

1st QUARTERLY REPORT
September 30, 2018

CEMENT STRENGTH OF PAKISTAN

Quality and development come through persistent effort and struggle. Our monuments symbolize our strength as a nation just like our growth symbolizes the strength of our product. The inspiration to reach new heights and strive for greatness comes from the magnificent structures of Pakistan that exemplify the tenacity to failure. Maple Leaf Cement is continuously working to reach new horizons by strengthening its product portfolio. Just like the long standing structures of Pakistan, Maple leaf anticipates to sustain its position in the market for generations to come.

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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	
Mr. Zamiruddin Azar	
Mr. Shafiq Ahmed Khan	
Syed Mohsin Raza Naqvi	

National Bank of Pakistan
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
Trust Investment Bank Limited
U Microfinance Bank Limited
United Bank Limited

Executive Directors

Mr. Amir Feroze	Plant Operations
Mr. Sohail Sadiq	Finance
Mr. Yahya Hamid	Marketing

Audit Committee

Mr. Shafiq Ahmed Khan	Chairman
Mr. Zamiruddin Azar	Member
Mr. Waleed Tariq Saigol	Member
Mr. Danial Taufique Saigol	Member

Human Resource & Remuneration Committee

Mr. Shafiq Ahmed Khan	Chairman
Mr. Zamiruddin Azar	Member
Mr. Danial Taufique Saigol	Member

Chief Financial Officer

Syed Mohsin Raza Naqvi

Company Secretary

Mr. Muhammad Ashraf

Chief Internal Auditor

Mr. Zeeshan Malik Bhutta

Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Albaraka Bank Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road, Lahore, Pakistan.
Tel: +92 42 111-576484
Fax: +92 42 37429907

Legal Adviser

Mr. Shahid Ismail
Advocate High Court

Registered Office

42-Lawrence Road, Lahore.
Phone: +092 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 standalone and consolidated unaudited financial statements for the first quarter of financial year 2018-19, ended 30th September 2018.

Consolidated financial highlights of the Company and its wholly-owned subsidiary Maple Leaf Power Limited (MLPL) are as follows: -

	1st Qtr (July to September)		Variance	Percentage
	2018	2017		
	(----- Rupees in thousand -----)			
Net Sales Revenue	5,654,976	5,800,494	(145,518)	(2.51%)
Gross Profit	1,655,304	2,151,550	(496,246)	(23.06%)
Operating Profit	1,007,971	1,625,201	(617,230)	(37.98%)
Finance Costs	333,080	144,076	189,004	131.18%
Profit Before Taxation	674,891	1,481,125	(806,234)	(54.43%)
Taxation	88,193	407,703	(319,510)	(78.37%)
Profit After Taxation	586,698	1,073,422	(486,724)	(45.34%)
Earnings Per Share (Rupees)	0.99	1.98	(0.99)	(50.00%)

Standalone financial highlights of the Company, Maple Leaf Cement Factory Limited are as follows: -

	1st Qtr (July to September)		Variance	Percentage
	2018	2017		
	(----- Rupees in thousand -----)			
Net Sales Revenue	5,654,976	5,810,079	(155,103)	(2.67%)
Gross Profit	1,375,332	2,127,002	(751,670)	(35.34%)
Operating Profit	742,793	1,601,181	(858,388)	(53.61%)
Finance Costs	312,374	144,037	168,337	116.87%
Profit Before Taxation	430,419	1,457,144	(1,026,725)	(70.46%)
Taxation	88,193	407,703	(319,510)	(78.37%)
Profit After Taxation	342,226	1,049,441	(707,215)	(67.39%)
Earnings Per Share (Rupees)	0.58	1.93	(1.35)	(69.95%)

Standalone financial highlights of the Company are based on power cost supplied by MLPL at NEPRA approved base tariff of Rs. 12.92 /KWH.



