cost		(399,531)	(169,299)
Administrative expenses		(215,562)	(195,166)
Other charges		(163,876)	(33,326)
		(778,969)	(397,791)
Other income		11,165	44,810
Profit from operations		1,160,897	882,489
Finance cost	15	(330,223)	(469,470)
Profit before taxation		830,674	413,019
Taxation		(268,064)	(103,614)
Profit after taxation		562,610	309,405
		(----- Rupees -----)	
Earnings per share - basic and diluted		0.51	0.28

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Three Months Period Ended	
	September 30, 2021	September 30, 2020
Profit after taxation	562,610	309,405
Other comprehensive income	-	-
Total comprehensive income for the period	562,610	309,405

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	September 30,	September 30,
		2021	2020
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		830,674	413,019
Adjustments for:			
Depreciation	10.1	787,776	840,302
Amortization		505	1,145
Provision for Workers' Profit Participation Fund		44,592	22,313
Provision for Workers' Welfare Fund		17,365	8,925
Provision for doubtful debt		23,407	-
Loss / (Gain) on disposal of property, plant and equipment		18	-
Loss / (Gain) on re-measurement of short term investments at fair value		8,242	(12,049)
Retirement benefits		15,473	19,097
Profit on bank deposits		(3,223)	(4,717)
Finance cost	15	330,223	469,470
Cash generated from operations before working capital changes		2,055,052	1,757,505
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(1,588,962)	914,661
Stock-in-trade		(544,783)	(147,944)
Trade debts		(509,594)	543,718
Loans and advances		(36,713)	(81,324)
Short term deposits and prepayments		(176,174)	(66,658)
Other receivables		(10,973)	(24,643)
		(2,867,199)	1,137,810
Increase in current liabilities			
Trade and other payables		46,631	15,138
		(2,820,568)	1,152,948
Net cash (used in) / generated from operations		(765,516)	2,910,453
Increase in long term loans to employees		(2,352)	(118)
Retirement benefits paid		(8,750)	(5,041)
Taxes paid		(243,603)	(171,976)
Net cash (used in) / generated from operations		(1,020,221)	2,733,318
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		(1,463,009)	(166,380)
Proceeds from disposal of property, plant and equipment		1,300	-
Increase in long term deposits and prepayments		-	(5)
Short term investment		(27,760)	(44,500)
Profit on bank deposits received		1,761	3,971
Net cash used in investing activities		(1,487,708)	(206,914)
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition / (Repayment) of long term loans from financial institution - secured - net		209,450	(253,934)
(Repayment) / Acquisition of short term borrowings - net		2,321,111	(2,752,554)
Finance cost paid		(290,301)	(651,315)
Dividend paid		(140)	(19,346)
Net cash generated from / (used in) financing activities		2,240,120	(3,677,149)
Net decrease in cash and cash equivalents		(267,809)	(1,150,745)
Cash and cash equivalents at beginning of the period		279,802	209,516
Cash and cash equivalents at end of the period	16	11,993	(941,229)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

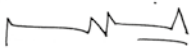

DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Share Capital	Capital Reserves				Revenue Reserves	Total Equity
		Share premium	Capital redemption reserve	Sub-Total	Surplus on revaluation of fixed assets - net of tax	Accumulated profits	
..... Rupees in thousand							
Balance as at 30 June 2020 - audited	10,983,462	6,060,550	528,263	6,588,813	3,615,330	10,133,226	31,320,831
Total comprehensive income for the period							
Profit for the period ended 30 September 2020	-	-	-	-	-	309,405	309,405
Other comprehensive income for the period ended 30 September 2020	-	-	-	-	-	-	-
	-	-	-	-	-	309,405	309,405
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(53,786)	53,786	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	1,255	-	1,255
Balance as at 30 September 2020 - unaudited	10,983,462	6,060,550	528,263	6,588,813	3,562,799	10,496,417	31,631,491
Balance as at 30 June 2021 - audited	10,983,462	6,060,550	528,263	6,588,813	3,089,975	16,880,291	37,542,541
Total comprehensive income for the period							
Profit for the period ended 30 September 2021	-	-	-	-	-	562,610	562,610
Other comprehensive income for the period ended 30 September 2021	-	-	-	-	-	-	-
	-	-	-	-	-	562,610	562,610
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(133,912)	133,912	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	(5,493)	-	(5,493)
Balance as at 30 September 2021 - Unaudited	10,983,462	6,060,550	528,263	6,588,813	2,950,570	17,576,813	38,099,658

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

1. REPORTING ENTITY

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

2. BASIS OF PREPARATION

2.1 Separate financial statements

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

The Company has the following long term investment:

	Un-audited September 30, 2021	Audited June 30, 2021
	(Direct holding percentage)	
Subsidiary Company		
Maple Leaf Power Limited	100	100

2.2 Statement of compliance

2.2.1 This condensed interim unconsolidated financial information of the Company for the three months period ended September 30, 2021 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017”. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2.2 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated statement of financial position of the Company, as at September 30, 2021 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.2.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2021.

