

half yearly
report
december 31
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 six months of financial year 2021-22, ended 31st December 2021.

During the period under review, the Company recorded net consolidated turnover of Rs. 22,101 million against Rs. 16,578 million in the corresponding period last year. The top line of the Company increased by 33% mainly due to improvement in selling prices in the local market. Increase in selling prices is mainly due to high inflationary impact on cost side, especially fuel and power. Growth in construction sector was slower than expected mainly due to lacklustre implementation of large scale projects, less utilization of PSDP budget and lower than expected demand in housing sector.

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

Particulars	July to December		Variance	
	2021	2020	Change	Percentage
	(----- M. Tons -----)			
Production:				
Clinker Production	2,232,991	2,428,834	(195,843)	(8.06%)
Cement Production	2,407,724	2,516,441	(108,717)	(4.32%)
Sales:				
Domestic	2,336,589	2,372,623	(36,034)	(1.52%)
Exports	70,020	147,707	(77,687)	(52.60%)
Total	2,406,609	2,520,330	(113,721)	(4.51%)

Total Sales volume of 2,406,609 tons achieved depicts a decrease of 4.51% over 2,520,330 tons sold during the corresponding period last year. Domestic sales volume was 2,336,589 tons depicting almost the same level of demand, with a slight pressure on cement consumption in local market as compared to corresponding period last year.

The Company's export volumes decreased by almost 52.60% to reach 70,020 metric tons from 147,707 metric tons in corresponding period. This decline is mainly attributable to Afghanistan market due to the slow economic activity post American exodus from the country and low margins. Further, cement dispatches to rest of world is still not feasible due to high production costs in Pakistan as compared to global market and increased shipping costs.

During the six months' period under review, global coal and oil prices further escalated sharply due to growth in global industrial activity, cut in coal production by Indonesia and uncertain political developments among some global powers. Coal and pet coke prices are still at an unprecedented high level and contain the uncertainty to predict its outlook. Further, devaluation of Pak Rupee by approximately 12% during the period 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 using Afghan coal to a certain mix despite the problems with consistent supply and quality. Further, the Company is also benefitting by use of pet coke which is cost effective due to higher energy content and earlier purchases of coal and pet coke at cheaper rates. The Company continues to benefit from lower inland transportation costs through transport via railway network resulting in reasonable savings.

The Company successfully completed its Waste Heat Recovery Project of 9MW on newly installed cement line 3 and solar power project of 5MW, 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. Further, the Company makes continuous efforts to enhance its production efficiencies to reduce costs and to keep a strict control over fixed costs in this time of high inflation.

On account of aforementioned factors impacting cost of production, the Company achieved consolidated gross profit of Rs. 6,076 million during the reporting period, an increase of 67% from Rs. 3,641 million in the corresponding period last year.

The Company recorded consolidated pre-tax profit of Rs. 3,732 million for the reporting period against consolidated pre-tax profit of Rs. 2,058 million in corresponding period. Consolidated tax component amounted to a charge of Rs. 974 million for the reporting period as compared to Rs. 433 million in the corresponding period.

Profits earned from MLPL are exempt from charge of income tax and amounted to Rs. 408 million for the first six 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. 2,757 million as against Rs. 1,625 million for corresponding period last year representing an increase of 70%.

During the period under review, monetary policy rate was reviewed by the State Bank of Pakistan (SBP) and enhanced from 7% to 9.75%. However, impact of this increase will affect the Company's financial cost from 3rd quarter of current financial year. 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.

The Company has 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 nine shipments of plant and machinery have arrived at construction site 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 2QFY2023.

Further, to control the upcoming inflationary trend in power cost, the Company has started to commission another solar power plant of 7.5MW which is expected to be completed in 4QFY2022.

FUTURE OUTLOOK

Going forward, we expect cement demand in the domestic market to remain stagnant despite Government's announcement of a comprehensive package to boost construction activities in Pakistan. The main contributors to the slow demand includes high inflation, increase in interest rates, harsh taxation measures and slower implementation of PSDP projects.

Further, high coal rates in international markets coupled with exorbitant sea freight, stumbling Pak Rupee against US\$, rising SBP discount rate and gas shortage in international markets will put pressure on the input costs of cement. However, the Company is planning to increase the use of Afghan Coal and local coal to mitigate the impact of high coal rates in international markets and to lower the risk of currency devaluation. 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 to the minimum.

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 22, 2022


(Tariq Sayeed Saigol)
Chairman / Director


(Sayeed Tariq Saigol)
Chief Executive Officer

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 2021 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 2021 and 31 December 2020, 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 22, 2022

UDIN: RR202110183OqV5pMsSn



KPMG Taseer Hadi & Co.
Chartered Accountants

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Note	Un-audited December 31, 2021	Audited June 30, 2021
(Rupees in thousand)			
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		19,547,595	16,880,291
Surplus on revaluation of fixed assets - net of tax	6	2,833,319	3,089,975
		39,953,189	37,542,541
NON - CURRENT LIABILITIES			
Long term loans from financial institutions - secured	7	10,857,682	11,636,749
Deferred grant		126,520	49,569
Long term loan from Subsidiary Company	8	1,000,000	1,000,000
Long term deposits		8,214	8,214
Deferred taxation		4,281,361	3,889,907
Retention money payable		-	391,694
Retirement benefits		249,348	228,266
Payable to government authority	9	-	42,890
		16,523,125	17,247,289
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institutions - secured	7	3,006,375	1,704,612
- Deferred grant		54,521	49,997
Trade and other payables	10	9,105,486	7,511,637
Unclaimed dividend		27,775	28,134
Mark-up accrued on borrowings		312,545	260,953
Short term borrowings - secured		3,456,246	1,894,115
		15,962,948	11,449,448
CONTINGENCIES AND COMMITMENTS			
	11		
		72,439,262	66,239,278

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Note	Un-audited December 31,	Audited June 30,
	2021	2021
(Rupees in thousand)		

ASSETS

NON - CURRENT ASSETS

Property, plant and equipment	12	45,622,186	44,215,539
Intangible assets		5,007	6,017
Long term investment	13	5,020,000	5,020,000
Long term loans to employees - secured		21,005	17,004
Long term deposits		57,300	57,302
		50,725,498	49,315,862

CURRENT ASSETS

Stores, spare parts and loose tools		13,349,138	9,738,717
Stock-in-trade		2,241,437	2,150,183
Trade debts	14	2,456,321	1,679,704
Loans and advances		564,053	481,492
Short term investments	15	134,632	149,148
Short term deposits and prepayments		426,992	225,040
Accrued profit		9,329	6,061
Other receivables	16	461,760	165,835
Advance tax - net		1,626,065	1,836,907
Cash and bank balances		444,037	490,329
		21,713,764	16,923,416
		72,439,262	66,239,278


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, 2021

		Half year ended December 31, 2021	Half year ended December 31, 2020	Quarter ended December 31, 2021	Quarter ended December 31, 2020
Note					
		(..... Rupees in thousand)			
Sales - net	17	22,101,091	16,577,810	12,225,855	9,074,992
Cost of sales	18	(16,391,947)	(13,423,695)	(8,425,091)	(7,131,407)
Gross profit		5,709,144	3,154,115	3,800,764	(1,943,585)
Distribution cost		(759,313)	(395,989)	(380,103)	(251,630)
Administrative expenses		(445,979)	(392,073)	(230,417)	(196,907)
Other charges		(467,290)	(130,960)	(303,414)	(97,634)
		(1,672,582)	(919,022)	(913,934)	(546,171)
Other income		40,196	110,167	29,031	65,357
Profit from operations		4,076,758	2,345,260	2,915,861	1,462,771
Finance cost	19	(710,274)	(839,382)	(380,051)	(369,912)
Profit before taxation		3,366,484	1,505,878	2,535,810	1,092,859
Taxation		(962,965)	(396,503)	(694,901)	(292,889)
Profit after taxation		2,403,519	1,109,375	1,840,909	799,970
Earnings per share - basic and diluted (Rupees)	20	2.19	1.01	1.68	0.73

The annexed notes from 1 to 25 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

FOR SIX MONTHS AND QUARTER ENDED
DECEMBER 31, 2021 (UN-AUDITED)

