

THE FACTORY



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MAPLE LEAF CEMENT

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1ST QUARTERLY REPORT SEPTEMBER 30, 2023

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COMPANY INFORMATION

Board of Directors

Mr. Tariq Sayeed SaigolChairman
Mr. Sayeed Tariq SaigolChief 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
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
United Bank Limited

Auditors

A. F. Ferguson & Co.
Chartered Accountants,
308-Upper Mall, Shahrah-e-Quaid-e-Azam, Lahore.
Tel: +92 (42) 3519 9343-50
Fax: +92 (42) 3519 9351
www.pwc.com/pk

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 Center (24/7)

0800-411111

Share Registrar

Vision Consulting Limited
Head Office: 5-C, LDA Flats,
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.

Video presentation of CEO detailing financial performance of the Company is also available on the above website

DIRECTORS' REVIEW

In compliance with Section 237 of the Companies Act, 2017, the Directors of your Company have pleasure to present unaudited standalone and consolidated financial statements for the first three months of financial year 2023-24, ended 30th September 2023.

During the review period, the Company recorded net consolidated turnover of Rs. 16,676 million, compared to Rs. 12,827 million in the previous period. The Company's top line increased by 30% as a result of higher selling prices in the local market and increase in local sale quantity on account of commencement of Line 4 operations. The increase in selling prices is primarily owing to the strong inflationary impact on costs, particularly fuel & power, raw material & packing material.

For the period under consideration, the following comparative data on capacity utilization and cement dispatches are provided: -

Particulars	(July to September)		Variance	
	2023-2024	2022-2023	Change	Percentage
	(----- M. Tons -----)			
Production:				
Clinker Production	943,038	854,830	88,208	10.32%
Cement Production	1,036,814	911,640	125,174	13.73%
Sales:				
Domestic	1,009,518	872,039	137,478	15.77%
Exports	50,466	30,062	20,404	67.87%
Total	1,059,984	902,101	157,882	17.50%

Total sales volume of 1,059,984 tons in the period represents a 17.50% increase over 902,101 tons sold during the same period last year. Domestic sales volume was 1,009,518 tons, representing an increase of 15.77% mainly due to commencement of Line 4 operations.

The export sales volume up from 30,062 tons to 50,466 tons, increased by 67.87% from the previous period due to increase in demand. Cement exports by sea were not possible due to high production costs in Pakistan in comparison to global markets, as well as increased shipping costs which hampered competitiveness in regional markets.

Global coal prices decreased during the first quarter of the current fiscal year due to demand constraints on account of global recession and are currently fairly comparable to locally available Afghan origin coal. Furthermore, due to import constraints caused by a lack of foreign exchange reserves and issues with establishing import letters of credit, the Company has been unable to import significant amounts of coal. Furthermore, during the review period, the Company relied more on Darra coal and other available local fuels.

The Company's management launched cost-cutting initiatives and implemented numerous schemes in all areas, including the use of alternative fuels and optimizing plant operations with a specific focus on reducing fixed costs. The company has also significantly opted to use polypropylene packing bags instead of paper bags to improve its cost efficiency.

The Company was able to avert the possible negative impact of NEPRA rate hikes by largely depending on its own power generation sources, which include a coal fired power plant (CFPP), solar power plants and waste heat recovery plants, which are the cheapest source of electricity for the Company. All of the cost-cutting efforts outlined above have contributed to higher margins as compared to the same period last year.

Due to the aforementioned factors influencing production costs, the Company generated consolidated gross profit of Rs. 5,228 million during the reporting period, a 30% increase from Rs. 4,031 million in the same period last year.

The Company incurred a Finance cost of Rs. 946 million during the reporting period, a 69% increase from Rs. 561 million in the same period last year. This increase was mainly due to charging of finance cost in profit & loss account during current period subsequent to capitalization of Line 4.

The Company reported a consolidated pre-tax profit of Rs. 2,463 million for the reporting period, compared to a corresponding period profit of Rs. 1,966 million. The consolidated tax component was Rs. 836 million for the reporting period, compared to Rs. 588 million in the previous period.

Profits earned from Maple Leaf Power Limited (MLPL), a wholly owned subsidiary of the Company, established to install and operate 40 MW imported coal-fired captive power plant are exempt from charge of income tax. However, partial tax charge pertains to other income. MLPL has earned net profit of Rs. 308 million during the first quarter of financial year 2023-24. MLPL operations have favourably impacted consolidated results by yielding substantial savings in power cost.

The aforementioned reasons increased the post-tax bottom line for the reporting period to Rs. 1,626 million as compared to Rs. 1,378 million for the similar period previous year, representing a 18% rise. However, super tax charge during the reported period is calculated at 10% as against 4% during same period last year.

FUTURE OUTLOOK

Going forward, we expect cement demand in the domestic market to increase further owing to public spending in construction sectors, improvement of macro-economic indicators and upcoming general elections.

Import restrictions due to a lack of foreign exchange reserves, excessive sea freight on account of high oil cost, the depreciation of the Pakistan rupee versus the US dollar, unfavourable macroeconomic indicators and global recession in international markets would put pressure on cement input costs. Given Pakistan's economic situation, import restrictions are unlikely to lift in the near future. As a result, in order to limit this impact and reduce the

risk of currency depreciation, the Company has expanded its reliance on local coal and other alternative fuels. To avoid future power sector arrears, the government aims to raise electricity rates and streamline fuel price increases in response to rising pressure from the IMF. As a result, National Grid tariffs are projected to climb further, resulting in higher power expenses for the Company. To offset the aforementioned cost escalation concerns, the Company is focusing on increasing the use of alternative fuels and renewable energy resources in order to reduce reliance on the National Grid to a bare minimum. Solar power project of 7.5MW is in process which will result in increase in solar power generation capacity of the Company to 20 MW.

ACKNOWLEDGEMENT

The Board would like to take this opportunity to offer its heartfelt gratitude and appreciation to the shareholders, employees, customers, bankers, and other stakeholders for their unwavering trust in us.