2.2.4 Comparative unconsolidated statement of financial information numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2021, whereas comparatives of condensed interim unconsolidated

statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2020.

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

3. JUDGMENTS AND ESTIMATES

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

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited unconsolidated financial statements for the year ended 30 June 2021.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2021.

5. SHARE CAPITAL

5.1 Authorized share capital

	Note	Un-audited	Audited
		September 30, 2021	June 30, 2021
(Rupees in thousand)			
Number of shares			
1,400,000,000 (30 June 2021: 1,400,000,000) ordinary shares of Rs. 10 each		14,000,000	14,000,000
100,000,000 (30 June 2021: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each		1,000,000	1,000,000
<u>1,500,000,000</u>		<u>15,000,000</u>	<u>15,000,000</u>

5.2 Issued, subscribed and paid-up share capital

Number of shares			
860,972,162 (30 June 2021: 860,972,162) ordinary shares of Rs. 10 each fully paid in cash	5.2.1	8,609,721	8,609,721
35,834,100 (30 June 2021: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		358,341	358,341
46,069,400 (30 June 2021: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		460,694	460,694
153,846,153 (30 June 2021: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.2.2	1,538,462	1,538,462
1,624,417 (30 June 2021: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	5.2.3	16,244	16,244
<u>1,098,346,232</u>		<u>10,983,462</u>	<u>10,983,462</u>

- 5.2.1 During the financial year ended 30 June 2020, the Company issued 504,645,556 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.
- 5.2.2 During the financial year ended 30 June 2011, Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.
- 5.2.3 During the financial years ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.
- 5.3 The Holding Company holds 606,497,944 (30 June 2021: 606,497,944) ordinary shares, which represents 55.22% (30 June 2021: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Company.
- 5.4 Directors of the Company hold 96,706 (30 June 2021: 96,706) ordinary shares of Rs. 10 each of the Company.

	Un-audited September 30, 2021	Audited June 30, 2021
	(Rupees in thousand)	
6. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
At beginning of the period / year	4,175,634	4,892,797
Surplus on disposal of fixed assets during the period / year - net of deferred tax	-	(82)
Related deferred tax liability	-	(33)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(133,912)	(512,498)
Related deferred tax liability	(53,827)	(204,550)
At end of the period / year	3,987,895	4,175,634
Deferred tax liability on revaluation surplus		
At beginning of the period / year	1,085,659	1,277,467
Transferred to unappropriated profit in respect of disposal of fixed assets during the period / year	-	(33)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(53,827)	(204,550)
Effect of change in tax rate and proportion of local and export sales	5,493	12,775
At end of the period / year	1,037,325	1,085,659
	2,950,570	3,089,975

7. LONG TERM LOANS FROM FINANCIAL INSTITUTION - SECURED

Sr.	Lender	Sanctioned Limit	30-Sep-21	30-Jun-21	Remaining Tenor of Principal Repayments
----- Rupees in '000' -----					
1	Askari Bank Limited - Term Finance	707,130	707,129	707,129	20 equal quarterly installments starting from 28 March 2022
2	Bank of Punjab - Demand Finance	1,253,119	1,253,119	1,253,119	20 equal quarterly installments starting from 27 May 2022
3	MCB Bank Limited - Demand Finance	1,451,920	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	450,000	450,000	450,000	12 equal quarterly installments starting from 01 Apr 2022
6	MCB Bank Limited (EX NIB) - Term Finance	1,488,379	1,488,379	1,488,379	21 equal quarterly installments starting from 4 May 2022
7	MCB Islamic - Diminishing Musharikah	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	125,000	125,000	125,000	5 equal quarterly installments starting from 04 March 2022
10	Bank of Punjab - Demand Finance	374,339	374,339	374,339	5 equal quarterly installments starting from 06 April 2022
11	MCB Bank Limited - Demand Finance	185,145	-	37,029	This loan is fully repaid.
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 Musharikah	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	933,000	533,287	639,945	8 equal quarterly installments starting from 31 January 2021
15	Pair Investment Company Limited	300,000	131,250	150,000	8 equal quarterly installments starting from 28 September 2021
16	Askari Bank Limited - Term Finance	900,000	97,964	97,964	20 equal quarterly installments starting from 17 November 2021
17	Askari Bank Limited - TERF	900,000	591,957	591,957	20 equal quarterly installments starting from 17 November 2021
18	Bank of Punjab - Demand Finance	1,000,000	226,579	161,102	24 equal quarterly installments starting from 14 Dec 2021
19	National Bank of Pakistan - Demand Finance	3,000,000	198,302	198,302	32 equal quarterly installments starting from 18 September 2023
20	Bank of Punjab - Demand Finance	3,000,000	280,580	182,555	32 equal quarterly installments starting from 18 June 2023
21	MCB Bank Limited - Demand Finance	2,000,000	136,931	136,931	32 equal quarterly installments starting from 18 June 2023
22	Habib Bank Ltd. - LTFF	2,000,000	249,851	249,851	20 equal quarterly installments starting from 25 September 2023
23	Allied Bank Limited - Wall Putty	640,000	96,738	-	24 equal quarterly installments starting from 24 November 2022
24	Faysal Bank Limited - Diminishing Musharkah	2,000,000	111,647	-	24 equal quarterly installments starting from 1 December 2022
	Total	32,208,031	13,650,377	13,440,927	
	Less: Impact of deferred government grant		(192,984)	(99,566)	
	Current portion of long term loans from financial institutions - secured		(2,493,376)	(1,704,612)	
	Long term portion of loans from financial institutions		10,964,017	11,636,749	