	Half year ended December 31, 2021	Half year ended December 31, 2020	Quarter ended December 31, 2021	Quarter ended December 31, 2020
	(..... Rupees in thousand)			
Profit after taxation	2,403,519	1,109,375	1,840,909	799,970
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	2,403,519	1,109,375	1,840,909	799,970

The annexed notes from 1 to 25 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

FOR SIX MONTHS ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Note	December 31, 2021	December 31, 2020
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,366,484	1,505,878
Adjustments for:			
Depreciation	12	1,600,822	1,682,609
Amortization		1,010	2,291
Provision for Provision for Workers' Profit Participation Fund		181,555	32,381
Provision for Workers' Welfare Fund		72,622	80,952
Provision for expected credit loss		46,525	38,243
Loss on disposal of property, plant and equipment		6,325	-
Fair value gain on initial recognition of payable to government authority		-	(31,007)
Loss / (gain) on re-measurement of short term investments at fair value		14,516	(5,872)
Retirement benefits		38,165	38,365
Finance cost		710,274	839,382
Profit on bank deposits		(11,561)	(9,155)
		2,660,253	2,668,189
Cash generated from operations before working capital changes		6,026,737	4,174,067
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(3,610,421)	(227,569)
Stock-in-trade		(91,254)	33,969
Trade debts		(823,141)	1,102,134
Loans and advances		(82,561)	(157,136)
Short term deposits and prepayments		(201,952)	(144,745)
Other receivables		(295,925)	(26,912)
		(5,105,254)	579,741
Increase in current liabilities:			
Trade and other payables		950,581	1,155,017
Net cash generated from operations		1,872,064	5,908,825
(Increase) / decrease in long term loans to employees - secured		(4,001)	2,367
Decrease in payable to Government authority		(42,890)	(30,416)
Decrease in long term deposits		-	(350)
Workers Welfare Fund Paid		(23,185)	-
Retirements benefits paid		(17,215)	(35,901)
Taxes paid		(353,407)	(345,801)
Net cash generated from operating activities		1,431,366	5,498,724
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(3,020,238)	(690,302)
Proceeds from disposal of fixed assets		6,444	-
Short term investment		-	(44,500)
Increase / (decrease) in long term deposits and prepayments		2	(435)
Profit on bank deposits received		8,290	7,523
Net cash used in investing activities		(3,005,502)	(727,714)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans from financial institutions - secured		(465,196)	-
Receipt of long term loans from financial institutions - secured		1,069,367	678,710
Receipt / (repayment) of proceeds of short term borrowings - net		1,611,067	(4,705,388)
Finance cost paid		(638,099)	(1,053,106)
Dividend paid		(359)	(19,100)
Net cash generated from / (used in) financing activities		1,576,780	(5,098,884)
Net increase / (decrease) in cash and cash equivalents		2,644	(327,874)
Cash and cash equivalents at beginning of the period		279,802	209,516
Cash and cash equivalents at end of the period	21	282,446	(118,358)

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

Other comprehensive income for the period

-	-	-	-	-	1,109,375	1,109,375
-	-	-	-	-	-	-

Effect on deferred tax due to change in proportion of local and export sales - - - - 1,109,375 1,109,375

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

Balance as at 1 July 2021 - audited

10,983,462 6,060,550 528,263 6,588,813 3,089,975 16,880,291 37,542,542

Total comprehensive income

Profit for the six months ended

31 December 2021

Other comprehensive income for the period

-	-	-	-	-	2,403,519	2,403,519
-	-	-	-	-	-	-

Effect on deferred tax due to change in proportion of local and export sales - - - - 2,403,519 2,403,519

Effect on deferred tax due to change in proportion of local and export sales - - - - 7,128 - 7,128

Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax

- - - - (263,785) 263,785 -

Balance as at 31 December 2021 - un-audited 10,983,462 6,060,550 528,263 6,588,813 2,833,319 19,547,595 39,953,189

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR SIX MONTHS ENDED DECEMBER 31, 2021 (UN-AUDITED)

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, 2021	Audited June 30, 2021
(Direct holding percentage)		
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 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 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 2021. 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 2021, 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 2020.

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 thousand 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 2021.

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 2021.

- 4.1 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 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
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2022
- Amendments to IAS 1 - Classification of liabilities as current or non-current	01 January 2023
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	01 January 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	01 January 2023

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

		Un-audited December 31, 2021	Audited June 30, 2021	Un-audited December 31, 2021	Audited June 30, 2021
	Note	Number of shares		(Rupees in thousand)	
(30 June 2021: 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 2021: 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 2021: 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 2021: 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 2021: 1,624,417) ordinary shares of Rs. 10 each issued on 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 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.
- 5.5** Directors of the Company hold 96,706 (30 June 2021: 96,706) ordinary shares of Rs. 10 each of the Company.

Un-audited December 31, 2021	Audited June 30, 2021
(Rupees in thousand)	

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

Gross surplus		
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	(263,785)	(512,498)
Related deferred tax liability	(104,318)	(204,550)
At end of the period / year	3,807,531	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)
Tax effect of incremental depreciation transferred to unappropriated profit during the period / year	(104,318)	(204,550)
Effect of change in tax rate due to proportion of local and export sales	(7,128)	12,775
At end of the period / year	974,212	1,085,659
	2,833,319	3,089,975

7. LONG TERM LOANS FROM FINANCIAL INSTITUTION - SECURED

Sr.	Lender	Note	Sanctioned Limit	31-Dec-21	30-Jun-21	Remaining Tenor of Principal Repayments
----- Rupees in '000' -----						
1	Askari Bank Limited - Term Finance	7.1	707,130	707,129	707,129	20 equal quarterly installments starting from 28 March 2022
2	Bank of Punjab - Demand Finance	7.1	1,253,119	1,253,119	1,253,119	20 equal quarterly installments starting from 27 May 2022
3	MCB Bank Limited - Demand Finance	7.1	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	7.1	5,500,000	2,851,428	2,994,285	20 equal quarterly installments started from 31 December 2021
5	Samba Bank Limited- Term Finance	7.1	450,000	450,000	450,000	12 equal quarterly installments starting from 01 Apr 2022
6	MCB Bank Limited (EX NIB) - Term Finance	7.1	1,488,379	1,488,379	1,488,379	21 equal quarterly installments starting from 04 May 2022
7	MCB Islamic Bank Limited - Diminishing Musharika	7.1	1,500,000	1,104,167	1,104,167	18 equal quarterly installments starting from 27 March 2022
8	Habib Bank Limited - Term Finance	7.1	1,000,000	714,286	714,286	20 equal quarterly installments starting from 28 September 2022
9	Askari Bank Limited - Term Finance	7.1	125,000	125,000	125,000	5 equal quarterly installments starting from 04 March 2022
10	Bank of Punjab - Demand Finance	7.1	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 during the period
12	National Bank of Pakistan - Demand Finance	7.1	1,000,000	250,000	250,000	5 equal quarterly installments starting from 06 April 2022
13	MCB Islamic Bank Limited- Diminishing Musharika	7.1	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	7.1	933,000	426,630	639,945	4 equal quarterly installments starting from 20 February 2022
15	Pair Investment Company Limited	7.1	300,000	112,500	150,000	6 equal quarterly installments starting from 28 March 2022
16	Askari Bank Limited - Term Finance		900,000	-	97,964	This amount is converted into TERF during the period.
17	Askari Bank Limited - TERF	7.1	900,000	655,425	591,957	19 equal quarterly installments starting from 17 February 2022
18	Bank of Punjab - Demand Finance	7.1	1,000,000	301,294	161,102	24 equal quarterly installments started from 14 March 2021
19	National Bank of Pakistan - Demand Finance	7.1	3,000,000	198,302	198,302	32 equal quarterly installments starting from 18 September 2023
20	Bank of Punjab - Demand Finance and TERF	7.2	3,000,000	407,540	182,555	32 equal quarterly installments starting from 18 June 2023
21	MCB Bank Limited - Demand Finance	7.1	2,000,000	136,931	136,931	32 equal quarterly installments starting from 18 June 2023
22	Habib Bank Limited - LTFF	7.1	2,000,000	249,851	249,851	20 equal quarterly installments starting from 25 September 2023
23	Allied Bank Limited - LTFF	7.3	640,000	96,738	-	24 equal quarterly installments starting from 23 February 2022
24	Faysal Bank Limited - Diminishing Musharika	7.4	2,000,000	464,759	-	24 equal quarterly installments starting from 01 December 2022
25	MCB Islamic Bank Limited - Diminishing Musharika IFRE for Solar Power	7.5	240,000	142,694	-	12 equal quarterly installments starting from 01 January 2023
Total			32,448,032	14,045,098	13,440,927	
Less: Impact of deferred government grant				(181,041)	(99,566)	
Current portion of long term loans from financial institutions - secured				(3,006,375)	(1,704,612)	
Long term portion of loans from financial institutions				10,857,682	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.
- 7.2 Total outstanding amount includes Rs. 182 millions converted into Temporary Economic Refinance Facility (TERF) and carries a markup of SBP rate plus 150bps and the remaining amount carries a mark-up of 3 month KIBOR plus 90bps, payable quarterly in arrears.
- 7.3 The Company has obtained a long term loan facility of Rs. 640 million for the purpose of expansion into the Wall Putty product line. The loan is secured by first joint pari passu / first pari passu charge over all present and future plant and machinery of the Company for Rs. 853.33 million inclusive of 25% margin. The loan carries markup at the rate of 3-Month KIBOR plus 100bps for the Term Finance and SBP rate plus 100bps for Long Term Financing Facility payable quarterly in arrears.
- 7.4 The Company has obtained this facility of Rs. 2,000 million to finance the import and setting up of new cement production line. The loan is secured by Joint Pari Passu charge over all present and future fixed assets of the Company with 25% margin. . This loan carries markup at the rate of 3-Month KIBOR plus 150bps, payable quarterly in arrears.
- 7.5 The Company has obtained a long term loan facility of Rs. 240 millions for the purpose of development of Solar Power structure. The loan is secured by joint pari passu charge over fixed assets of the Company including land, building & plant and machinery with 25% margin. The loan carries mark up at the rate of 3-Month KIBOR plus 100bps for the demand finance and SBP rate plus 150 bps for the Islamic Financing Facility for Renewable Energy scheme, payable quarterly in arrears.