For and on behalf of the Board

Lahore
October 26, 2023


(Syed Mohsin Raza Naqvi)
Director


(Sayeed Tariq Saigol)
Chief Executive Officer



UNCONSOLIDATED FINANCIAL STATEMENTS

For the First Quarter Ended September 30, 2023



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

	Note	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		15,000,000	15,000,000
Issued, subscribed and paid-up share capital		10,733,462	10,733,462
Capital reserves		6,344,076	6,363,952
Accumulated profits		27,387,492	25,946,716
Surplus on revaluation of fixed assets - net of tax	5	1,734,006	1,868,984
		46,199,036	44,913,114
NON - CURRENT LIABILITIES			
Long term loans from financial institutions - secured	6	15,281,020	15,233,337
Deferred grant		564,303	605,926
Long term loan from Subsidiary Company	7	2,000,000	2,000,000
Long term liability against right of use asset		30,364	31,408
Long term deposits		8,214	8,214
Deferred taxation		8,926,445	8,669,211
Retention money		1,744,416	1,752,988
Retirement benefits		290,886	278,492
		28,845,648	28,579,576
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institutions - secured	6	2,067,689	2,599,401
- Deferred grant		174,615	179,766
- Liability against right of use assets		10,283	10,257
Trade and other payables	8	12,524,523	12,518,180
Provision for taxation		187,272	-
Unclaimed dividend		27,344	27,378
Mark-up accrued on borrowings		868,297	880,039
Short term borrowings		1,155,486	-
		17,015,509	16,215,021
CONTINGENCIES AND COMMITMENTS	9	92,060,193	89,707,711

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

	Note	Un-audited September 30, 2023	Audited June 30, 2023
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	61,927,396	62,354,608
Intangible assets		6,553	6,946
Long term investment	11	5,030,000	5,030,000
Long term loans to employees - secured		29,087	18,089
Long term deposits		58,912	58,401
		67,051,948	67,468,044
CURRENT ASSETS			
Stores, spare parts and loose tools		12,967,996	9,925,852
Stock-in-trade		3,354,248	3,874,605
Trade debts	12	3,786,289	2,600,988
Loans and advances		1,361,206	868,404
Short term investment	13	1,786,666	3,689,556
Short term deposits and prepayments		751,662	482,930
Accrued profit		16,794	8,792
Other receivables		19,179	22,531
Advance income tax - net of provision		-	25,302
Cash and bank balances		964,205	740,707
		25,008,245	22,239,667
		92,060,193	89,707,711


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Note	Three Months Period Ended	
		September 30, 2023	September 30, 2022
(Rupees in thousand)			
Sales - net	14	16,675,567	12,827,344
Cost of sales	15	(11,698,340)	(8,921,947)
Gross profit		4,977,227	3,905,397
Distribution cost		(1,151,205)	(753,687)
Administrative expenses		(403,143)	(369,220)
Other charges		(313,529)	(373,050)
		(1,867,877)	(1,495,957)
Other income		74,718	7,644
Profit from operations		3,184,068	2,417,084
Finance cost	16	(1,064,482)	(642,916)
Profit before taxation		2,119,586	1,774,168
Taxation		(789,175)	(564,044)
Profit after taxation		1,330,411	1,210,124
(----- Rupees -----)			
Earnings per share - basic and diluted		1.24	1.13

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Three Months Period Ended	
	September 30, 2023	September 30, 2022
	(Rupees in thousand)	
Profit after taxation	1,330,411	1,210,124
Change in fair value of investment at fair value through OCI	(26,501)	-
Tax effect of change in fair value of investment at fair value through OCI	6,625	-
	(19,876)	-
Surplus on revaluation of fixed assets:		
Effect on deferred tax due to change in effective tax rate	24,612	-
Total comprehensive income for the period	<u>1,335,147</u>	<u>1,210,124</u>

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Share Capital	Capital Reserves					Revenue Reserve	Total Equity	
		Share premium	Capital redemption reserve	Own shares purchase for cancellation	FVOCI reserve	Sub - total			Surplus on revaluation of fixed assets - net of tax
Rupees in thousand									
Balance as at June 30, 2022 - audited	10,983,462	6,060,550	528,263	(496,429)	-	6,092,384	2,459,967	21,023,202	40,559,015
Own shares purchased during the year for cancellation	(250,000)	-	(422,439)	496,429	-	73,990	-	-	(176,010)
Total comprehensive income for the period									
Profit for the period ended September 30, 2022	-	-	-	-	-	-	-	1,210,124	1,210,124
Other comprehensive income for the period ended September 30, 2022	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	1,210,124	1,210,124
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	(120,382)	120,382	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	-	-	2,165	-	2,165
Balance as at September 30, 2022 - Unaudited	10,733,462	6,060,550	105,824	-	-	6,166,374	2,341,750	22,353,707	41,595,292
Balance as at June 30, 2023 - audited	10,733,462	6,060,550	105,824	-	197,578	6,363,952	1,868,984	25,946,716	44,913,114
Own shares purchased during the year for cancellation	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period									
Profit for the period ended September 30, 2023	-	-	-	-	-	-	-	1,330,411	1,330,411
Other comprehensive income for the period ended September 30, 2023	-	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(19,876)	(19,876)	-	-	(19,876)
	-	-	-	-	(19,876)	(19,876)	-	1,330,411	1,310,535
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	(110,365)	110,365	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	-	-	(24,612)	-	(24,612)
Balance as at September 30, 2023 - Unaudited	10,733,462	6,060,550	105,824	-	177,702	6,344,076	1,734,007	27,387,492	46,199,036