- 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 2021.

	Note	Un-audited	Audited
		September 30, 2021	June 30, 2021
(Rupees in thousand)			
8. TRADE AND OTHER PAYABLES			
Trade creditors		2,970,925	2,828,344
Due to related party	8.1	566,178	61,224
Bills payable - secured		726,833	750,813
Accrued liabilities		1,089,677	911,896
Contract liabilities		252,561	250,491
Payable to Workers' Profit Participation Fund		1,370,285	1,325,693
Payable to Workers' Welfare Fund		103,408	86,043
Payable to Provident Fund Trust		19,067	15,830
		7,098,934	6,230,334
Payable to Government on account of:			
Sales Tax and Federal Excise Duty payable		147,148	886,677
Royalty and Excise Duty payable		100,579	90,252
Other taxes payable		197,160	158,922
		444,887	1,135,851
Contractors' retention money		56,678	41,709
Payable against redemption of preference shares		1,016	1,016
Security deposits repayable on demand	8.2	65,130	64,243
Other payables		144	38,484
		122,968	145,452
		7,666,789	7,511,637

8.1 Due to related party

This represents balance payable to MLPL (wholly owned subsidiary Company) for purchase of electricity.

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

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2021.

9.2 Guarantees given by banks on behalf of the Company are of Rs. 801.34 million (30 June 2021: Rs. 683.06 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

9.3 Commitments

	Note	Un-audited September 30, 2021	Audited June 30, 2021
(Rupees in thousand)			
9.3.1 In respect of:			
- capital expenditure		14,457,866	11,257,597
- irrevocable letters of credit for spare parts		51,582	50,626
		14,509,448	11,308,223

10. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	10.1	40,524,787	41,253,304
Capital work in progress - at cost	10.2	4,091,954	2,854,293
Major spare parts and stand-by equipments		272,713	107,942
		44,889,454	44,215,539
10.1 Operating fixed assets			
Balance at beginning of the period / year		41,253,304	43,372,508
Add: Additions / transfers during the period / year	10.1.1	60,577	1,248,497
		41,313,881	44,621,005
Less: Book value of operating assets disposed-off during the period / year		1,318	83,005
Depreciation charge during the period / year		787,776	3,284,696
		40,524,787	41,253,304

	Note	Un-audited September 30, 2021	Audited June 30, 2021
(Rupees in thousand)			
10.1.1 Additions during the period / year:			
- buildings on freehold land		3,840	289,107
- plant & machinery		51,034	600,875
- furniture, fixtures and equipment		4,215	8,013
- roads, bridges and railway sidings		-	314,639
- vehicles		1,488	35,863
		60,577	1,248,497
10.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		2,854,293	871,386
Additions during the period / year		1,258,733	2,997,765
Less: Transfers during the period / year		(21,073)	(993,697)
Less: Charged off during the period / year		-	(21,161)
At end of the period / year	10.2.1	4,091,953	2,854,293
10.2.1 Capital work-in-progress - at cost			
Building		1,315,729	887,521
Plant and machinery		933,105	565,993
Unallocated expenses		106,075	-
Advances to suppliers against:			
- civil works		499,609	464,353
- plant and machinery		1,219,629	932,330
- vehicles		17,806	4,096
		4,091,953	2,854,293
11. LONG TERM INVESTMENT			
Investment in Maple Leaf Power Limited - Unquoted	11.1	5,020,000	5,020,000
		5,020,000	5,020,000
11.1 The Company holds 100% (30 June 2021: 100%) shares in the Maple Leaf Power Limited, a wholly owned subsidiary of the Company.			
11.2 There has been no long term investment in any foreign company during the period (30 June 2021: Nil).			