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

Particulars	(July to September)		Variance	
	2018 (----- M. Tons -----)	2017 (----- M. Tons -----)	Change	Percentage
Production:				
Clinker Production	773,504	794,390	(20,886)	(2.63%)
Cement Production	750,103	838,002	(87,899)	(10.49%)
Sales:				
Domestic	679,679	739,248	(59,569)	(8.06%)
Exports	72,613	86,298	(13,685)	(15.86%)
	752,292	825,546	(73,254)	(8.87%)

Total Sales volume of 752,292 tons achieved depicts a decrease of 8.87% over 825,546 tons sold during the corresponding period last year. The domestic sales volume decreased to 679,679 tons registering a decrease of 8.06% and exports sales volume was recorded at 72,613 tons, a decrease of 15.86%.

During the period, the Company recorded net consolidated sales of Rs. 5,655 million against Rs. 5,800 million in the corresponding period last year mainly due to 8.06% negative quantitative growth in local sales mix. This decline in local despatches is mainly attributable to sluggish economic activity on account of transition of political regime in the country after general elections held on July 25, 2018. It appears that the care-taker government setup lacked the requisite sanctioning powers for release of development expenditures. Moreover, the uncertainty as to the preferences of the new government after taking charge also impacted in the economy during the current quarter. During the period under review, local dispatches decreased from 739,248 metric tons to 679,679 metric tons as compared to the corresponding period.

Export sale volumes declined by 15.86% registering a decrease of 13,685 metric tons. Main reasons leading to such decline in exports was lackluster margin on export sales and the most challenging, were the barriers erected by the countries we export to such as anti-dumping duty imposed by South Africa and non-tariff barriers in India.

Increase in Federal Excise Duty (FED) on local cement sales by Rs. 250 per ton to take the FED charge per ton to Rs. 1500 in total, vide Finance Act 2018 effective 23rd May 2018 and the increasing input costs have necessitated an upwards push in local sale price. Despite this price adjustment, the Company's net sales have dropped by 2.51% in rupee terms, mainly due to negative growth in local cement despatches.

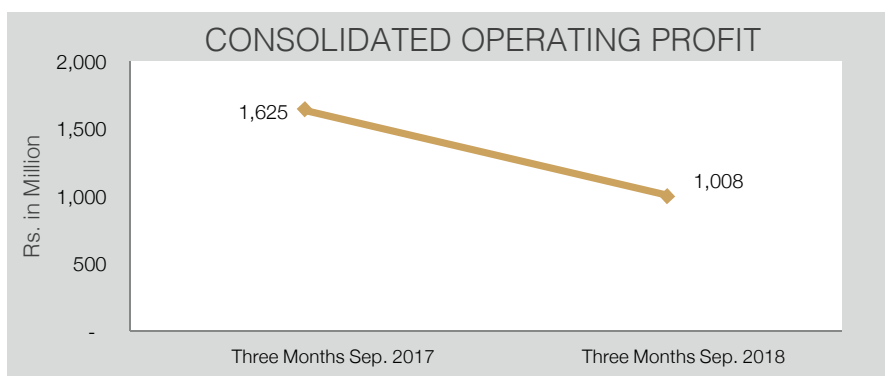
Coal prices in the global markets continued on an upward trend mainly on account of increase in demand from the Indian market where coal stocks are piled up in the monsoon season and due to rise in freight cost owing to increase in oil prices globally. Moreover, a ban imposed by the Indian Supreme Court on pet coke usage in power plants led to upward push on coal prices due to increased demand. Environmental changes such as cyclone, extreme cold weather and production day cuts in coal mining also affected global coal prices. However, the Company partially derived benefit of relatively lower coal prices throughout the current period on account

of utilization of lower cost inventory built up when prices were relatively low.