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

		September 30, September 30,	
	Note	2023	2022
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,119,586	1,774,168
Adjustments for:			
Depreciation	10.1	1,060,170	804,115
Amortization		393	874
Provision for Workers' Profit Participation Fund		86,242	94,148
Provision for Workers' Welfare Fund		44,940	37,659
Provision for doubtful debt		87,000	30,000
Other receivables written off		-	2,509
Gain on disposal of property, plant and equipment		(10,720)	(5,141)
Loss on re-measurement of short term investments at fair value		3,928	1,039
Retirement benefits		19,857	22,822
Profit on bank deposits		(19,712)	(7,154)
Finance cost	16	1,064,482	642,916
Cash generated from operations before working capital changes		4,456,166	3,397,958
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(3,042,144)	(1,541,645)
Stock-in-trade		520,357	(950,188)
Trade debts		(1,272,301)	(550,237)
Loans and advances		(492,802)	54,184
Short term deposits and prepayments		(268,732)	(46,215)
Other receivables		3,351	3,140
		(4,552,271)	(3,030,961)
(Decrease) / increase in current liabilities			
Trade and other payables		(133,410)	1,214,272
		(4,685,681)	(1,816,689)
Net cash (used in) / generated from operations		(229,516)	1,581,269
Increase in long term loans to employees		(10,997)	(3,127)
Retirement benefits paid		(7,463)	(16,415)
Taxes paid		(337,354)	(267,037)
Net cash (used in) / generated from operations		(585,330)	1,294,690
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		(783,620)	(2,930,814)
Proceeds from disposal of property, plant and equipment		161,383	9,325
Decrease in long-term deposits and prepayments		(510)	(170)
Short term investment		1,872,461	(40,000)
Profit on bank deposits received		11,710	2,802
Net cash used in investing activities		1,261,424	(2,958,857)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) / acquisition of long term loans from banking companies - secured - net		(530,803)	1,602,213
Acquisition of short-term borrowings - net		100,000	345,758
Payment for buy back of shares		-	(176,010)
Finance cost paid		(1,076,224)	(370,637)
Lease rentals paid during the period		(1,018)	(722)
Dividend paid		(34)	(40)
Net cash (used in) / generated from financing activities		(1,508,080)	1,400,562
Net decrease in cash and cash equivalents		(831,987)	(263,605)
Cash and cash equivalents at beginning of the period		740,707	(603,919)
Cash and cash equivalents at end of the period	17	(91,280)	(867,524)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

1. REPORTING ENTITY

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

2. BASIS OF PREPARATION

2.1 Separate financial statements

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 September 30, 2023	Audited June 30, 2023
		(Direct holding percentage)	
Subsidiary Company			
Maple Leaf Power Limited	2.1.1	100	100
Maple Leaf Industries Limited	2.1.2	100	100

2.1.1 Maple Leaf Power Limited (“MLPL”) was incorporated in Pakistan on October 15, 2015 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). MLPL 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. MLPL’s registered office is located at 42 - Lawrence Road, Lahore. MLPL’s principal objective 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.

2.1.2 Maple Leaf Industries Limited (“MLIL”) is a Limited Company incorporated in Pakistan on September 21, 2022 as a public limited company under Companies Act, 2017. MLIL’s objective is to produce, manufacture, prepare, treat, process, refine, and deal in all kinds of cement and its allied products. The registered office of MLIL is situated at 42-Lawrence Road, Lahore, Pakistan. MLIL has not yet commenced its commercial operations.

2.2 Statement of compliance

2.2.1 These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company, as at September 30, 2023, 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 June 30, 2023. Comparative numbers of the condensed interim unconsolidated statement of financial position are extracted from the annual unconsolidated audited financial statements of the Company for the year ended June 30, 2023 whereas comparatives of the 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 Three months period ended September 30, 2023.

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 June 30, 2023.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2023.

		Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)			
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX			
At beginning of the period / year		2,751,306	3,456,148
Surplus on revaluation during the period / year		-	(385)
Related deferred tax liability		-	(226)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax		(110,365)	(443,313)
Related deferred tax liability		(67,884)	(260,918)
At end of the period / year		2,573,057	2,751,306
Deferred tax liability on revaluation surplus			
At beginning of the period / year		882,322	996,181
Transferred to unappropriated profit in respect of disposal of fixed assets during the period / year		-	(226)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year		(67,883)	(260,918)
Effect of change in tax rate and proportion of local and export sales		24,612	147,285
At end of the period / year		839,051	882,322
		1,734,006	1,868,984
		Un-audited September 30,	Audited June 30,
	Note	2023	2023
(Rupees in thousand)			
6. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED			
Long term loans	6.1	17,348,709	17,832,738
Current portion shown under current liabilities		(2,067,689)	(2,599,401)
Non current portion shown under non current liabilities		15,281,020	15,233,337

	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)		
6.1 The reconciliation of the carrying amount is as follows:		
Balance as at beginning of the period - gross	18,618,430	20,339,002
Disbursements during the period / year	-	3,246,698
Repayments during the period / year	(530,803)	(4,967,270)
Less:	18,087,627	18,618,430
Impact of deferred grant	(738,919)	(785,692)
Closing Balance	17,348,709	17,832,738

7. LONG TERM LOAN FROM SUBSIDIARY COMPANY

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 October 01, 2025. This loan carries markup at 3 month KIBOR plus 1% at per annum, payable quarterly.

Note	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)		

8. TRADE AND OTHER PAYABLES

Trade creditors	3,681,750	3,390,287
Due to subsidiary company - unsecured	1,728,301	1,871,865
Bills payable - secured	408,546	1,414,069
Accrued liabilities	1,898,575	1,837,690
Contract liabilities	305,691	445,838
Payable to Workers' Profit Participation Fund	1,650,273	1,564,031
Payable to Workers' Welfare Fund	325,376	280,436
Payable to Provident Fund Trust	26,412	-
	10,024,924	10,804,216
Payable to Government on account of:		
Sales Tax and Federal Excise Duty payable	1,580,419	1,144,945
Royalty and Excise Duty payable	199,203	35,059
Other Government dues payable	278,448	87,253
	2,058,070	1,267,257
Contractors' retention money	359,373	359,096
Payable against redemption of preference shares	1,004	1,005
Security deposits repayable on demand	79,891	76,723
Other payables	1,261	9,883
	441,529	446,707
	12,524,523	12,518,180
8.1 Due to subsidiary company - unsecured		
Due to Subsidiary company	1,728,301	1,871,865

8.1.1 These carry interest at 1% (June 30, 2023: 1%) per annum in addition to the average borrowing rate of the Company.

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

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended June 30, 2023.