	Note	Un-audited December 31, 2021	Audited June 30, 2021
(Rupees in thousand)			
8. LONG TERM LOAN FROM SUBSIDIARY COMPANY			
Long term loan	8.1	1,000,000	1,000,000
		1,000,000	1,000,000
8.1	This represents long term loan from Maple Leaf Power Limited, the Subsidiary of the Company. The loan is payable in four equal quarterly installments starting from 01 September 2023. This loan carries markup at 3 month Kibor plus 1% at per annum, payable quarterly. The effective rate during the period ranges from 8.45% to 8.81% annually (30 June 2021: 8.25% to 8.29%).		
9. PAYABLE TO GOVERNMENT AUTHORITY			
Payable to government authority		-	42,890
	9.1	-	42,890
9.1	This represented non-current portion of Gas Infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL). The amount was payable by the Company in 24 equal monthly installment. The amount has now been classified to accrued liabilities due to maturity of less than 12 months.		

	Note	Un-audited December 31, 2021	Audited June 30, 2021
(Rupees in thousand)			
10. TRADE AND OTHER PAYABLES			
Trade creditors		2,846,790	2,828,344
Due to subsidiary company - unsecured		754,790	61,224
Bills payable - secured		742,035	750,813
Contract liabilities		236,757	250,491
Accrued liabilities	10.1	1,219,305	950,140
Payable to Workers' Profit Participation Fund		1,507,247	1,325,693
Payable to Workers' Welfare Fund		135,480	86,043
Payable to Provident Fund Trust		17,198	15,830
		7,459,602	6,268,578
Payable to Government on account of:			
Federal Excise Duty payable		763,378	789,851
Sales Tax payable		-	96,826
Royalty and Excise Duty payable		93,962	90,252
Other taxes payable		241,993	158,922
		1,099,333	1,135,851
Contractors' retention money		479,670	41,709
Payable against redemption of preference shares		1,012	1,016
Security deposits repayable on demand		65,725	64,243
Other payables		144	240
		546,551	107,208
		9,105,486	7,511,637

10.1 This includes GIDC payable as at 31 December 2021, amounting to Rs. 308.078 million (30 June 2021: Rs. 281.480 million).

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 Company for the year ended 30 June 2021.

11.2 Guarantees by banks on behalf of the Company amounted to Rs. 842.04 million (30 June 2021: Rs. 683.06 million) were given in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

11.3 Commitments

	Note	Un-audited December 31, 2021	Audited June 30, 2021
(Rupees in thousand)			
11.3.1 In respect of:			
- capital expenditure		13,490,183	11,257,597
- irrevocable letters of credit for spare parts		2,286,665	50,626
		<u>15,776,848</u>	<u>11,308,223</u>
12. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	12.1	41,813,413	41,253,304
Capital work in progress - at cost	12.2	3,416,426	2,854,293
Stores and spares held for capitalization		392,347	107,942
		<u>45,622,186</u>	<u>44,215,539</u>
12.1 Operating fixed assets			
Balance at beginning of the period / year		41,253,304	43,372,508
Add: Additions during the period / year	12.1.1	2,173,700	1,248,497
		<u>43,427,004</u>	<u>44,621,005</u>
Less: Book value of operating assets disposed - off during the period / year		12,769	83,005
Depreciation charge during the period / year		1,600,822	3,284,696
		<u>41,813,413</u>	<u>41,253,304</u>
12.1.1 Additions during the period / year:			
- buildings on freehold land		537,039	289,107
- plant and machinery		1,603,120	600,875
- furniture, fixtures and equipment		5,511	8,013
- roads, bridges and railway sidings		-	314,639
- vehicles		28,030	35,863
		<u>2,173,700</u>	<u>1,248,497</u>
12.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		2,854,293	871,386
Additions during the period / year	12.2.2	2,650,229	2,997,765
Less: Transfers during the period / year		(2,088,096)	(993,697)
Less: Charged off during the period / year		-	(21,161)
At end of the period / year	12.2.1	<u>3,416,426</u>	<u>2,854,293</u>

	Note	Un-audited December 31, 2021 (Rupees in thousand)	Audited June 30, 2021
12.2.1 Capital work-in-progress - at cost			
Buildings		1,125,353	887,521
Plant and machinery		173,534	565,992
Roads and bridges		2,117	-
Vehicles		1,568	-
Directly attributable expenses		132,421	-
Advances to suppliers against:			
- civil works		565,019	464,354
- plant and machinery		1,396,167	932,330
- vehicles		20,247	4,096
		<u>3,416,426</u>	<u>2,854,293</u>

12.2.2 This includes borrowing cost capitalized of Rs. 47.67 million (30 June 2021: Rs. 1.24 million) on loan obtained for different projects such as waste heat recovery plant (WHRP), solar energy plant and new cement production line.

13. LONG TERM INVESTMENT

Investment in Maple Leaf Power Limited - Unquoted	11.1	<u>5,020,000</u>	<u>5,020,000</u>
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13.1 The Company holds 100% (30 June 2021: 100%) shares in the Maple Leaf Power Limited, a wholly owned subsidiary of the Company.

13.2 There was no long term investment in any foreign company as at 31 December 2021 (30 June 2021: Nil).

		Un-audited December 31, 2021 (Rupees in thousand)	Audited June 30, 2021
14. TRADE DEBTS			
Export debtors			
Considered good - unsecured		22,106	7,669
Local debtors			
Considered good - unsecured		2,434,215	1,672,035
Considered doubtful - unsecured		339,917	293,392
Less: Provision for expected credit losses		(339,917)	(293,392)
		<u>2,434,215</u>	<u>1,672,035</u>
		<u>2,456,321</u>	<u>1,679,704</u>

	Note	Un-audited December 31, 2021 (Rupees in thousand)	Audited June 30, 2021
15. SHORT TERM INVESTMENTS			
Investment at fair value through profit or loss - listed securities			
Next Capital Limited			
1,500,000 (30 June 2021: 1,500,000) ordinary shares of Rs. 10 each			
1,875,000 (30 June 2021: 1,875,000) right shares of Rs. 8 each			
337,500 (30 June 2021: 337,500) bonus shares			
Market value Rs. 10.81 per share (30 June 2021: Rs. 14.72 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		24,648	(4,755)
Fair value (loss) / gain for the period / year		(14,516)	29,403
At the end of period / year		10,132	24,648
Fair value at end of the period / year		40,132	54,648
Investment at amortized cost - debt instrument			
Term deposit receipts	15.1	94,500	94,500
		134,632	149,148

15.1 This represents term deposits having maturity of one year and carries mark-up ranges from 6.5% to 7.2% per annum. (30 June 2021: 6.5% to 7.2%).