Coal fired power plant (CFPP) setup as wholly-owned subsidiary, Maple Leaf Power Limited (MLPL), is another cost competitive advantage to the Company. After Waste Heat Recovery Power Plant, CFPP is the cheapest source of electricity for the Company. Despite increase in fuel cost especially due to aforementioned hike in coal prices, freight cost and recent devaluation of Pak rupee against US dollar, the Company was able to keep its fuel and power costs under control along with advantage derived by use of pet coke which is more cost effective due to higher energy content and also was purchased at cheaper rates during the last financial year. The Company is also continuously benefitting from lower inland transportation costs through transport via the railway network resulting in reasonable savings. The contract with Pakistan Railways for transportation of coal from port to our plant site was extended till Jun 2021.

On account of aforementioned factors impacting cost of production, the Company achieved consolidated gross profit of Rs. 1,655 million during the reporting period with a decrease of 23.06% from Rs. 2,152 million in corresponding period last year.

The decline in gross profits accompanied by inflationary increase in operational expenses has impacted consolidated operational margins. Increased spending in marketing expenses for the reporting period as compared to the corresponding period depicts accelerated branding and dealer engagement activities. Consolidated operating profit for the reporting period is Rs. 1,008 million, with a decrease of 37.98% as compared to Rs. 1,625 million in the corresponding period.



Finance costs during the reporting period increased to Rs. 333 million as compared to Rs. 144 million in the corresponding period. Debt equity mix remained at the same level as reported on close of last year i.e. 30th June 2018. Increase in finance cost relates mainly to markup charge on loan availed to finance power project, the drawdown from short-term lines and partially relates to exchange loss on payments designated in foreign currency.

The Company recorded consolidated pre-tax profit of Rs. 675 million for the reporting period against consolidated pre-tax profit of Rs. 1,481 million in corresponding period. Consolidated tax charge for the reporting period decreased by Rs. 320 million in line with lower pre-tax profitability and reduced corporate tax rate as promulgated in Finance Act 2018. Taxation charged pertains only to Maple Leaf Cement Factory Limited standalone operations and was Rs. 88 million for the reporting period as compared to Rs. 408 million in corresponding period last year.



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 MLPL are exempt from charge of income tax. MLPL has earned tax-free net profit of Rs. 244 million during the first quarter of financial year 2018-19. Power generation from this plant has led to decent savings in input cost on account of reduced electricity unit cost when compared to FESCO and has favourably impacted consolidated results. Moreover, self-generation of power has reduced the Company's reliance on national grid.

Above earnings performance has impacted post-tax consolidated profits at Rs. 587 million for the reporting period against Rs. 1,073 million in the bottom line in corresponding period last year showing a decline of 45.34%.

Capacity Expansion Project

The Company has undertaken to set up an additional dry process clinker production line of 7300 tons per day grey clinker production, a brown field expansion at the Company's existing site in Iskandarabad, to enhance total grey cement capacity up to 18,000 tons per day. In this regard, the Company after signing EPC contract, has opened Letter of Credit as on March 17, 2017 in favor of plant supplier, M/s. FLSmidth A/S, Denmark for supply and setting up of the said production line. Total project cost is estimated at Rs. 26 billion including the impact of recent devaluation of Pak Rupee. Project cost is being financed approximately 17% through right issue, 54% through bank loans and the rest through generation of cash from operations of the Company. Project is proceeding as per the plan and 77% of the total project cost, which amounts to Rs. 20 billion has been incurred and paid to-date.

The construction work at site is in full swing and approximately 75% of civil work has been completed. Following the pace of civil work progress, plant erection work has also gained momentum where 25% of the plant mechanical erection work has been completed as of the reporting date. Almost all the shipments related to main Letter of Credit have arrived at plant site. Commercial production from new line of 7300 tons per day is expected to commence within 4th quarter of current financial year.