9.2 Guarantees given by banks on behalf of the Company are of Rs. 1,183.08 million (June 30, 2023: Rs. 1,101.35 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

	Note	Un-audited	Audited
		September 30, 2023	June 30, 2023
(Rupees in thousand)			

9.3 Commitments

9.3.1 In respect of:

- capital expenditure		1,437,666	3,257,391
- irrevocable letters of credit for spare parts		348,989	400,478
- coal		-	1,992,761
		1,786,655	5,650,630

10. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	10.1	60,317,618	60,439,573
Capital work in progress - at cost	10.2	1,257,983	1,676,796
Major spare parts and stand-by equipments		351,795	238,239
		61,927,396	62,354,608

10.1 Operating fixed assets

Balance at beginning of the period / year		60,439,573	41,151,385
Add: Additions / transfers during the period / year	10.1.1	1,088,877	22,806,810
		61,528,450	63,958,195
Less: Book value of operating assets disposed -off during the period / year		150,662	46,743
Depreciation charge during the period / year		1,060,170	3,471,880
		60,317,618	60,439,573

10.1.1 Additions during the period / year:

- buildings on freehold land		371,180	5,724,526
- plant & machinery		674,133	16,580,806
- furniture, fixtures and equipment		3,245	60,303
- roads, bridges and railway sidings		-	11,895
- vehicles		40,319	411,614
- right of use asset		-	17,666
		1,088,877	22,806,810

	Note	Un-audited	Audited
		September 30, 2023	June 30, 2023
(Rupees in thousand)			
10.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		1,676,796	15,352,800
Additions during the period / year		744,121	8,916,977
Less: Transfers during the period / year		(1,162,934)	(22,592,981)
At end of the period / year	10.2.1	1,257,983	1,676,796

10.2.1 Capital work-in-progress - at cost

Civil Works		205,663	372,317
Plant and machinery		69,502	588,012
Roads and bridges		38,501	12,952
Land		19,790	10,083
Intangible Assets		47,661	47,661
Unallocated expenses		2,955	84,517
Vehicles		515	266
Advances to suppliers against:			
- civil works		450,811	130,188
- plant and machinery		222,007	409,274
- intangible assets		25,056	19,575
- vehicles		175,522	1,951
		1,257,983	1,676,796

11. LONG TERM INVESTMENT

Investment in Maple Leaf Power Limited - Unquoted	11.1	5,020,000	5,020,000
Investment in Maple Leaf Industries Limited - Unquoted	11.2	10,000	10,000
		5,030,000	5,030,000

11.1 The Company holds 100% (June 30, 2023: 100%) shares in Maple Leaf Power Limited, a wholly owned subsidiary of the Company.

11.2 The Company holds 100% (June 30, 2023: nil%) shares in Maple Leaf Industries Limited, a wholly owned subsidiary of the Company.

		Un-audited	Audited
		September 30, 2023	June 30, 2023
(Rupees in thousand)			
12. TRADE DEBTS			
Considered Good			
Export - secured		65,072	25,313
Local - unsecured		3,721,217	2,575,675
Considered doubtful			
Local - unsecured		317,049	230,049
Less:			
- Provision for doubtful balances		(317,049)	(230,049)
		3,786,289	2,600,988

	Un-audited September 30, 2023	Audited June 30, 2023
13. SHORT TERM INVESTMENT		
FVPL - quoted:		
Next Capital Limited:		
4,269,375 (June 30, 2023: 3,712,500) fully paid ordinary shares of Rs 10 each		
Equity held: 7.50% (June 30, 2023: 7.50%)		
Cost - Rs. 30 million (June 30, 2023: Rs. 30 million)	18,145	22,073
FVOCI - quoted:		
Pioneer Cement Limited		
17,321,046 (June 30, 2023: 17,321,046) fully paid ordinary shares of Rs 10 each		
Equity held: 7.63% (June 30, 2023: 7.63%)		
Cost - Rs. 1,237.085 million (June 30, 2023: 1,237.085)	1,474,021	1,500,522
	1,492,166	1,522,595
13.1 Reconciliation of carrying amount		
Opening balance	1,522,595	28,846
Investment made during the period / year	-	1,237,085
Fair value (loss) / gain during the period / year	(30,429)	256,664
Closing balance	1,492,166	1,522,595
Fair Value through profit or loss:		
- Mutual Funds	-	1,902,461
	-	1,902,461
Investment at Amortised cost - debt instrument		
- Term deposit receipts	294,500	264,500
	1,786,666	3,689,556
13.2 There has been no investment in any foreign company during the period / year (June 30, 2023: Nil).		

	Three months ended (Un-audited)	
	September 30, 2023	September 30, 2022
14. SALES - NET		
Gross local sales	22,001,266	16,700,839
Less:		
Federal Excise Duty	(2,005,974)	(1,306,511)
Sales Tax	(3,699,183)	(2,695,513)
Discount and others	(225,994)	(189,855)
Commission	(82,682)	(67,200)
	(6,013,833)	(4,259,080)
Net local sales	15,987,433	12,441,760
Export sales	688,134	385,584
	16,675,567	12,827,344

Three months ended (Un-audited)
September 30, September 30,
2023 **2022**
(Rupees in thousand)

15. COST OF SALES

Raw materials consumed	979,840	537,419
Packing materials consumed	957,139	667,436
Fuel and power	7,855,203	6,955,430
Stores, spare parts and loose tools consumed	310,505	227,749
Salaries, wages and other benefits	441,570	371,239
Rent, rates and taxes	3,809	436
Insurance	42,723	21,353
Repairs and maintenance	161,467	108,556
Depreciation	1,031,570	785,027
Amortization	56	124
Vehicles running and maintenance	114,195	78,423
Other expenses	51,372	47,921
	11,949,449	9,801,113
Work in process:		
At beginning of the period	1,898,084	1,814,046
At end of the period	(2,294,420)	(2,384,975)
	(396,336)	(570,929)
Cost of goods manufactured	11,553,113	9,230,184
Finished goods:		
At beginning of the period	694,271	514,254
At end of the period	(549,044)	(822,491)
	145,227	(308,237)
Cost of sales	11,698,340	8,921,947

16. FINANCE COST

Profit / interest / mark up on:		
- Long term loans from financial institutions	862,352	379,201
- Long term loans from Subsidiary Company	120,533	82,270
- Short term borrowings	59,213	164,809
	1,042,098	626,280
Notional interest on unwinding of retention money payable	-	2,790
Notional interest on unwinding of payable to government authority	-	216
Bank and other charges	22,384	13,630
	1,064,482	642,916

17. CASH AND CASH EQUIVALENTS	Three months ended (Un-audited)	
	September 30, 2023	September 30, 2022
	(Rupees in thousand)	
Short term running finance	(999,099)	(1,452,109)
Temporary bank overdrafts - unsecured	(56,386)	(8,623)
Cash and bank	964,205	593,208
	(91,280)	(867,524)

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

	Three months ended (Un-audited)	
	September 30, 2023	September 30, 2022
	(Rupees in thousand)	
Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	819	700
Wholly owned subsidiary company (Maple Leaf Power Limited)		
Sale of goods and services	1,618,796	1,309,176
Purchase of goods and services	1,863,865	1,356,724
Markup charged during the period	120,533	82,271
Key management personnel		
Remuneration and other benefits	113,979	158,825
Post employment benefit plans		
Contributions to Provident Fund Trust	73,738	57,719
Payments to Employees Gratuity Fund Trust	3,572	9,892

19. CORRESPONDING FIGURES

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

20. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on October 26, 2023 by the Board of Directors of the Company.