	Un-audited September 30, 2021	Audited June 30, 2021
12. TRADE DEBTS		
Considered good		
Export - unsecured	19,986	7,669
Local - unsecured	2,145,905	1,672,035
Considered doubtful		
Local - unsecured	316,799	293,392
Less:		
- Provision for doubtful balances	(316,799)	(293,392)
	2,165,891	1,679,704

**Three Months Ended
(Un-audited)**

	September 30, 2021	September 30, 2020
13. SALES - NET		
Gross local sales	13,654,625	10,569,631
Less:		
Federal excise duty	(1,641,496)	(1,641,119)
Sales tax	(2,178,860)	(1,738,929)
Discount	(139,059)	(121,536)
Commission	(60,421)	(51,409)
	(4,019,836)	(3,552,993)
Net local sales	9,634,789	7,016,638
Export sales	260,768	504,220
	9,895,557	7,520,858

**Three Months Ended
(Un-audited)**

September 30,	September 30,
2021	2020

(Rupees in thousand)

14. COST OF SALES

Raw materials consumed	608,970	560,353
Packing materials consumed	685,667	650,283
Fuel	3,429,267	2,183,985
Power and associated costs	1,957,207	1,455,719
Stores, spare parts and loose tools consumed	336,493	185,459
Water charges	40,356	35,866
Salaries, wages and other benefits	313,545	294,275
Rent, rates and taxes	987	137
Insurance	19,938	19,804
Repairs and maintenance	97,756	82,893
Depreciation	773,563	825,031
Amortization	186	423
Vehicles running and maintenance	42,472	44,060
Freight and forwarding	115,732	136,405
Other expenses	55,312	40,242
	8,477,451	6,514,934
Work in process:		
At beginning of the period	1,421,319	903,522
At end of the period	(1,850,414)	(1,155,562)
	(429,095)	(252,040)
Cost of goods manufactured	8,048,356	6,262,894
Finished goods:		
At beginning of the period	387,803	575,494
At end of the period	(469,303)	(553,000)
	(81,500)	22,494
Cost of sales	7,966,856	6,285,388

		Three Months Ended (Un-audited)	
		September 30, 2021	September 30, 2020
		(Rupees in thousand)	
15. FINANCE COST			
	Profit / interest / mark up on:		
	- Long term loans from financial institutions	232,561	247,238
	- Long term loans from Subsidiary Company	21,067	62,459
	- Short term borrowings	53,834	142,614
		307,462	452,311
	Notional interest on unwinding of retention money payable	6,957	6,686
	Notional interest on unwinding of payable to government authority	3,674	-
	Bank and other charges	12,130	10,473
		<u>330,223</u>	<u>469,470</u>
16. CASH AND CASH EQUIVALENTS			
	Short term running finance	(500,241)	(814,018)
	Temporary bank overdrafts - unsecured	(132,664)	(362,518)
	Cash and bank	644,898	235,307
		<u>11,993</u>	<u>(941,229)</u>

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

	Three Months Ended (Un-audited)	
	September 30,	September 30,
	2021	2020
(Rupees in thousand)		
Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	31,897	29,572
Wholly owned subsidiary company (Maple Leaf Power Limited)		
Sale of goods and services	785,688	286,360
Purchase of goods and services	1,541,625	1,122,772
Markup charged during the period	21,067	62,459
Key management personnel		
Remuneration and other benefits	58,823	51,284
Post employment benefit plans		
Contributions to Provident Fund Trust	49,151	32,186
Payments to Employees Gratuity Fund Trust	5,015	1,937

18. CORRESPONDING FIGURES

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

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on October 21, 2021 by the Board of Directors of the Company.

20. GENERAL

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONSOLIDATED FINANCIAL STATEMENTS

For the First Quarter Ended September 30, 2021



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 period ended 30 September 2021.

GROUP RESULTS

The Group has earned gross profit of Rupees 2,207 million as compared to Rupees 1,472 million of corresponding period. The Group made after tax profit of Rupees 839 million during this period as compared to Rupees 555 million during the corresponding period.

The overall group financial results are as follows:

The overall group financial results are as follows:

	September 30, September 30,	
	2021	2020
	(Rupees in million)	
Sales	9,896	7,521
Gross Profit	2,207	1,472
Profit from operations	1,423	1,103
Financial charges	311	426
Profit after tax	839	555
	(-----Rupees-----)	
Earnings per share – basic and diluted	0.76	0.51

SUBSIDIARY COMPANY

MAPLE LEAF POWER LIMITED (MLPL)

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Lahore
October 21, 2021


(Syed Mohsin Raza Naqvi)
Director


(Sayeed Tariq Saigol)
Chief Executive Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