Future Outlook

Going forward, we expect compression in domestic demand for cement as compared to corresponding period last year on account of reduced PSDP allocations due to austerity measures by the new government. The cement industry is also keenly eyeing developments on CPEC and this opportunity is expected to prove to be of great benefit for the whole nation. Despite political uncertainty arising during the recent election campaign, speedy progress is promised on CPEC projects due to collective measures of political and military leadership and this is expected to be a trigger to absorb future supply from new capacities. The recently installed government is committed to complete ongoing projects i.e. infrastructure schemes including power projects, motorways, Orange train, concentrate on low-income housing schemes and construct water reservoirs in the country which should provide a fillip to the cement industry.

Disorder in balance of payments, declining foreign exchange reserves, upcoming international debt repayments by Government of Pakistan is posing a risk of further devaluation of Pak rupee and could cause disturbance in macro-economic indicators.

On account of probability of demand compression in cement in the current year, sale prices are expected to remain under pressure. Gross margins are also expected to be impacted due to rising coal and fuel prices along with currency devaluation. Cost reduction efforts continue to be the focus in all operational areas and the Company has adopted various strategies to reduce cost including use of alternative fuels and optimized operations of the plant despite the recent rise in oil prices and increasing prices of coal.

Acknowledgement

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

For and on behalf of the Board



(Syed Mohsin Raza Naqvi)
Director



(Sayeed Tariq Saigol)
Chief Executive

Lahore
October 23, 2018



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

		Un-audited Note September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	4	7,000,000	7,000,000
Issued, subscribed and paid-up share capital	4	5,937,007	5,937,007
Capital reserves		5,640,300	5,640,300
Accumulated profits		14,466,963	14,069,289
Surplus on revaluation of fixed assets - net of tax	5	4,252,438	4,264,543
		30,296,708	29,911,139
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	6	14,707,665	12,942,080
Long term deposits		8,714	8,714
Deferred taxation		3,232,964	3,418,172
Retention money payable		362,563	310,735
Retirement benefits		192,106	183,764
		18,504,012	16,863,465
CURRENT LIABILITIES			
Current portion of :			
- Long term loans from banking companies - secured	6	856,450	810,616
Trade and other payables	7	5,595,342	5,388,729
Unclaimed dividend		110,065	110,743
Mark-up accrued on borrowings		391,138	283,415
Short term borrowings		6,523,793	5,360,421
		13,476,788	11,953,924
CONTINGENCIES AND COMMITMENTS			
	8	62,277,508	58,728,528

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

		Un-audited Note September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	9	43,562,333	40,894,010
Intangible assets		15,399	16,811
Long term investment	10	5,020,000	5,020,000
Long term loans to employees - secured		13,387	9,472
Long term deposits		56,554	56,554
		<hr/> 48,667,673	<hr/> 45,996,847
CURRENT ASSETS			
Stores, spare parts and loose tools		7,279,453	6,505,283
Stock-in-trade		1,581,079	1,193,506
Trade debts	11	1,234,756	1,131,753
Loans and advances		1,820,417	2,303,402
Short term investment	12	32,872	32,062
Short term deposits and prepayments		167,309	114,208
Accrued profit		1,250	1,179
Other receivables		42,802	43,534
Income tax refundable		854,944	774,092
Cash and bank balances		594,953	632,662
		<hr/> 13,609,835	<hr/> 12,731,681
		<hr/> <hr/> 62,277,508	<hr/> <hr/> 58,728,528


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED SEPTEMBER 30, 2018

		Un-audited Note September 30, 2018 (Rupees in thousand)	Un-audited September 30, 2017
Sales - net	13	5,654,976	5,810,079
Cost of goods sold	14	(4,279,644)	(3,683,077)
Gross profit		1,375,332	2,127,002
Distribution cost		(382,079)	(266,150)
Administrative expenses		(188,632)	(149,600)
Other charges		(63,910)	(124,193)
		(634,621)	(539,943)
Other income		2,082	14,122
Profit from operations		742,793	1,601,181
Finance costs	15	(312,374)	(144,037)
Profit before taxation		430,419	1,457,144
Taxation		(88,193)	(407,703)
Profit after taxation		342,226	1,049,441
			Restated
		(----- Rupees -----)	
Earnings per share - basic and diluted		0.58	1.93