21. GENERAL

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


CHIEF EXECUTIVE OFFICER

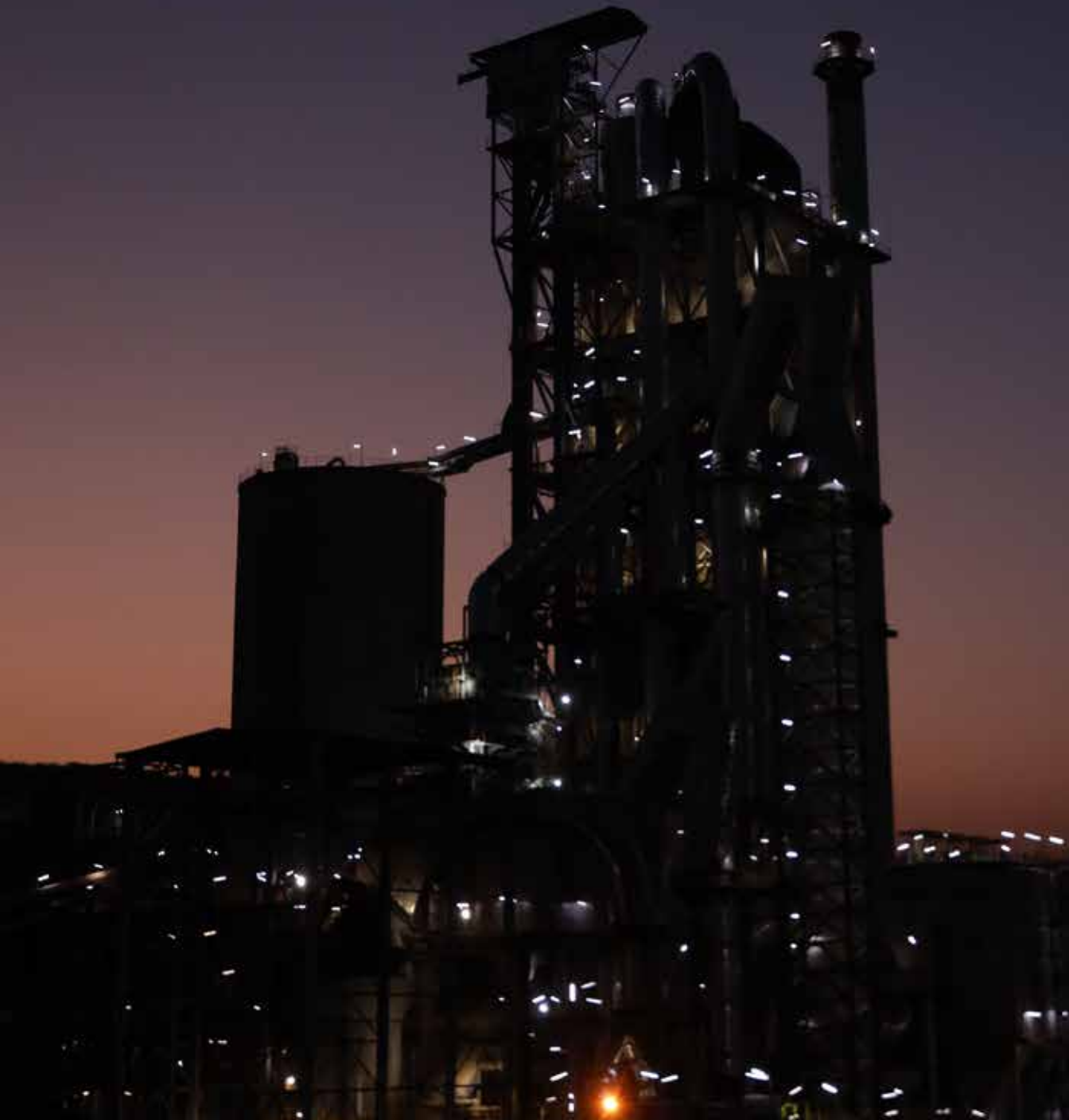

CHIEF FINANCIAL OFFICER


DIRECTOR



CONSOLIDATED FINANCIAL STATEMENTS

For the First Quarter Ended September 30, 2023



DIRECTORS' REVIEW

The Directors are pleased to present the audited consolidated financial statements of Maple Leaf Cement Factory Limited (the Holding Company) and its wholly owned subsidiary company Maple Leaf Power Limited and Maple Leaf Industries Limited (collectively referred to as group) for the period ended September 30, 2023.

GROUP RESULTS

The Group has earned gross profit of Rupees 5,228 million as compared to Rupees 4,031 million of corresponding period. The Group made after tax profit of Rupees 1,626 million during this period as compared to Rupees 1,378 million during the corresponding period.

The overall group financial results are as follows:

	September 30, 2023	September 30, 2022
	(Rupees in million)	
Sales	16,676	12,827
Gross Profit	5,228	4,031
Profit from operations	3,409	2,527
Financial charges	946	561
Profit after tax	1,626	1,378
	(-----Rupees-----)	
Earnings per share – basic and diluted	1.52	1.28

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.