16. OTHER RECEIVABLES

-
This includes due from Holding Company amounting to Rs. 174.908 million (30 June 2021: Rs. 96.779 million).

		Half Year Ended (Un-audited)	
		December 31,	December 31,
		2021	2020
		(Rupees in thousand)	
17. SALES - NET			
Gross local sales	30,502,333	23,514,713	
Less:			
Federal Excise Duty	(3,503,529)	(3,558,935)	
Sales Tax	(4,875,342)	(3,857,344)	
Discount	(357,928)	(295,860)	
Commission	(141,663)	(107,468)	
	(8,878,462)	(7,819,607)	
Net local sales	21,623,871	15,695,106	
Export sales	477,220	882,704	
	22,101,091	16,577,810	
17.1 Disaggregation of Revenue (Gross sales)			
Primary Geographical Markets			
Pakistan	30,502,333	23,514,713	
Afghanistan	436,225	786,579	
Mozambique	499	1,792	
Nigeria	1,358	-	
Oman	11,520	22,080	
Qatar	2,259	4,258	
Seychelles	-	52,821	
Srilanka	16,385	2,403	
Tanzania	8,974	12,771	
	30,979,553	24,397,417	

18. COST OF SALES

Half Year Ended (Un-audited)	
December 31, 2021	December 31, 2020
(Rupees in thousand)	

Raw materials consumed	1,188,698	1,120,419
Packing materials consumed	1,478,855	1,393,639
Fuel	6,378,145	4,640,646
Power and associated costs	3,852,602	2,968,380
Stores, spare parts and loose tools consumed	612,651	373,954
Salaries, wages and other benefits	619,474	598,642
Rent, rates and taxes	4,628	890
Insurance	40,734	39,127
Repairs and maintenance	239,191	164,919
Depreciation	1,571,927	1,652,062
Amortization	373	846
Vehicles running and maintenance	95,536	77,280
Freight and forwarding	250,562	277,695
Other expenses	79,592	55,703
	16,412,968	13,364,202
Work in process:		
At beginning of the period	1,421,319	903,521
At end of the period	(1,312,728)	(912,676)
	108,591	(9,155)
Cost of goods manufactured	16,521,559	13,355,047
Finished goods:		
At beginning of the period	387,803	575,503
At end of the period	(517,415)	(506,855)
	(129,612)	68,648
Cost of sales	16,391,947	13,423,695

		Half Year Ended (Un-audited)	
		December 31, 2021	December 31, 2020
		(Rupees in thousand)	
19. FINANCE COST			
Profit / interest / mark up on:			
- Long term loans from financial institutions	19.1	480,499	476,417
- Long term loan from Subsidiary Company		43,429	124,843
- Short term borrowings		140,253	193,698
		664,181	794,958
Notional interest on unwinding of retention money payable		13,914	13,379
Notional interest on unwinding of payable to government authority		6,673	10,217
Bank and other charges		25,506	20,828
		710,274	839,382

19.1 This includes amortization of government grant amounting to Rs. 36.68 million (30 June 2021: Rs. 42.53 million).

20. EARNINGS PER SHARE - BASIC AND DILUTED

20.1 Basic earnings per share

		Half year Un-audited December 31, 2021	Half year Un-audited December 31, 2020	Quarter ended December 31, 2021	Quarter ended December 31, 2020
Unit					
Profit after taxation	Rupees in '000	2,403,519	1,109,375	1,840,909	799,970
Weighted average number of ordinary shares	No. of shares in '000	1,098,346	1,098,346	1,098,346	1,098,346
	Rupees	2.19	1.01	1.68	0.73

20.2 There is no dilution effect on the basic earnings per share.

		Half Year Ended (Un-audited)	
		December 31, 2021	December 31, 2020
		(Rupees in thousand)	
21. CASH AND CASH EQUIVALENTS			
Short term running finance		(149,576)	(425,554)
Temporary bank overdraft - unsecured		(12,015)	(86,965)
Cash and bank balances		444,037	394,161
		282,446	(118,358)

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

		December 31, 2021						
		Carrying Amount (Un-audited)			Fair Value (Un-audited)			
		Fair Value through profit or loss	Financial assets at amortized costs	Financial liabilities at amortized cost	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	40,132	-	-	40,132	40,132	-	-
		40,132	-	-	40,132	40,132	-	-
Financial assets not measured at fair value								
	Cash and bank balances	-	444,037	-	444,037	-	-	-
	Long term loans to employees	-	32,344	-	32,344	-	-	-
	Short term investment - term deposit receipt	-	94,500	-	94,500	-	-	-
	Margin and short term deposits	-	350,959	-	350,959	-	-	-
	Other receivables	-	198,685	-	198,685	-	-	-
	Accrued profit	-	9,329	-	9,329	-	-	-
	Long term deposits	-	57,300	-	57,300	-	-	-
	Trade debts	-	2,456,322	-	2,456,322	-	-	-
22.1		-	3,643,476	-	3,643,476	-	-	-
Financial liabilities measured at fair value								
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
	Long term loans from financial institution - secured	-	-	13,864,057	13,864,057	-	-	-
	Long term loan from Subsidiary Company	-	-	1,000,000	1,000,000	-	-	-
	Long term deposits	-	-	8,214	8,214	-	-	-
	Trade and other payables	-	-	6,109,471	6,109,471	-	-	-
	Unclaimed dividend	-	-	27,775	27,775	-	-	-
	Mark-up accrued on borrowings	-	-	312,545	312,545	-	-	-
	Short term borrowing	-	-	3,456,246	3,456,246	-	-	-
22.1		-	-	24,778,308	24,778,308	-	-	-

		June 30, 2021						
		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		54,648	-	-	54,648	54,648	-	-
		<u>54,648</u>	<u>-</u>	<u>-</u>	<u>54,648</u>	<u>54,648</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value								
Cash and bank balances		-	490,329	-	490,329	-	-	-
Long term loans to employees		-	27,996	-	27,996	-	-	-
Short term investment - term deposit receipt		-	94,500	-	94,500	-	-	-
Margin and short term deposits		-	221,977	-	221,977	-	-	-
Other receivables		-	165,835	-	165,835	-	-	-
Accrued profit		-	6,061	-	6,061	-	-	-
Long term deposits		-	57,302	-	57,302	-	-	-
Trade debts		-	1,679,704	-	1,679,704	-	-	-
22.1		<u>-</u>	<u>2,743,704</u>	<u>-</u>	<u>2,743,704</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		-	-	13,341,361	13,341,361	-	-	-
Long term loan from Subsidiary Company		-	-	1,000,000	1,000,000	-	-	-
Long term deposits		-	-	8,214	8,214	-	-	-
Retention money payable		-	-	391,694	391,694	-	-	-
Trade and other payables		-	-	4,697,729	4,697,729	-	-	-
Unclaimed dividend		-	-	28,134	28,134	-	-	-
Mark-up accrued on borrowings		-	-	260,953	260,953	-	-	-
Short term borrowings		-	-	1,894,115	1,894,115	-	-	-
22.1		<u>-</u>	<u>-</u>	<u>21,622,200</u>	<u>21,622,200</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

22.2 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.