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Un-audited September 30, 2018 (Rupees in thousand)	Un-audited September 30, 2017
Profit after taxation	342,226	1,049,441
Other comprehensive income	-	-
Total comprehensive income for the period	342,226	1,049,441

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Note	Un-audited September 30, 2018 (Rupees in thousand)	Un-audited September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		430,419	1,457,144
Adjustments for:			
Depreciation	9.1	566,379	500,982
Amortization		1,411	2,116
Provision for Workers' Profit Participation Fund		21,849	77,912
Provision for Workers' Welfare Fund		15,259	23,179
Loss / (Gain) on disposal of property, plant and equipment		22,933	(3,537)
(Gain) / Loss on re-measurement of short term investments at fair value		(810)	22,242
Retirement benefits		12,772	4,697
Profit on bank deposits		(4,168)	(3,087)
Finance costs	15	312,374	144,037
Cash generated from operations before working capital changes		1,378,418	2,225,685
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(774,170)	(226,567)
Stock-in-trade		(387,573)	16,421
Trade debts		(103,003)	(538,512)
Loans and advances		482,985	91,222
Short term deposits and prepayments		(53,101)	(64,105)
Other receivables		732	(190,560)
		(834,130)	(912,101)
Increase in current liabilities			
Trade and other payables		169,520	1,145,099
		(664,610)	232,998
Net cash generated from operations		713,808	2,458,683
Increase in long term loans to employees		(3,915)	(2,947)
Retirement benefits paid		(4,427)	(12,093)
Workers' Profit Participation Fund paid		-	(88,772)
Taxes paid		(310,912)	(116,263)
Net cash generated from operating activities		394,554	2,238,608
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		(3,207,657)	(2,360,309)
Proceeds from disposal of property, plant and equipment		1,851	6,164
Increase in long term deposits		-	(80)
Long term investment		-	(350,000)
Profit on bank deposits received		4,097	3,448
Net cash used in investing activities		(3,201,709)	(2,700,777)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term loans from banking companies - secured - net		1,811,419	690,236
Increase in long term deposits		-	65
Payment of liabilities against assets subject to finance lease - net		-	(479,700)
Acquisition / (repayment) of short term borrowings - net		769,675	(27,950)
Finance costs paid		(204,651)	(122,809)
Redemption of preference shares		(16)	-
Dividend paid		(679)	(1,584)
Net cash generated from financing activities		2,375,748	58,258
Net decrease in cash and cash equivalents		(431,407)	(403,911)
Cash and cash equivalents at beginning of the period		(636,985)	158,068
Cash and cash equivalents at end of the period	16	(1,068,392)	(245,843)

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2018

Share Capital	Capital Reserves				Revenue Reserves	Total Equity
	Share premium	Capital redemption reserve	Sub- Total	Surplus on revaluation of fixed assets - net of tax	Accumulated profits	

..... Rupees in thousand

Balance as at 30 June 2017 (Restated) - audited 5,277,340 1,529,874 528,263 2,058,137 4,323,909 12,048,675 23,708,061

Total comprehensive income for the period

Profit for the period ended 30 September 2017
Other comprehensive income for the period
ended 30 September 2017

-	-	-	-	-	1,049,441	1,049,441
-	-	-	-	-	-	-
-	-	-	-	-	1,049,441	1,049,441

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

- - - - - 55,582 55,582

Balance as at 30 September 2017
(Restated) - un-audited

5,277,340 1,529,874 528,263 2,058,137 4,323,909 13,153,698 24,813,084

Balance as at 30 June 2018 - audited

5,937,007 5,112,037 528,263 5,640,300 4,264,543 14,069,289 29,911,139

Total comprehensive income for the period

Profit for the period ended 30 September 2018
Other comprehensive income for the period
ended 30 September 2018