MAPLE LEAF INDUSTRIES LIMITED - (MLIL)

Maple Leaf Industries Limited (“the Subsidiary Company”) is a Limited Company incorporated in Pakistan on September 21, 2022 as a public limited under Companies Act, 2017. The Company is wholly owned subsidiary of Maple Leaf Cement Factory Limited (“the Company”) whereas its ultimate parent is Kohinoor Textile Mills Limited (“the Holding Company”). The Company’s objective is to produce, manufacture, prepare, treat, process, refine, and deal in all kinds of cement and its allied products. The registered office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The Company has not yet commenced its commercial operations.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Lahore
October 26, 2023


(Syed Mohsin Raza Naqvi)
Director


(Sayeed Tariq Saigol)
Chief Executive Officer



CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

	Note	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		15,000,000	15,000,000
Issued, subscribed and paid-up share capital		10,733,462	10,733,462
Capital reserves		6,344,076	6,363,952
Accumulated profits		30,660,880	28,921,425
Surplus on revaluation of fixed assets - net of tax	5	1,762,405	1,900,302
		49,500,823	47,919,141
NON - CURRENT LIABILITIES			
Long term loans from financial institutions - secured	6	15,281,020	15,233,337
Deferred grant		564,303	605,926
Long term liability against right of use asset		30,364	31,408
Long term deposits		8,214	8,214
Deferred taxation		8,964,549	8,707,481
Retention money		1,744,416	1,752,988
Retirement benefits		290,886	278,492
		26,883,752	26,617,846
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from financial institutions - secured	6	2,067,689	2,599,401
- Deferred grant		174,615	179,766
- Liability against right of use assets		10,283	10,257
Trade and other payables	7	11,721,455	11,445,190
Provision for taxation		280,590	21,342
Unclaimed dividend		27,344	27,378
Mark-up accrued on borrowings		747,765	764,955
Short term borrowings		1,155,698	-
		16,185,439	15,048,289
CONTINGENCIES AND COMMITMENTS	8		
		92,570,014	89,585,276

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Note	Un-audited	Audited
	September 30,	June 30,
	2023	2023

(Rupees in thousand)

ASSETS

NON - CURRENT ASSETS

Property, plant and equipment	9	66,582,960	66,746,105
Intangible assets		6,553	6,946
Long term loans to employees - secured		29,087	18,089
Long term deposits		58,912	58,401
		66,677,512	66,829,541

CURRENT ASSETS

Stores, spare parts and loose tools		13,775,701	10,462,363
Stock-in-trade		3,282,634	3,814,163
Trade debts	10	3,786,289	2,600,988
Loans and advances		1,442,690	900,460
Short term investment	11	1,795,666	3,698,556
Short term deposits and prepayments		780,193	497,930
Accrued profit		17,452	9,118
Other receivables		19,380	21,905
Cash and bank balances		992,497	750,252
		25,892,502	22,755,735
		92,570,014	89,585,276


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Note	Three Months Period Ended	
		September 30, 2023	September 30, 2022
(Rupees in thousand)			
Sales - net	12	16,675,567	12,827,344
Cost of sales	13	(11,447,934)	(8,796,348)
Gross profit		5,227,633	4,030,996
Distribution cost		(1,151,205)	(753,687)
Administrative expenses		(407,493)	(375,692)
Other charges		(335,860)	(382,351)
		(1,894,558)	(1,511,730)
Other income		75,492	7,868
Profit from operations		3,408,567	2,527,134
Finance cost	14	(945,961)	(561,347)
Profit before taxation		2,462,606	1,965,787
Taxation		(836,436)	(587,576)
Profit after taxation		1,626,170	1,378,211
(----- Rupees -----)			
Earnings per share - basic and diluted		1.52	1.28

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME**
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Three Months Period Ended	
	September 30, 2023	September 30, 2022
	(Rupees in thousand)	
Profit after taxation	1,626,170	1,378,211
Change in fair value of investment at fair value through OCI	(26,501)	-
Tax effect of change in fair value of investment at fair value through OCI	6,625	-
Surplus on revaluation of fixed assets:	(19,876)	-
Effect on deferred tax due to change in effective tax rate	24,611	-
Total comprehensive income for the period	1,630,905	1,378,211

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

	Share Capital	Capital Reserves					Revenue Reserve	Total Equity	
		Share premium	Capital redemption reserve	Own shares purchase for cancellation	FVOCI reserve	Sub - total	Surplus on revaluation of fixed assets - net of tax		Accumulated profits
Rupees in thousand									
Balance as at June 30, 2022 - audited	10,983,462	6,060,550	528,263	(496,429)	-	6,092,384	2,503,583	22,707,119	42,286,548
Own shares purchased during the year for cancellation	(250,000)	-	(422,439)	496,429	-	73,990	-	-	(176,010)
Total comprehensive income for the period									
Profit for the period ended September 30, 2022	-	-	-	-	-	-	-	1,378,211	1,378,211
Other comprehensive income for the period ended September 30, 2022	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	1,378,211	1,378,211
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	(123,422)	123,422	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	-	-	2,165	-	2,165
Balance as at September 30, 2022 - Unaudited	10,733,462	6,060,550	105,824	-	-	6,166,374	2,382,326	24,208,751	43,490,912
Balance as at June 30, 2023 - audited	10,733,462	6,060,550	105,824	-	197,578	6,363,952	1,900,302	28,921,425	47,919,141
Own shares purchased during the year for cancellation	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period									
Profit for the period ended September 30, 2023	-	-	-	-	-	-	-	1,626,170	1,626,170
Other comprehensive income for the period ended September 30, 2023	-	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	(19,876)	(19,876)	-	-	(19,876)
	-	-	-	-	(19,876)	(19,876)	-	1,626,170	1,606,294
Incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	(113,285)	113,285	-
Effect on deferred tax due to change in effective tax rate due to proportion of local and export sales	-	-	-	-	-	-	(24,611)	-	(24,611)
Balance as at September 30, 2023 - Unaudited	10,733,462	6,060,550	105,824	-	177,702	6,344,076	1,762,405	30,660,880	49,500,823