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

December 31, 2021 (Un-audited)						
	Dividend payable	Long term financing	Deferred government grant	Short term borrowing	Accrued markup	Total
----- (Rupees in thousand) -----						
As at 30 June 2021	28,134	13,341,361	99,566	1,894,115	260,953	15,624,129
Changes from financing cash flows						
Dividend paid	(359)	-	-	-	-	(359)
Finance cost paid	-	-	-	-	(638,099)	(638,099)
Proceeds of short term borrowings - net	-	-	-	1,611,067	-	1,611,067
Receipt of long term financing	-	1,069,367	-	-	-	1,069,367
Repayment of long term financing	-	(465,196)	-	-	-	(465,196)
Total changes from financing cash flows	(359)	604,171	-	1,611,067	(638,099)	1,576,780
Other changes						
Change in short term running finance - net	-	-	-	(48,936)	-	(48,936)
Impact of government grant	-	(81,475)	81,475	-	-	-
Finance cost	-	-	-	-	689,691	689,691
Total liability related other changes	-	(81,475)	81,475	(48,936)	689,691	640,755
As at 31 December 2021	27,775	13,864,057	181,041	3,456,246	312,545	17,841,664

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	-	-	-	(4,705,388)	-	(4,705,388)
Receipt of long term financing	-	678,710	-	-	-	678,710
Total changes from financing cash flows	(19,100)	678,710	-	(4,705,388)	(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	-	-	-	-	815,786	815,786
Total liability related other changes	-	(48,868)	48,868	(324,232)	815,786	491,554
As at 31 December 2020	28,953	12,927,944	48,868	1,612,692	309,869	14,928,326

24. 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,	December 31,
			2021	2020
Name of parties	Relationship	Transactions	(Rupees in thousand)	
a) Kohinoor Textile Mills Limited	Holding Company (55.22% equity held)	Sale of goods	88,175	64,578
		Expenses paid by related party on behalf of the Company	11,065	8,589
		Expenses paid by the Company on behalf of related party	1,020	-
b) Maple Leaf Power Limited	Subsidiary Company (100% equity held)	Sale of goods and services	1,398,346	779,153
		Purchase of goods and services	2,589,801	2,378,406
		Markup charged during the period	43,429	124,843
		Expense paid on behalf of related party	73,605	142,605
c) Key management personnel		Remuneration and other benefits	117,747	95,462
d) Employee benefits				
Gratuity	Post employment benefit plan	Contribution	11,114	18,236
Provident Fund Trust	Employees benefit fund	Contribution	104,923	85,033

24.1 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%
Ms. 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 Basharat	Key management personnel	N/A

25. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on 22 February 2022 by the Board of Directors of the Company.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended December 31, 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 half-year ended 31 December 2021.

GROUP RESULTS

The Group has earned gross profit of Rupees 6,076 million as compared to Rupees 3,641 million of corresponding period. The Group made after tax profit of Rupees 2,757 million during this period as compared to net profit after tax of Rupees 1,625 million during the corresponding period.

The overall group financial results are as follows:

	December 31, 2021	December 31, 2020
	(Rupees in million)	
Sales	22,101	16,578
Gross Profit	6,076	3,641
Profit from operations	4,408	2,802
Financial cost	676	743
Profit after tax	2,757	1,625
	(-----Rupees-----)	
Earnings per share – basic and diluted	2.51	1.48

SUBSIDIARY COMPANY

MAPLE LEAF POWER LIMITED (MLPL)

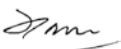
Maple Leaf Cement Factory Limited has formed a subsidiary company namely “**Maple Leaf Power Limited (MLPL)**.” MLPL (“the Subsidiary”) was incorporated in Pakistan on 15 October 2015 under the Companies Ordinance, 1984 (now the Companies Act, 2017) as public limited company. The principal objective 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
February 22, 2022


(Tariq Sayeed Saigol)
Chairman / Director


(Sayeed Tariq Saigol)
Chief Executive Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Note	Un-audited December 31, 2021	Audited June 30, 2021
(Rupees in thousand)			
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		20,661,893	17,634,595
Surplus on revaluation of fixed assets - net of tax	6	2,872,720	3,135,460
		41,106,888	38,342,330
NON - CURRENT LIABILITIES			
Long term loans from financial institutions - secured	7	10,857,682	11,636,749
Deferred grant		126,520	49,569
Long term deposits		8,214	8,214
Deferred taxation		4,321,669	3,931,540
Retention money payable		-	391,694
Retirement benefits		249,348	228,266
Payable to government authority	8	-	42,890
		15,563,433	16,288,922
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institutions - secured	7	3,006,375	1,704,612
- Deferred grant		54,521	49,997
Trade and other payables	9	8,973,955	7,991,126
Unclaimed dividend		27,775	28,134
Mark-up accrued on borrowings		298,391	240,161
Short term borrowings - secured		3,948,755	1,924,115
		16,309,772	11,938,145
CONTINGENCIES AND COMMITMENTS			
	10	72,980,093	66,569,397

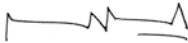
The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

	Note	Un-audited December 31, 2021	Audited June 30, 2021
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	11	50,416,262	49,150,229
Intangible assets		5,007	6,017
Long term loans to employees - secured		21,005	17,004
Long term deposits		57,300	57,302
		<u>50,499,574</u>	<u>49,230,552</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		13,953,439	10,047,727
Stock-in-trade		2,123,090	2,085,863
Trade debts	12	2,456,321	1,679,704
Loans and advances		603,614	492,141
Short term investments	13	134,632	149,148
Short term deposits and prepayments		447,483	240,061
Accrued profit		9,405	6,136
Other receivables	14	499,912	165,835
Advance tax - net		1,760,017	1,970,899
Cash and bank balances		492,606	501,331
		<u>22,480,519</u>	<u>17,338,845</u>
		<u><u>72,980,093</u></u>	<u><u>66,569,397</u></u>


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, 2021

		Half year ended December 31, 2021	Half year ended December 31, 2020	Quarter ended December 31, 2021	Quarter ended December 31, 2020
Note					
		(..... Rupees in thousand)			
Sales - net	15	22,101,091	16,577,810	12,225,855	9,074,992
Cost of sales	16	(16,025,291)	(12,936,832)	(8,337,180)	(6,881,036)
Gross profit		6,075,800	3,640,978	3,888,675	2,193,956
Distribution cost		(759,313)	(395,989)	(380,103)	(251,630)
Administrative expenses		(448,706)	(395,505)	(231,225)	(198,119)
Other charges		(501,771)	(162,470)	(322,655)	(114,250)
		(1,709,790)	(953,964)	(933,983)	(563,999)
Other income		42,071	114,489	30,790	68,545
Profit from operations		4,408,081	2,801,503	2,985,482	1,698,502
Finance cost	17	(676,240)	(743,255)	(365,467)	(317,198)
Profit before taxation		3,731,841	2,058,248	2,620,015	1,381,304
Taxation		(974,411)	(432,799)	(701,472)	(311,037)
Profit after taxation		2,757,430	1,625,449	1,918,543	1,070,267
Earnings per share - basic and diluted (Rupees)	18	2.51	1.48	1.75	0.97

The annexed notes from 1 to 23 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

FOR SIX MONTHS AND QUARTER ENDED
DECEMBER 31, 2021 (UN-AUDITED)

	Half year ended December 31, 2021	Half year ended December 31, 2020	Quarter ended December 31, 2021	Quarter ended December 31, 2020
	(..... Rupees in thousand)			
Profit after taxation	2,757,430	1,625,449	1,918,543	1,070,267
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	2,757,430	1,625,449	1,918,543	1,070,267

The annexed notes from 1 to 23 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