-	-	-	-	-	342,226	342,226
-	-	-	-	-	-	-
-	-	-	-	-	342,226	342,226

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

- - - - (55,448) 55,448 -

Effect of change in proportion of local
and export sales

- - - - 43,343 - 43,343

Balance as at 30 September 2018 - un-audited

5,937,007 5,112,037 528,263 5,640,300 4,252,438 14,466,963 30,296,708

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2018

1. REPORTING ENTITY

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

2. BASIS OF PREPARATION

2.1 Separate financial statements

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

The Company has the following long term investment:

	Un-audited September 30, 2018 (Direct holding percentage)	Audited June 30, 2018
Subsidiary Company		
Maple Leaf Power Limited	100	100

2.2 Statement of compliance

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

2.2.2 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated statement of financial position of the Company, as at 30 September 2018 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.2.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2018.

2.2.4 Comparative condensed interim unconsolidated statement of financial position numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2018, whereas comparatives of condensed interim unconsolidated statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2017.

2.3 Basis of accounting

2.3.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated statement of financial position of the Company, as at 30 September 2018 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.3.2 This condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2018 has been prepared in accordance with the requirement of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 has been followed.

2.3.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2018.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2018.



4. SHARE CAPITAL

4.1 Authorized share capital

Number of shares		Note	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
600,000,000	(30 June 2018: 600,000,000) ordinary shares of Rs. 10 each		6,000,000	6,000,000
100,000,000	(30 June 2018: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each		1,000,000	1,000,000
<u>700,000,000</u>			<u>7,000,000</u>	<u>7,000,000</u>

4.2 Issued, subscribed and paid-up share capital

Number of shares				
356,326,596	(30 June 2018: 356,326,596) ordinary shares of Rs. 10 each fully paid in cash	4.2.1	3,563,266	3,563,266
35,834,100	(30 June 2018: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		358,341	358,341
46,069,400	(30 June 2018: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		460,694	460,694
153,846,153	(30 June 2018: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	4.2.2	1,538,462	1,538,462
1,624,417	(30 June 2018: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	4.2.3	16,244	16,244
<u>593,700,666</u>			<u>5,937,007</u>	<u>5,937,007</u>

4.2.1 During the financial year ended 30 June 2018, the Company issued 65,966,740 right shares at Rs. 65 per share at a premium of Rs. 55 per share. The Company has fully utilised proceeds from issuance of right shares in production capacity enhancement of its grey cement. Currently, the expansion project is in progress at plant site in Iskanderabad District Mianwali.

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

- 4.2.3 During the financial years ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.
- 4.3 The Holding Company holds 327,836,727 (30 June 2018: 327,836,727) ordinary shares, which represents 55.22% (30 June 2018: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Company.
- 4.4 All shares issued by the company has equal voting rights. There is no special rights available to any shareholder.

	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
Gross Surplus		
At beginning of the period / year	5,362,272	5,659,065
Surplus on disposal of fixed assets during the period / year - net of deferred tax	-	(11)
Related deferred tax liability	-	(3)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(55,448)	(222,762)
Related deferred tax liability	(22,127)	(74,017)
At end of the period / year	5,284,697	5,362,272
Deferred tax liability on revaluation surplus		
At beginning of the period / year	1,097,729	1,335,156
Transferred to unappropriated profit in respect of disposal of fixed assets during the period / year	-	(3)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(22,127)	(74,017)
Effect of change in tax rate and proportion of local and export sales	(43,343)	(163,407)
At end of the period / year	1,032,259	1,097,729
	4,252,438	4,264,543