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

September 30, September 30,

	Note	2023 (Rupees in thousand)	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,462,606	1,965,787
Adjustments for:			
Depreciation	9.1	1,141,004	881,830
Amortization		393	874
Provision for Workers' Profit Participation Fund		101,515	102,440
Provision for Workers' Welfare Fund		51,998	37,659
Provision for doubtful debt		87,000	30,000
Other receivables written off		-	2,509
Gain on disposal of property, plant and equipment		(10,720)	(5,141)
Loss on re-measurement of short term investments at fair value		3,928	1,039
Retirement benefits		19,856	22,822
Profit on bank deposits		(19,797)	(7,358)
Finance cost	14	945,961	561,347
Cash generated from operations before working capital changes		4,783,744	3,593,810
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(3,313,338)	(1,815,096)
Stock-in-trade		531,529	(984,265)
Trade debts		(1,272,301)	(550,237)
Loans and advances		(542,230)	61,065
Short term deposits and prepayments		(282,263)	(56,598)
Other receivables		2,527	3,023
		(4,876,078)	(3,342,108)
Increase in current liabilities			
Trade and other payables		114,181	1,297,514
		(4,761,897)	(2,044,594)
Net cash (used in) / generated from operations		21,847	1,549,216
Increase in long term loans to employees		(10,998)	(3,127)
Retirement benefits paid		(7,463)	(16,415)
Taxes paid		(338,107)	(267,996)
Net cash (used in) / generated from operations		(334,721)	1,261,679
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		(1,128,521)	(2,934,342)
Proceeds from disposal of property, plant and equipment		161,383	9,325
Decrease in long term deposits and prepayments		(510)	(170)
Short term investment		1,872,461	(40,000)
Profit on bank deposits received		11,464	3,006
Net cash generated from / (used in) investing activities		916,277	(2,962,181)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) acquisition of long term loans from financial institutions- secured - net		(530,803)	1,602,213
(Repayment) / acquisition of short term borrowings - net		100,000	345,758
Payment for buy back of shares		-	(176,010)
Finance cost paid		(963,152)	(339,053)
Lease rentals paid during the period		(1,018)	(722)
Dividend paid		(34)	(40)
Net cash (used in) / generated from financing activities		(1,395,007)	1,432,147
Net decrease in cash and cash equivalents		(813,453)	(268,355)
Cash and cash equivalents at beginning of the period		750,252	(580,251)
Cash and cash equivalents at end of the period	15	(63,201)	(848,606)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

1. REPORTING ENTITY

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

Maple Leaf Cement Factory Limited (“the Company”) was incorporated in Pakistan on April 13, 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 October 15, 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 located at Iskanderabad, District Mianwali, Punjab, Pakistan for generation of electricity. The Subsidiary Company’s registered office is located at 42 - Lawrence Road, Lahore. The principal objective of the Subsidiary Company is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity.

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

1.3 Maple Leaf Industries Limited - (“the Subsidiary Company”)

Maple Leaf Industries Limited (“the Subsidiary Company”) is a Limited Company incorporated in Pakistan on September 21, 2022 as a public limited under Companies Act, 2017. The Company is wholly owned subsidiary of Maple Leaf Cement Factory Limited (“the Company”) whereas its ultimate parent is Kohinoor Textile Mills Limited (“the Holding Company”). The Company’s objective is to produce, manufacture, prepare, treat, process, refine, and deal in all kinds of cement and its allied products. The registered office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The Company has not yet commenced its commercial operations. The financial statements of the Company are for the period from 21 September 2022 to June 30, 2023.

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

2. BASIS OF PREPARATION

2.1 Separate financial statements

2.1.1 These condensed interim consolidated financial statements comprise the condensed interim consolidated statement of financial position of the Company, as at September 30, 2023, 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 June 30, 2023. Comparative numbers of the condensed interim consolidated statement of financial position are extracted from the annual consolidated audited financial statements of the Company for the year ended June 30, 2023 whereas comparatives of the 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 Three months period ended September 30, 2023.

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 June 30, 2023.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2023.

	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)		
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
At beginning of the period / year	2,785,266	3,501,994
Surplus on revaluation during the period / year	-	(385)
Related deferred tax liability	-	(226)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(113,285)	(455,012)
Related deferred tax liability	(67,883)	(261,105)
At end of the period / year	2,604,098	2,785,266
Deferred tax liability on revaluation surplus		
At beginning of the period / year	884,964	998,411
Transferred to unappropriated profit in respect of disposal of fixed assets during the period / year	-	(226)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(67,883)	(261,105)
Effect of change in tax rate and proportion of local and export sales	24,612	147,884
At end of the period / year	841,693	884,964
	1,762,405	1,900,302

	Note	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)			
6. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED			
Long term loans	6.1	17,348,709	17,832,738
Current portion shown under current liabilities		(2,067,689)	(2,599,401)
Non current portion shown under non current liabilities		15,281,020	15,233,337
6.1 The reconciliation of the carrying amount is as follows:			
Balance as at beginning of the period - gross		18,618,430	20,339,002
Disbursements during the period / year		-	3,246,698
Repayments during the period / year		(530,803)	(4,967,270)
Less:		18,087,627	18,618,430
Impact of deferred grant		(738,919)	(785,692)
Closing Balance		17,348,709	17,832,738
7. TRADE AND OTHER PAYABLES			
Trade creditors		3,703,863	3,412,227
Bills payable - secured		445,377	1,416,937
Accrued liabilities		1,991,258	1,879,568
Contract liabilities		305,691	445,838
Payable to Workers' Profit Participation Fund		2,005,126	1,903,611
Payable to Workers' Welfare Fund		381,658	329,660
Payable to Provident Fund Trust		26,412	-
		8,859,385	9,387,841
Payable to Government on account of:			
Sales tax and Federal Excise Duty payable		1,596,949	1,157,612
Royalty and Excise Duty payable		199,203	35,059
Provision for electricity duty		247,927	230,656
Other Government dues payable		375,328	183,622
		2,419,407	1,606,949
Contractors' retention money		360,673	360,396
Payable against redemption of preference shares		1,004	1,005
Security deposits repayable on demand	7.1	79,891	76,723
Other payables		1,095	12,276
		442,663	450,400
		11,721,455	11,445,190

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

8. CONTINGENCIES AND COMMITMENTS

8.1 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 June 30, 2023.