FOR SIX MONTHS ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Note	December 31, 2021	December 31, 2020
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,731,841	2,058,248
Adjustments for:			
Depreciation	11	1,753,649	1,835,786
Amortization		1,010	2,291
Provision for Workers' Profit Participation Fund		203,629	112,462
Provision for Workers' Welfare Fund		72,622	32,381
Provision for expected credit loss		46,525	38,243
Loss on disposal of property, plant and equipment		6,325	-
Fair value gain on initial recognition of payable to government authority		-	(31,007)
Loss / (gain) on re-measurement of short term investments at fair value		14,516	(5,872)
Retirement benefits		38,165	38,365
Finance cost		676,240	743,255
Profit on bank deposits		(12,170)	(9,155)
		2,800,511	2,756,749
Cash generated from operations before working capital changes		6,532,352	4,814,997
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(3,905,712)	(183,041)
Stock-in-trade		(37,227)	80,281
Trade debts		(823,141)	1,102,134
Loans and advances		(111,473)	(95,060)
Short term deposits and prepayments		(207,422)	(150,359)
Other receivables		(334,076)	(27,993)
		(5,419,051)	725,962
Increase in current liabilities:			
Trade and other payables		317,488	513,512
Net cash generated from operations		1,430,789	6,054,471
(Increase) / decrease in long term loans to employees - secured		(4,001)	2,367
Decrease in payable to Government authority		(42,890)	(30,416)
Decrease in long term deposits		-	(350)
Workers Welfare Fund Paid		(23,185)	-
Retirements benefits paid		(17,215)	(35,901)
Taxes paid		(366,139)	(352,442)
Net cash generated from operating activities		977,359	5,637,729
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(3,032,451)	(690,303)
Proceeds from disposal of fixed assets		6,444	-
Short term investment		-	(44,500)
Increase / (decrease) in long term deposits and prepayments		2	(435)
Profit on bank deposits received		8,898	8,212
Net cash used in investing activities		(3,017,107)	(727,026)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans from financial institutions - secured		(465,196)	-
Receipt of long term loans from financial institutions - secured		1,069,367	111,267
Receipt / (repayment) of proceeds of short term borrowings - net		1,611,067	(4,502,414)
Finance cost paid		(597,427)	(960,436)
Dividend paid		(359)	(19,100)
Net cash generated from / (used in) financing activities		1,617,452	(5,370,683)
Decrease in cash and cash equivalents		(422,296)	(459,980)
Cash and cash equivalents at beginning of the period		260,803	14,141
Cash and cash equivalents at end of the period	19	(161,493)	(445,839)

The annexed notes from 1 to 23 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 FOR SIX MONTHS ENDED DECEMBER 31, 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 1 July 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

Other comprehensive income for the period

-	-	-	-	-	1,625,449	1,625,449
-	-	-	-	-	-	-

Effect on deferred tax due to change in
proportion of local and export sales

-	-	-	-	-	1,625,449	1,625,449
-	-	-	-	(13,264)	-	(13,264)

Transfer of incremental depreciation from surplus
on revaluation of fixed assets - net of tax

-	-	-	-	(113,038)	113,038	-
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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

Balance as at 1 July 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

Profit for the six months ended

31 December 2021

Other comprehensive income for the period

-	-	-	-	-	2,757,430	2,757,430
-	-	-	-	-	-	-

Effect on deferred tax due to change in
proportion of local and export sales

-	-	-	-	-	2,757,430	2,757,430
-	-	-	-	7,128	-	7,128

Transfer of incremental depreciation from surplus
on revaluation of fixed assets - net of tax

-	-	-	-	(269,868)	269,868	-
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Balance as at 31 December 2021 - un-audited 10,983,462 6,060,550 528,263 6,588,813 2,872,720 20,661,893 41,106,888

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR SIX MONTHS ENDED DECEMBER 31, 2021 (UN-AUDITED)

1. REPORTING ENTITY

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

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

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

Maple Leaf Power Limited (“the Subsidiary Company”) was incorporated in Pakistan on 15 October 2015 as a public limited company under the Companies Ordinance, 1984 (now 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 Company, as at 31 December 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 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 2021. Comparative numbers of condensed interim consolidated statement of financial position are extracted from the annual consolidated audited financial statements of the Company for the year ended 30 June 2021, 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 Company for the six months period ended 31 December 2020.

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 Company's functional currency and all financial information presented has been rounded off to the nearest thousand 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 Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited consolidated financial statements for the year ended 30 June 2021.

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 2021.

- 4.1 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 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
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2022
- Amendments to IAS 1 - Classification of liabilities as current or non-current	01 January 2023
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	01 January 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	01 January 2023

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

		Un-audited December 31, 2021	Audited June 30, 2021	Un-audited December 31, 2021	Audited June 30, 2021
	Note	Number of shares		(Rupees in thousand)	
(30 June 2021: 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 2021: 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 2021: 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 2021: 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 2021: 1,624,417) ordinary shares of Rs. 10 each issued on 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 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** During the financial year ended 30 June 2011, the 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.
- 5.3** 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 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.
- 5.5** Directors of the Group hold 96,706 (30 June 2021: 96,706) ordinary shares of Rs. 10 each of the Group.

Un-audited December 31, 2021	Audited June 30, 2021
(Rupees in thousand)	

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

Gross surplus		
At beginning of the period / year	4,224,457	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	(269,867)	(515,500)
Related deferred tax liability	(104,318)	(204,550)
At end of the period / year	3,850,270	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)
Tax effect of incremental depreciation transferred to unappropriated profit during the period / year	(104,318)	(204,550)
Effect of change in tax rate due to proportion of local and export sales	(7,128)	12,775
At end of the period / year	977,552	1,088,998
	2,872,720	3,135,460

7. LONG TERM LOANS FROM FINANCIAL INSTITUTION - SECURED

Sr.	Lender	Note	Sanctioned Limit	31-Dec-21	30-Jun-21	Remaining Tenor of Principal Repayments
----- Rupees in '000' -----						
1	Askari Bank Limited - Term Finance	7.1	707,130	707,129	707,129	20 equal quarterly installments starting from 28 March 2022
2	Bank of Punjab - Demand Finance	7.1	1,253,119	1,253,119	1,253,119	20 equal quarterly installments starting from 27 May 2022
3	MCB Bank Limited - Demand Finance	7.1	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	7.1	5,500,000	2,851,428	2,994,285	20 equal quarterly installments started from 31 December 2021
5	Samba Bank Limited- Term Finance	7.1	450,000	450,000	450,000	12 equal quarterly installments starting from 01 Apr 2022
6	MCB Bank Limited (EX NIB) - Term Finance	7.1	1,488,379	1,488,379	1,488,379	21 equal quarterly installments starting from 04 May 2022
7	MCB Islamic Bank Limited - Diminishing Musharika	7.1	1,500,000	1,104,167	1,104,167	18 equal quarterly installments starting from 27 March 2022
8	Habib Bank Limited - Term Finance	7.1	1,000,000	714,286	714,286	20 equal quarterly installments starting from 28 September 2022
9	Askari Bank Limited - Term Finance	7.1	125,000	125,000	125,000	5 equal quarterly installments starting from 04 March 2022
10	Bank of Punjab - Demand Finance	7.1	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 during the period
12	National Bank of Pakistan - Demand Finance	7.1	1,000,000	250,000	250,000	5 equal quarterly installments starting from 06 April 2022
13	MCB Islamic Bank Limited- Diminishing Musharika	7.1	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	7.1	933,000	426,630	639,945	4 equal quarterly installments starting from 20 February 2022
15	Pair Investment Company Limited	7.1	300,000	112,500	150,000	6 equal quarterly installments starting from 28 March 2022
16	Askari Bank Limited - Term Finance	-	900,000	-	97,964	This amount is converted into TERF during the period.
17	Askari Bank Limited - TERF	7.1	900,000	655,425	591,957	19 equal quarterly installments starting from 17 February 2022
18	Bank of Punjab - Demand Finance	7.1	1,000,000	301,294	161,102	24 equal quarterly installments started from 14 March 2021
19	National Bank of Pakistan - Demand Finance	7.1	3,000,000	198,302	198,302	32 equal quarterly installments starting from 18 September 2023
20	Bank of Punjab - Demand Finance and TERF	7.2	3,000,000	407,540	182,555	32 equal quarterly installments starting from 18 June 2023
21	MCB Bank Limited - Demand Finance	7.1	2,000,000	136,931	136,931	32 equal quarterly installments starting from 18 June 2023
22	Habib Bank Limited - LTFF	7.1	2,000,000	249,851	249,851	20 equal quarterly installments starting from 25 September 2023
23	Allied Bank Limited - LTFF	7.3	640,000	96,738	-	24 equal quarterly installments starting from 23 February 2022
24	Faysal Bank Limited - Diminishing Musharika	7.4	2,000,000	464,759	-	24 equal quarterly installments starting from 01 December 2022
25	MCB Islamic Bank Limited - Diminishing Musharika IFRE for Solar Power	7.5	240,000	142,694	-	12 equal quarterly installments starting from 01 January 2023
Total			32,448,032	14,045,098	13,440,927	
Less: Impact of deferred government grant				(181,041)	(99,566)	
Current portion of long term loans from financial institutions - secured				(3,006,375)	(1,704,612)	
Long term portion of loans from financial institutions				10,857,682	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.
- 7.2 Total outstanding amount includes Rs. 182 millions converted into Temporary Economic Refinance Facility (TERF) and carries a markup of SBP rate plus 150bps and the remaining amount carries a mark-up of 3 month KIBOR plus 90bps, payable quarterly in arrears.
- 7.3 The Group has obtained a long term loan facility of Rs. 640 million for the purpose of expansion into the Wall Putty product line. The loan is secured by first joint pari passu / first pari passu charge over all present and future plant and machinery of the Company for Rs. 853.33 million inclusive of 25% margin. The loan carries markup at the rate of 3-Month KIBOR plus 100bps for the Term Finance and SBP rate plus 100bps for Long Term Financing Facility payable quarterly in arrears.
- 7.4 The Group has obtained this facility of Rs. 2,000 million to finance the import and setting up of new cement production line. The loan is secured by Joint Pari Passu charge over all present and future fixed assets of the Company with 25% margin. This loan carries markup at the rate of 3-Month KIBOR plus 150bps, payable quarterly in arrears.
- 7.5 The Group has obtained a long term loan facility of Rs. 240 millions for the purpose of development of Solar Power structure. The loan is secured by joint pari passu charge over fixed assets of the Company including land, building & plant and machinery with 25% margin. The loan carries mark up at the rate of 3-Month KIBOR plus 100bps for the demand finance and SBP rate plus 150 bps for the Islamic Financing Facility for Renewable Energy scheme, payable quarterly in arrears.