	Note	Un-audited September 30, 2021	Audited June 30, 2021
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital	5	15,000,000	15,000,000
Issued, subscribed and paid-up share capital	5	10,983,462	10,983,462
Capital reserves		6,588,813	6,588,813
Accumulated profits		18,610,436	17,634,595
Surplus on revaluation of fixed assets - net of tax	6	2,993,013	3,135,460
		39,175,724	38,342,330
NON - CURRENT LIABILITIES			
Long term loans from financial institution - secured	7	10,964,017	11,636,749
Deferred grant		132,895	49,569
Long term deposits		8,214	8,214
Deferred taxation		4,058,929	3,931,540
Retention money payable		398,651	391,694
Payable to government authority		-	42,890
Retirement benefits		235,774	228,266
		15,798,480	16,288,922
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institution - secured	7	2,493,376	1,704,612
- Deferred grant		60,088	49,997
Trade and other payables	8	7,964,739	7,991,126
Unclaimed dividend		27,994	28,134
Mark-up accrued on borrowings		256,025	240,161
Short term borrowings		4,860,130	1,924,115
		15,662,352	11,938,145
CONTINGENCIES AND COMMITMENTS			
	9		
		70,636,556	66,569,397

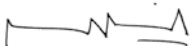
The annexed notes from 1 to 19 form an integral part of this consolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

	Note	Un-audited September 30, 2021	Audited June 30, 2021
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	49,747,941	49,150,229
Intangible assets		5,512	6,017
Long term loans to employees - secured		19,356	17,004
Long term deposits		57,302	57,302
		<u>49,830,111</u>	<u>49,230,552</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		11,680,706	10,047,727
Stock-in-trade		2,623,852	2,085,863
Trade debts	11	2,165,891	1,679,704
Loans and advances		803,984	492,141
Short term investment		168,666	149,148
Short term deposits and prepayments		429,651	240,061
Accrued profit		7,598	6,136
Other receivables		176,922	165,835
Advance income tax - net of provision		2,065,015	1,970,899
Cash and bank balances		684,160	501,331
		<u>20,806,445</u>	<u>17,338,845</u>
		<u><u>70,636,556</u></u>	<u><u>66,569,397</u></u>


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	Three Months Period Ended	
		September 30, 2021	September 30, 2020
		(Rupees in thousand)	
Sales - net	12	9,895,557	7,520,858
Cost of sales	13	(7,688,111)	(6,048,896)
Gross profit		2,207,446	1,471,962
Distribution cost		(399,531)	(169,299)
Administrative expenses		(217,481)	(197,386)
Other charges		(179,116)	(48,220)
		(796,128)	(414,905)
Other income		11,281	45,944
Profit from operations		1,422,599	1,103,001
Finance cost	14	(310,773)	(426,057)
Profit before taxation		1,111,826	676,944
Taxation		(272,939)	(121,762)
Profit after taxation		838,887	555,182
		(----- Rupees -----)	
Earnings per share - basic and diluted		0.76	0.51

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Three Months Period Ended	
	September 30, 2021	September 30, 2020
Profit after taxation	838,887	555,182
Other comprehensive income	-	-
Total comprehensive income for the period	838,887	555,182

(Rupees in thousand)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	September 30, 2021	September 30, 2020
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,111,826	676,944
Adjustments for:			
Depreciation	10.1	863,979	916,891
Amortization		505	1,145
Provision for Workers' Profit Participation Fund		59,833	37,208
Provision for Workers' Welfare Fund		17,365	8,925
Provision for doubtful debt		23,407	-
Loss / (Gain) on disposal of property, plant and equipment		18	-
Loss / (Gain) on re-measurement of short term investments at fair value		8,242	(12,049)
Retirement benefits		15,472	19,097
Profit on bank deposits		(3,535)	(4,837)
Finance cost	14	310,773	426,057
Cash generated from operations before working capital changes		2,407,884	2,069,380
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(1,632,979)	1,104,069
Stock-in-trade		(537,989)	(147,944)
Trade debts		(509,594)	543,718
Loans and advances		(311,843)	(10,205)
Short term deposits and prepayments		(189,590)	(60,600)
Other receivables		(11,085)	(40,711)
		(3,193,080)	1,388,327
Increase in current liabilities			
Trade and other payables		(150,149)	(623,694)
		(3,343,229)	764,633
Net cash (used in) / generated from operations		(935,344)	2,834,013
Increase in long term loans to employees		(2,352)	(118)
Retirement benefits paid		(8,750)	(5,039)
Taxes paid		(244,374)	(174,480)
Net cash (used in) / generated from operations		(1,190,821)	2,654,376
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		(1,463,009)	(166,380)
Proceeds from disposal of property, plant and equipment		1,300	-
Increase in long term deposits and prepayments		-	(5)
Short term investment		(27,760)	(44,500)
Profit on bank deposits received		2,073	4,778
Net cash used in investing activities		(1,487,397)	(206,106)
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition / (Repayment) of long term loans from financial institution - secured - net		209,450	(286,891)
(Repayment) / Acquisition of short term borrowings - net		2,513,635	(2,659,496)
Finance cost paid		(284,278)	(614,095)
Dividend paid		(140)	(19,346)
Net cash generated from / (used in) financing activities		2,438,667	(3,579,828)
Net decrease in cash and cash equivalents		(239,550)	(1,131,558)
Cash and cash equivalents at beginning of the period		260,804	14,141
Cash and cash equivalents at end of the period	15	21,254	(1,117,417)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	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 2020 - audited	10,983,462	6,060,550	528,263	6,588,813	3,667,156	13,310,143	34,549,574
Total comprehensive income for the period							
Profit for the period ended 30 September 2020	-	-	-	-	-	555,182	555,182
Other comprehensive income for the period ended 30 September 2020	-	-	-	-	-	-	-
	-	-	-	-	-	555,182	555,182
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(56,759)	56,759	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	1,255	-	1,255
Balance as at 30 September 2020 - unaudited	10,983,462	6,060,550	528,263	6,588,813	3,611,652	13,922,084	35,106,011
Balance as at 30 June 2021 - audited	10,983,462	6,060,550	528,263	6,588,813	3,135,460	17,634,595	38,342,330
Total comprehensive income for the period							
Profit for the period ended 30 September 2021	-	-	-	-	-	838,887	838,887
Other comprehensive income for the period ended 30 September 2021	-	-	-	-	-	-	-
	-	-	-	-	-	838,887	838,887
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(136,953)	136,953	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	(5,493)	-	(5,493)
Balance as at 30 September 2021 - Unaudited	10,983,462	6,060,550	528,263	6,588,813	2,993,013	18,610,435	39,175,724