	Note	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
6. LONG TERM LOANS FROM BANKING COMPANY - SECURED			
National Bank of Pakistan - Demand Finance		4,488,503	3,955,635
Bank of Punjab - Demand Finance		2,959,528	2,684,294
MCB Bank Limited - Demand Finance		2,616,598	2,063,281
Askari Bank Limited - Term Finance		1,414,981	1,414,981
MCB Islamic Bank - Diminishing Musharika		1,650,000	1,400,000
MCB Bank Limited - Term Finance		984,505	984,505
Samba Bank Limited - Term Finance		750,000	750,000
Habib Bank Limited - Term Finance		700,000	500,000
		15,564,115	13,752,696
6.1 Less: Current portion of long term loans from banking companies - secured			
National Bank of Pakistan - Demand Finance CP		200,000	200,000
Bank of Punjab - Demand Finance CP		300,000	300,000
MCB Bank Limited - Demand Finance CP		148,116	148,116
MCB Islamic Bank - Diminishing Musharika CP		83,334	62,500
Askari Bank Limited - Term Finance CP		125,000	100,000
		856,450	810,616
Long term portion of loans from banking companies		14,707,665	12,942,080
7. TRADE AND OTHER PAYABLES			
Trade creditors		1,110,063	1,439,522
Due to related party	7.1	1,320,367	811,489
Bills payable - secured		559,447	691,727
Accrued liabilities		547,077	586,867
Advances from customers - unsecured		216,647	215,534
Security deposits repayable on demand	7.2	58,446	57,836
Contractors' retention money		228,809	200,046
Royalty and Excise Duty payable		35,676	31,783
Payable to Provident Fund Trust		12,198	12,268
Other Taxes payable		94,785	43,423
Payable to Workers' Profit Participation Fund		1,221,441	1,199,592
Payable to Workers' Welfare Fund		107,265	92,006
Payable against redemption of preference shares		1,025	1,041
Other payables		82,096	5,595
		5,595,342	5,388,729
7.1 Due to related party			
Due to Holding company		53,625	259,192
Due to Subsidiary company		1,266,742	552,297
	7.1.1	1,320,367	811,489

7.1.1 These carry interest at 1% (30 June 2018: 1%) per annum in addition to the average borrowing rate of the Company.

7.2 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.

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 30 June 2018.

8.2 Commitments

	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
8.2.1 In respect of:		
- capital expenditure	3,261,291	5,913,413
- irrevocable letters of credit for spare parts	249,967	1,392,690
	<u>3,511,258</u>	<u>7,306,103</u>

8.2.2 Guarantees given by banks on behalf of the Company are of Rs. 612.994 million (30 June 2018: Rs. 602.994 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

	Note	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
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9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	9.1	22,315,856	22,815,983
Capital work in progress - at cost	9.2	19,897,105	16,873,730
Major spare parts and stand-by equipment		1,349,372	1,204,297
		<u>43,562,333</u>	<u>40,894,010</u>
9.1 Operating fixed assets			
Balance at beginning of the period / year		22,815,983	22,168,016
Add: Additions during the period / year	9.1.1	91,033	2,847,466
		<u>22,907,016</u>	<u>25,015,482</u>
Less: Book value of operating assets disposed-off during the period / year		24,781	55,002
Depreciation charge during the period / year		566,379	2,144,497
		<u>22,315,856</u>	<u>22,815,983</u>