8.2 Guarantees given by banks on behalf of the Company are of Rs. 1,183.08 million (30 June 2023: Rs. 1,101.35 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

	Un-audited	Audited
	September 30, 2023	June 30, 2023
8.3 Commitments	(Rupees in thousand)	
8.3.1 In respect of:		
- capital expenditure	1,437,666	3,257,391
- irrevocable letters of credit for spare parts	348,989	400,478
- coal	-	1,992,761
	1,786,655	5,650,630

9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	9.1	64,642,285	64,831,070
Capital work in progress - at cost	9.2	1,588,880	1,676,796
Major spare parts and stand-by equipments		351,795	238,239
		66,582,960	66,746,105
9.1 Operating fixed assets			
Balance at beginning of the period / year		64,831,070	45,846,742
Add: Additions / transfers during the period / year	9.1.1	1,102,881	22,815,777
		65,933,951	68,662,519
Less: Book value of operating assets disposed-off during the period / year		150,662	51,573
Depreciation charge during the period / year		1,141,004	3,779,878
		64,642,285	64,831,070
9.1.1 Additions during the period / year:			
- freehold land		-	2,450
- buildings on freehold land		371,180	5,722,077
- plant & machinery		688,137	16,589,772
- furniture, fixtures and equipment		3,245	58,403
- roads, bridges and railway sidings		-	11,895
- quarry equipment		-	1,900
- vehicles		40,319	411,614
- right of use asset		-	17,666
		1,102,881	22,815,777

		Un-audited September 30, 2023	Audited June 30, 2023
	Note	(Rupees in thousand)	
9.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		1,676,796	15,352,800
Additions during the period / year		1,075,018	8,916,977
Less: Transfers during the period / year		(1,162,934)	(22,592,981)
At end of the period / year	9.2.1	1,588,880	1,676,796
9.2.1 Capital work-in-progress - at cost			
Civil Works		205,663	372,317
Plant and machinery		69,502	588,012
Roads and bridges		38,501	12,952
Land		19,790	10,083
Intangible Assets		47,661	47,661
Unallocated expenses		2,955	84,517
Vehicles		515	266
Advances to suppliers against:			
- civil works		479,469	130,188
- plant and machinery		524,246	409,274
- intangible assets		25,056	19,575
- vehicles		175,522	1,951
		1,588,880	1,676,796
10. TRADE DEBTS			
Considered good			
Export - secured		65,072	25,313
Local - unsecured		3,721,217	2,575,675
Considered doubtful			
Local - unsecured		317,049	230,049
Less:			
- Provision for doubtful balances		(317,049)	(230,049)
		3,786,289	2,600,988

Un-audited September 30, 2023	Audited June 30, 2023
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(Rupees in thousand)

11. SHORT TERM INVESTMENT

Investment at fair value through profit or loss

Next Capital Limited:

4,269,375 (June 30, 2023: 3,712,500)
fully paid ordinary shares of Rs 10 each
Equity held: 7.50% (June 30, 2023: 7.50%)
Cost of Investment

30,000	30,000
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Mutual Funds:

CDC-Trustee MCB Cash Management Optimizer
Alfalah GHP Money Market Fund
CDC-Trustee NBP Income Fund

-	900,000
-	100,000
-	902,461

-	1,902,461
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Investment at fair value through other comprehensive income - Listed securities

Pioneer Cement Limited
17,321,046 (June 30, 2023: 17,321,046) fully paid
ordinary shares of Rs 10 each
Equity held: 7.63% (June 30, 2023: 7.63%)
Cost of Investment

1,237,085	1,237,085
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1,267,085	3,169,546
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Unrealized fair value gain / (loss)

At beginning of the period / year
Fair value loss for the period / year - P&L
Fair value for the period / year - OCI

255,510	(1,154)
(3,928)	(6,773)
(26,501)	263,437

At end of the period / year

225,081	255,510
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Closing balance

1,492,166	3,425,056
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Investment at Amortised cost - debt instrument

- Term deposit receipts

303,500	273,500
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1,795,666	3,698,556
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11.1 There has been no investment in any foreign company during the period / year (June 30, 2023: Nil).

Three months ended (Un-audited)
September 30, September 30,

2023 2022

(Rupees in thousand)

12. SALES - NET

Gross local sales	22,001,266	16,700,839
Less:		
Federal Excise Duty	(2,005,974)	(1,306,511)
Sales Tax	(3,699,183)	(2,695,513)
Discount and others	(225,994)	(189,855)
Commission	(82,682)	(67,201)
	(6,013,833)	(4,259,079)
Net local sales	15,987,433	12,441,760
Export sales	688,134	385,584
	16,675,567	12,827,344

13. COST OF SALES

Raw materials consumed	972,752	532,123
Packing materials consumed	957,139	667,436
Fuel and power	7,447,021	6,735,122
Stores, spare parts and loose tools consumed	339,003	249,671
Salaries, wages and other benefits	470,105	395,277
Rent, rates and taxes	3,809	446
Insurance	45,909	23,876
Repairs and maintenance	164,969	111,295
Depreciation	1,112,405	862,743
Amortization	56	124
Vehicles running and maintenance	123,020	82,980
Other expenses	51,688	48,499
	11,687,875	9,709,592
Work in process:		
At beginning of the period	1,856,759	1,775,210
At end of the period	(2,237,447)	(2,372,496)
	(380,688)	(597,286)
Cost of goods manufactured	11,307,187	9,112,306
Finished goods:		
At beginning of the period	675,151	499,534
At end of the period	(534,404)	(815,492)
	140,747	(315,958)
Cost of sales	11,447,934	8,796,348

Three months ended (Un-audited)
September 30, September 30,
2023 2022
(Rupees in thousand)

14. FINANCE COST

Profit / interest / mark up on:		
- Long term loans from financial institutions	862,352	379,201
- Short term borrowings	59,214	164,809
	921,566	544,010
Notional interest on unwinding of retention money payable	-	2,790
Notional interest on unwinding of payable to government authority	-	216
Bank and other charges	24,395	14,331
	945,961	561,347

15. CASH AND CASH EQUIVALENTS

Short term running finance	(999,099)	(1,452,109)
Temporary bank overdrafts - unsecured	(56,599)	(8,620)
Cash and bank	992,497	612,123
	(63,201)	(848,606)

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

Three months ended (Un-audited)
September 30, September 30,
2023 2022
(Rupees in thousand)

Holding company (Kohinoor Textile Mills Limited)

Sale of goods and services	819	700
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Key management personnel

Remuneration and other benefits	113,979	158,825
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Post employment benefit plans

Contributions to Provident Fund Trust	73,738	57,719
Payments to Employees Gratuity Fund Trust	3,572	9,892

17. CORRESPONDING FIGURES

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

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim Consolidated financial statements were authorised for issue on October 26, 2023 by the Board of Directors of the Group.

19. GENERAL

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



مپل لیف



MAPLE LEAF CEMENT

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