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

1. REPORTING ENTITY

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim consolidated financial information of the Group for the three months period ended September 30, 2021 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017”. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 This condensed interim consolidated financial information comprises the condensed interim consolidated statement of financial position of the Group, as at September 30, 2021 and the related condensed interim consolidated statement of profit or loss , condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity together with the notes forming part thereof.

2.1.3 This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2021.

2.1.4 Comparative consolidated statement of financial information numbers are extracted from the annual audited consolidated financial statements of the Group for the year ended 30 June 2021, whereas comparatives of condensed interim consolidated statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim consolidated financial information of the Group for the three months period ended 30 September 2020.

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

3. JUDGMENTS AND ESTIMATES

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

The significant judgments made by the management in applying the 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 2021.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2021.

5. SHARE CAPITAL

5.1 Authorized share capital

	Note	Un-audited September 30, 2021 (Rupees in thousand)	Audited June 30, 2021
Number of shares			
1,400,000,000 (30 June 2021: 1,400,000,000) ordinary shares of Rs. 10 each		14,000,000	14,000,000
100,000,000 (30 June 2021: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each		1,000,000	1,000,000
<u>1,500,000,000</u>		<u>15,000,000</u>	<u>15,000,000</u>

5.2 Issued, subscribed and paid-up share capital

Number of shares			
860,972,162 (30 June 2021: 860,972,162) ordinary shares of Rs. 10 each fully paid in cash	5.2.1	8,609,721	8,609,721
35,834,100 (30 June 2021: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		358,341	358,341
46,069,400 (30 June 2021: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		460,694	460,694
153,846,153 (30 June 2021: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	5.2.2	1,538,462	1,538,462
1,624,417 (30 June 2021: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	5.2.3	16,244	16,244
<u>1,098,346,232</u>		<u>10,983,462</u>	<u>10,983,462</u>

- 5.2.1 During the financial year ended 30 June 2020, the Group 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.
- 5.2.2 During the financial year ended 30 June 2011, Group issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.
- 5.2.3 During the financial years ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.
- 5.3 The Holding Company holds 606,497,944 (30 June 2021: 606,497,944) ordinary shares, which represents 55.22% (30 June 2021: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Group.
- 5.4 Directors of the Group hold 96,706 (30 June 2021: 96,706) ordinary shares of Rs. 10 each of the Group.

	Un-audited September 30, 2021	Audited June 30, 2021
	(Rupees in thousand)	
6. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
At beginning of the period / year	4,224,458	4,944,623
Surplus on disposal of fixed assets during the period / year - net of deferred tax	-	(82)
Related deferred tax liability	-	(33)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(136,953)	(515,500)
Related deferred tax liability	(53,828)	(204,550)
At end of the period / year	4,033,677	4,224,458
Deferred tax liability on revaluation surplus		
At beginning of the period / year	1,088,998	1,277,467
Tax on surplus during the period / year	-	3,339
Transferred to unappropriated profit in respect of disposal of fixed assets during the period / year	-	(33)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(53,827)	(204,550)
Effect of change in tax rate and proportion of local and export sales	5,493	12,775
At end of the period / year	1,040,664	1,088,998
	2,993,013	3,135,460