Note	Un-audited December 31,	Audited June 30,
	2021	2021
(Rupees in thousand)		
8. PAYABLE TO GOVERNMENT AUTHORITY		
Payable to government authority	-	42,890
8.1	-	42,890
8.1	This represented non-current portion of Gas Infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL). The amount was payable by the Company in 24 equal monthly installment. The amount has now been classified to accrued liabilities due to maturity of less than 12 months.	

	Note	Un-audited December 31, 2021	Audited June 30, 2021
(Rupees in thousand)			
9. TRADE AND OTHER PAYABLES			
Trade creditors		2,957,847	2,843,605
Bills payable - secured		743,137	752,517
Contract liabilities		238,548	250,565
Accrued liabilities	9.1	1,223,927	963,368
Payable to Workers' Profit Participation Fund		1,757,229	1,553,602
Payable to Workers' Welfare Fund		135,480	86,043
Payable to Provident Fund Trust		17,198	15,830
		7,073,366	6,465,530
Payable to Government on account of:			
Federal Excise Duty payable		763,378	789,851
Sales Tax payable		-	129,739
Royalty and Excise Duty payable		93,962	90,252
Provision for electricity duty		156,641	136,312
Other taxes payable		338,248	270,331
		1,352,229	1,416,485
Contractors' retention money		480,957	43,296
Payable against redemption of preference shares		1,012	1,016
Security deposits repayable on demand		65,725	64,242
Other payables		666	557
		548,360	109,111
		8,973,955	7,991,126

9.1 This includes GIDC payable as at 31 December 2021, amounting to Rs. 308.078 million (30 June 2021: Rs. 281.480 million).

10. CONTINGENCIES AND COMMITMENTS

10.1 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.

10.2 Guarantees by banks on behalf of the Company amounted to Rs. 842.04 million (30 June 2021: Rs. 683.06 million) were given in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

10.3 Commitments

	Note	Un-audited December 31, 2021	Audited June 30, 2021
(Rupees in thousand)			

10.3.1 In respect of:

- capital expenditure		13,490,183	11,257,597
- spare parts		3,053	3,053
- irrevocable letters of credit for spare parts		2,286,665	82,134
		<u>15,779,901</u>	<u>11,342,784</u>

11. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	11.1	46,607,489	46,187,994
Capital work in progress - at cost	11.2	3,416,426	2,854,293
Stores and spares held for capitalization		392,347	107,942
		<u>50,416,262</u>	<u>49,150,229</u>

11.1 Operating fixed assets

Balance at beginning of the period / year		46,187,994	48,614,403
Add: Additions during the period / year	11.1.1	2,185,913	1,248,497
		<u>48,373,907</u>	<u>49,862,900</u>
Less: Book value of operating assets disposed - off during the period / year		12,769	83,005
Depreciation charge during the period / year		1,753,649	3,591,901
		<u>46,607,489</u>	<u>46,187,994</u>

11.1.1 Additions during the period / year:

- buildings on freehold land		537,039	289,107
- plant and machinery		1,615,333	600,875
- furniture, fixtures and equipment		5,511	8,013
- roads, bridges and railway sidings		-	314,639
- vehicles		28,030	35,863
		<u>2,185,913</u>	<u>1,248,497</u>

11.2 Movement in capital work-in-progress - at cost

At beginning of the period / year		2,854,293	871,386
Additions during the period / year	11.2.2	2,650,229	2,997,765
Less: Transfers during the period / year		(2,088,096)	(993,697)
Less: Charged off during the period / year		-	(21,161)
At end of the period / year	11.2.1	<u>3,416,426</u>	<u>2,854,293</u>

	Un-audited December 31, 2021	Audited June 30, 2021
	(Rupees in thousand)	
11.2.1 Capital work-in-progress - at cost		
Buildings	1,125,353	887,521
Plant and machinery	173,534	565,992
Roads and bridges	2,117	-
Vehicles	1,568	-
Directly attributable expenses	132,421	-
Advances to suppliers against:		
- civil works	565,019	464,354
- plant and machinery	1,396,167	932,330
- vehicles	20,247	4,096
	3,416,426	2,854,293

11.2.2 This includes borrowing cost capitalized of Rs. 47.67 million (30 June 2021: Rs. 1.24 million) on loan obtained for different projects such as waste heat recovery plant (WHRP), Solar energy plant and new cement production line.

	Un-audited December 31, 2021	Audited June 30, 2021
	(Rupees in thousand)	
12. TRADE DEBTS		
Export debtors		
Considered good - unsecured	22,106	7,669
Local debtors		
Considered good - unsecured	2,434,215	1,672,035
Considered doubtful - unsecured	339,917	293,392
Less: Provision for expected credit losses	(339,917)	(293,392)
	2,434,215	1,672,035
	2,456,321	1,679,704

	Note	Un-audited December 31, 2021 (Rupees in thousand)	Audited June 30, 2021
13. SHORT TERM INVESTMENTS			
Investment at fair value through profit or loss - listed securities			
Next Capital Limited			
1,500,000 (30 June 2021: 1,500,000) ordinary shares of Rs. 10 each			
1,875,000 (30 June 2021: 1,875,000) right shares of Rs. 8 each			
337,500 (30 June 2021: 337,500) bonus shares			
Market value Rs. 10.81 per share (30 June 2021: Rs. 14.72 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		24,648	(4,755)
Fair value (loss) / gain for the period / year		(14,516)	29,403
At the end of period / year		10,132	24,648
Fair value at end of the period / year		40,132	54,648
Investment at amortized cost - debt instrument			
Term deposit receipts	13.1	94,500	94,500
		134,632	149,148

13.1 This represents term deposits having maturity of one year and carries mark-up ranges from 6.5% to 7.2% per annum. (30 June 2021: 6.5% to 7.2%).

14. OTHER RECEIVABLES

-
This includes due from Holding Company amounting to Rs. 174.908 million (30 June 2021: Rs. 96.779 million).