7. LONG TERM LOANS FROM FINANCIAL INSTITUTION - SECURED

Sr.	Lender	Sanctioned Limit	30-Sep-21	30-Jun-21	Remaining Tenor of Principal Repayments
----- Rupees in '000' -----					
1	Askari Bank Limited - Term Finance	707,130	707,129	707,129	20 equal quarterly installments starting from 28 March 2022
2	Bank of Punjab - Demand Finance	1,253,119	1,253,119	1,253,119	20 equal quarterly installments starting from 27 May 2022
3	MCB Bank Limited - Demand Finance	1,451,920	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	450,000	450,000	450,000	12 equal quarterly installments starting from 01 Apr 2022
6	MCB Bank Limited (EX NIB) - Term Finance	1,488,379	1,488,379	1,488,379	21 equal quarterly installments starting from 4 May 2022
7	MCB Islamic - Diminishing Musharikah	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	125,000	125,000	125,000	5 equal quarterly installments starting from 04 March 2022
10	Bank of Punjab - Demand Finance	374,339	374,339	374,339	5 equal quarterly installments starting from 06 April 2022
11	MCB Bank Limited - Demand Finance	185,145	-	37,029	This loan is fully repaid.
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 Musharikah	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	933,000	533,287	639,945	8 equal quarterly installments starting from 31 January 2021
15	Pair Investment Company Limited	300,000	131,250	150,000	8 equal quarterly installments starting from 28 September 2021
16	Askari Bank Limited - Term Finance	900,000	97,964	97,964	20 equal quarterly installments starting from 17 November 2021
17	Askari Bank Limited - TERF	900,000	591,957	591,957	20 equal quarterly installments starting from 17 November 2021
18	Bank of Punjab - Demand Finance	1,000,000	226,579	161,102	24 equal quarterly installments starting from 14 Dec 2021
19	National Bank of Pakistan - Demand Finance	3,000,000	198,302	198,302	32 equal quarterly installments starting from 18 September 2023
20	Bank of Punjab - Demand Finance	3,000,000	280,580	182,555	32 equal quarterly installments starting from 18 June 2023
21	MCB Bank Limited - Demand Finance	2,000,000	136,931	136,931	32 equal quarterly installments starting from 18 June 2023
22	Habib Bank Ltd. - LTFF	2,000,000	249,851	249,851	20 equal quarterly installments starting from 25 September 2023
23	Allied Bank Limited - Wall Putty	640,000	96,738	-	24 equal quarterly installments starting from 24 November 2022
24	Faysal Bank Limited - Diminishing Musharkah	2,000,000	111,647	-	24 equal quarterly installments starting from 1 December 2022
	Total	32,208,031	13,650,377	13,440,927	
	Less: Impact of deferred government grant		(192,984)	(99,566)	
	Current portion of long term loans from financial institutions - secured		(2,493,376)	(1,704,612)	
	Long term portion of loans from financial institutions		10,964,017	11,636,749	

- 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 2021.

Note	Un-audited	Audited
	September 30, 2021	June 30, 2021
(Rupees in thousand)		
8. TRADE AND OTHER PAYABLES		
Trade creditors	3,039,300	2,843,605
Bills payable - secured	726,833	752,517
Accrued liabilities	1,323,666	925,123
Contract liabilities	252,750	250,565
Payable to Workers' Profit Participation Fund	1,613,434	1,553,602
Payable to Workers' Welfare Fund	103,408	86,043
Payable to Provident Fund Trust	19,067	15,830
	7,078,458	6,427,285
Payable to Government on account of:		
Sales Tax and Federal Excise Duty payable	201,447	919,590
Royalty and Excise Duty payable	100,579	90,252
Provision for electricity duty	149,124	136,312
Other taxes payable	310,300	270,331
	761,450	1,416,485
Contractors' retention money	58,265	43,296
Payable against redemption of preference shares	1,016	1,016
Security deposits repayable on demand	65,130	64,242
Other payables	420	38,802
	124,831	147,356
	7,964,739	7,991,126

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

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Group for the year ended 30 June 2021.