Half Year Ended (Un-audited)	
December 31, 2021	December 31, 2020
(Rupees in thousand)	

15. SALES - NET

Gross local sales	30,502,333	23,514,713
Less:		
Federal Excise Duty	(3,503,529)	(3,558,935)
Sales Tax	(4,875,342)	(3,857,344)
Discount and others	(357,928)	(295,860)
Commission	(141,663)	(107,468)
	(8,878,462)	(7,819,607)
Net local sales	21,623,871	15,695,106
Export sales	477,220	882,704
	22,101,091	16,577,810

15.1 Disaggregation of Revenue (Gross sales)

Primary Geographical Markets

Pakistan	30,502,333	23,514,713
Afghanistan	436,225	786,579
Mozambique	499	1,792
Nigeria	1,358	-
Oman	11,520	22,080
Qatar	2,259	4,258
Seychelles	-	52,821
Srilanka	16,385	2,403
Tanzania	8,974	12,771
	30,979,553	24,397,417

16. COST OF SALES

Half Year Ended (Un-audited)	
December 31, 2021	December 31, 2020
(Rupees in thousand)	

Raw materials consumed	1,177,814	1,103,754
Packing materials consumed	1,478,855	1,393,639
Fuel	7,866,720	5,790,005
Power and associated costs	1,675,029	1,021,252
Stores, spare parts and loose tools consumed	664,959	436,860
Salaries, wages and other benefits	665,904	642,660
Rent, rates and taxes	4,638	1,098
Insurance	46,053	45,168
Repairs and maintenance	254,530	174,236
Depreciation	1,724,754	1,805,239
Amortization	373	846
Vehicles running and maintenance	101,454	82,531
Freight and forwarding	250,562	277,695
Other expenses	80,636	56,044
	15,992,281	12,831,027
Work in process:		
At beginning of the period	1,373,133	903,521
At end of the period	(1,207,159)	(883,214)
	165,974	20,307
Cost of goods manufactured	16,158,255	12,851,334
Finished goods:		
At beginning of the period	371,669	575,503
At end of the period	(504,633)	(490,005)
	(132,964)	85,498
Cost of sales	16,025,291	12,936,832

		Half Year Ended (Un-audited)	
		December 31, 2021	December 31, 2020
		(Rupees in thousand)	
17. FINANCE COST			
Profit / interest / mark up on:			
- Long term loans from financial institutions	17.1	480,499	476,417
- Short term borrowings		148,856	221,588
		629,355	698,005
Notional interest on unwinding of retention money payable		13,914	13,379
Notional interest on unwinding of payable to government authority		6,673	10,217
Bank and other charges		26,298	21,654
		676,240	743,255

17.1 This includes amortization of government grant amounting to Rs. 36.68 million (30 June 2021: Rs. 42.53 million).

18. EARNINGS PER SHARE - BASIC AND DILUTED

18.1 Basic earnings per share

		Half year Un-audited December 31, 2021	Half year Un-audited December 31, 2020	Quarter ended December 31, 2021	Quarter ended December 31, 2020
Unit					
Profit after taxation	Rupees in '000	2,757,430	1,625,449	1,918,543	1,070,267
Weighted average number of ordinary shares	No. of shares in '000	1,098,346	1,098,346	1,098,346	1,098,346
	Rupees	2.51	1.48	1.75	0.97

18.2 There is no dilution effect on the basic earnings per share.

		Half Year Ended (Un-audited)	
		December 31, 2021	December 31, 2020
		(Rupees in thousand)	
19. CASH AND CASH EQUIVALENTS			
Short term running finance		(449,561)	(625,554)
Temporary bank overdraft - unsecured		(12,015)	(86,965)
Islamic mode of financing - Murabaha		(192,523)	(152,586)
Cash and bank balances		492,606	419,266
		(161,493)	(445,839)

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

		December 31, 2021						
		Carrying Amount (Un-audited)			Fair Value (Un-audited)			
	Note	Fair Value through profit or loss	Financial assets at amortized costs	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
----- (Rupees in thousand) -----								
On-Balance sheet financial instruments								
Financial assets measured at fair value								
Short term investment		40,132	-	-	40,132	40,132	-	-
		40,132	-	-	40,132	40,132	-	-
Financial assets not measured at fair value								
Cash and bank balances		-	492,606	-	492,606	-	-	-
Long term loans to employees		-	32,219	-	32,219	-	-	-
Short term investment - term deposit receipt		-	94,500	-	94,500	-	-	-
Margin and short term deposits		-	364,492	-	364,492	-	-	-
Other receivables		-	499,912	-	499,912	-	-	-
Accrued profit		-	9,405	-	9,405	-	-	-
Long term deposits		-	57,300	-	57,300	-	-	-
Trade debts		-	2,456,321	-	2,456,321	-	-	-
	20.1	-	4,006,755	-	4,006,755	-	-	-
Financial liabilities measured at fair value								
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans from financial institution - secured		-	-	13,864,057	13,864,057	-	-	-
Long term deposits		-	-	8,214	8,214	-	-	-
Trade and other payables		-	-	5,473,271	5,473,271	-	-	-
Unclaimed dividend		-	-	27,775	27,775	-	-	-
Short term borrowing		-	-	3,948,755	3,948,755	-	-	-
	20.1	-	-	23,322,072	23,322,072	-	-	-

		June 30, 2021						
		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		54,648	-	-	54,648	54,648	-	-
		<u>54,648</u>	<u>-</u>	<u>-</u>	<u>54,648</u>	<u>54,648</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value								
Cash and bank balances		-	501,331	-	501,331	-	-	-
Long term loans to employees		-	27,996	-	27,996	-	-	-
Short term investment - term deposit receipt		-	94,500	-	94,500	-	-	-
Margin and short term deposits		-	236,977	-	236,977	-	-	-
Other receivables		-	165,835	-	165,835	-	-	-
Accrued profit		-	6,136	-	6,136	-	-	-
Long term deposits		-	57,302	-	57,302	-	-	-
Trade debts		-	1,679,704	-	1,679,704	-	-	-
20.1		<u>-</u>	<u>2,769,781</u>	<u>-</u>	<u>2,769,781</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		-	-	13,440,927	13,440,927	-	-	-
Long term deposits		-	-	8,214	8,214	-	-	-
Retention money payable		-	-	391,694	391,694	-	-	-
Trade and other payables		-	-	4,668,601	4,668,601	-	-	-
Unclaimed dividend		-	-	28,134	28,134	-	-	-
Mark-up accrued on borrowings		-	-	240,161	240,161	-	-	-
Short term borrowings		-	-	1,924,115	1,924,115	-	-	-
20.1		<u>-</u>	<u>-</u>	<u>20,701,846</u>	<u>20,701,846</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

20.2 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 consolidated financial statements.

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

	December 31, 2021 (Un-audited)					
	Dividend payable	Long term financing	Deferred government grant	Short term borrowing	Accrued markup	Total
	----- (Rupees in thousand) -----					
As at 30 June 2021	28,134	13,341,361	99,566	1,924,115	240,161	15,633,337
Changes from financing cash flows						
Dividend paid	(359)	-	-	-	-	(359)
Finance cost paid	-	-	-	-	(597,427)	(597,427)
Proceeds of short term borrowings - net	-	-	-	1,611,067	-	1,611,067
Receipt of long term financing	-	1,069,367	-	-	-	1,069,367
Repayment of long term financing	-	(465,196)	-	-	-	(465,196)
Total changes from financing cash flows	(359)	604,171	-	1,611,067	(597,427)	1,617,452
Other changes						
Change in short term running finance - net	-	-	-	413,573	-	413,573
Impact of government grant	-	(81,475)	81,475	-	-	-
Finance cost	-	-	-	-	655,657	655,657
Total liability related other changes	-	(81,475)	81,475	413,573	655,657	1,069,230
As at 31 December 2021	27,775	13,864,057	181,041	3,948,755	298,391	18,320,019

	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)
Receipt of long term financing	-	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	-	-	-	-	719,659	719,659
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

22. 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, 2021	December 31, 2020
			(Rupees in thousand)	
Name of parties	Relationship	Transactions		
a) Kohinoor Textile Mills Limited	Holding Company (55.22% equity held)	Sale of goods	88,175	64,578
		Expenses paid by related party on behalf of the Company	11,065	8,589
		Expenses paid by the Company on behalf of related party	1,020	-
b) Key management personnel		Remuneration and other benefits	117,747	95,462
c) Employee benefits				
Gratuity	Post employment benefit plan	Contribution	11,114	18,236
Provident Fund Trust	Employees benefit fund	Contribution	104,923	85,033

- 22.1** 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%
Ms. 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 Basharat	Key management personnel	N/A

23. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on 22 February 2022 by the Board of Directors of the Group.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



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