9.2 Guarantees given by banks on behalf of the Group are of Rs. 801.34 million (30 June 2021: Rs. 683.06 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

9.3 Commitments

	Note	Un-audited September 30, 2021	Audited June 30, 2021
(Rupees in thousand)			

9.3.1 In respect of:

- capital expenditure		14,457,866	11,257,597
- irrevocable letters of credit for spare parts		83,242	85,187
		14,541,108	11,342,784

10. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	10.1	45,383,274	46,187,994
Capital work in progress - at cost	10.2	4,091,954	2,854,293
Major spare parts and stand-by equipments		272,713	107,942
		49,747,941	49,150,229

10.1 Operating fixed assets

Balance at beginning of the period / year		46,187,994	48,614,403
Add: Additions / transfers during the period / year	10.1.1	60,577	1,248,497
		46,248,571	49,862,900
Less: Book value of operating assets disposed-off during the period / year		1,318	83,005
Depreciation charge during the period / year		863,979	3,591,901
		45,383,274	46,187,994

	Note	Un-audited September 30, 2021	Audited June 30, 2021
(Rupees in thousand)			
10.1.1 Additions during the period / year:			
- buildings on freehold land		3,840	289,107
- plant & machinery		51,034	600,875
- furniture, fixtures and equipment		4,215	8,013
- roads, bridges and railway sidings		-	314,639
- vehicles		1,488	35,863
		60,577	1,248,497
10.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		2,854,293	871,386
Additions during the period / year		1,258,733	2,997,765
Less: Transfers during the period / year		(21,072)	(993,697)
Less: Charged off during the period / year		-	(21,161)
At end of the period / year	10.2.1	4,091,954	2,854,293
10.2.1 Capital work-in-progress - at cost			
Building		1,315,729	887,521
Plant and machinery		933,105	565,993
Unallocated expenses		106,075	-
Advances to suppliers against:			
- civil works		499,609	464,353
- plant and machinery		1,219,629	932,330
- vehicles		17,807	4,096
		4,091,954	2,854,293
11. TRADE DEBTS			
Considered good			
Export - unsecured		19,986	7,669
Local - unsecured		2,145,905	1,672,035
Considered doubtful			
Local - unsecured		316,799	293,392
Less:			
- Provision for doubtful balances		(316,799)	(293,392)
		2,165,891	1,679,704

Three Months Ended
(Un-audited)
September 30, September 30,
2021 2020
(Rupees in thousand)

12. SALES - NET

Gross local sales	13,654,625	10,569,631
Less:		
Federal excise duty	(1,641,496)	(1,641,119)
Sales tax	(2,178,860)	(1,738,929)
Discount	(139,059)	(121,536)
Commission	(60,421)	(51,409)
	(4,019,836)	(3,552,993)
Net local sales	9,634,789	7,016,638
Export sales	260,768	504,220
	9,895,557	7,520,858

13. COST OF SALES

Raw materials consumed	602,211	552,851
Packing materials consumed	685,667	650,283
Fuel	2,998,026	2,713,184
Power and associated costs	1,973,102	559,173
Stores, spare parts and loose tools consumed	362,964	216,376
Water charges	40,356	35,866
Salaries, wages and other benefits	337,411	315,174
Rent, rates and taxes	1,106	246
Insurance	22,461	22,700
Repairs and maintenance	101,966	86,630
Depreciation	849,765	901,620
Amortization	186	423
Vehicles running and maintenance	45,168	46,925
Freight and forwarding	115,732	136,405
Other expenses	55,791	40,586
	8,191,912	6,278,441
Work in process:		
At beginning of the period	1,373,133	903,522
At end of the period	(1,794,428)	(1,155,562)
	(421,295)	(252,040)
Cost of goods manufactured	7,770,617	6,026,401
Finished goods:		
At beginning of the period	371,669	575,494
At end of the period	(454,175)	(553,000)
	(82,506)	22,494
Cost of sales	7,688,111	6,048,896

	Three Months Ended	
	(Un-audited)	
	September 30,	September 30,
	2021	2020
	(Rupees in thousand)	
14. FINANCE COST		
Profit / interest / mark up on:		
- Long term loans from financial institutions	232,561	247,238
- Short term borrowings	55,037	161,542
	287,598	408,780
Notional interest on unwinding of retention money payable	6,957	6,686
Notional interest on unwinding of payable to government authority	3,674	-
Bank and other charges	12,544	10,591
	<u>310,773</u>	<u>426,057</u>
15. CASH AND CASH EQUIVALENTS		
Short term running finance	(530,242)	(1,014,018)
Temporary bank overdrafts - unsecured	(132,664)	(362,602)
Cash and bank	684,160	259,203
	<u>21,254</u>	<u>(1,117,417)</u>

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

	Three Months Ended (Un-audited)	
	September 30,	September 30,
	2021	2020
(Rupees in thousand)		
Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	31,897	29,572
Wholly owned subsidiary company (Maple Leaf Power Limited)		
Sale of goods and services	785,688	286,360
Purchase of goods and services	1,541,625	1,122,772
Markup charged during the period	21,067	62,459
Key management personnel		
Remuneration and other benefits	58,823	51,284
Post employment benefit plans		
Contributions to Provident Fund Trust	49,151	32,186
Payments to Employees Gratuity Fund Trust	5,015	1,937

17. CORRESPONDING FIGURES

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

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on October 21, 2021 by the Board of Directors of the Group.

19. GENERAL

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



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