	Note	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
9.1.1 Additions during the period / year:			
- buildings on freehold land		17,009	651,160
- plant & machinery		53,584	1,983,689
- furniture, fixtures and equipment		3,326	58,169
- roads, bridges and railway sidings		-	38,137
- quarry equipment		7,080	-
- vehicles		10,034	116,311
		<u>91,033</u>	<u>2,847,466</u>
9.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		16,873,730	1,479,647
Additions during the period / year		3,027,080	16,213,811
Less: Transfers during the period / year		(3,705)	(819,728)
At end of the period / year	9.2.1	<u>19,897,105</u>	<u>16,873,730</u>
9.2.1 Capital work-in-progress - at cost			
Civil Works		5,043,880	4,305,139
Land		738,818	736,048
Plant and machinery		12,860,425	10,916,773
Un-allocated capital expenditure	9.2.1.1	749,242	477,072
Advances to suppliers against:			
- civil works		238,372	322,626
- plant and machinery		231,093	108,343
- office equipment		2,919	4,615
- vehicles		32,356	3,114
		<u>19,897,105</u>	<u>16,873,730</u>
9.2.1.1 Un-allocated capital expenditure			
Salaries and wages		212,371	163,500
Finance costs		366,535	153,813
Legal and professional expenses		74,403	74,028
Fee and subscription		50,416	49,590
Energy expense		30,314	25,690
Insurance		15,203	10,451
		<u>749,242</u>	<u>477,072</u>

	Note	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
10. LONG TERM INVESTMENT			
Investment in Maple Leaf Power Limited - Unquoted	10.1	5,020,000	5,020,000
		<u>5,020,000</u>	<u>5,020,000</u>
10.1 The Company holds 100% (30 June 2018: 100%) shares in the Maple Leaf Power Limited, a wholly owned subsidiary of the Company.			
10.2 There has been no long term investment in any foreign company during the period (30 June 2018: nil).			
	Note	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
11. TRADE DEBTS			
Considered good			
Export - secured	11.1	3,308	7,442
Local - unsecured	11.2	1,231,448	1,124,311
		<u>1,234,756</u>	<u>1,131,753</u>
11.1 These are secured against letters of credit.			
11.2 This includes balance of Rs. 0.378 million (30 June 2018: Rs. nil) receivable from Kohinoor Textile Mills Limited against sale of cement and are due by not more than 150 days.			



	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
12. SHORT TERM INVESTMENT		
Investment at fair value through profit or loss - listed securities		
Next Capital Limited:		
1,500,000 (30 June 2018: 1,500,000) ordinary shares of Rs. 10 each		
1,875,000 (30 June 2018: 1,875,000) right shares of Rs. 8 each		
Market value Rs. 9.74 per share (30 June 2018: Rs. 9.50 per share)		
Cost		
At beginning and end of the period / year	30,000	30,000
Unrealized fair value gain / (loss)		
At beginning of the period / year	2,062	47,659
Fair value gain / (loss) for the period / year	810	(45,597)
At end of the period / year	2,872	2,062
Fair value at the end of period / year	32,872	32,062
12.1 There has been no investment in any foreign company during the period (30 June 2018: nil).		

	Three months ended (Un-audited) September 30, 2018, September 30, 2017 (Rupees in thousand)	
13. SALES - NET		
Gross local sales	7,505,994	7,569,480
Less:		
Federal Excise Duty	(1,019,519)	(924,044)
Sales Tax	(1,207,295)	(1,225,989)
Discount	(67,728)	(76,400)
Commission & Freight	(29,049)	(30,999)
	(2,323,591)	(2,257,432)
Net local sales	5,182,403	5,312,048
Export sales	472,573	498,031
	5,654,976	5,810,079

Three months ended (Un-audited)
September 30, 2018 September 30, 2017
(Rupees in thousand)

14. COST OF GOODS SOLD

Raw materials consumed	273,792	246,325
Packing materials consumed	383,967	314,943
Fuel	1,745,279	1,245,672
Power and associated costs	1,059,611	854,746
Stores, spare parts and loose tools consumed	182,595	169,173
Salaries, wages and other benefits	262,251	220,824
Rent, rates and taxes	6,117	6,102
Insurance	10,586	14,197
Repairs and maintenance	107,789	92,927
Depreciation	552,569	489,876
Amortization	337	506
Vehicles running and maintenance	44,112	30,560
Other expenses	32,929	31,882
	4,661,934	3,717,733
Work in process:		
At beginning of the period / year	665,606	819,354
At end of the period / year	(1,043,134)	(814,207)
	(377,528)	5,147
Cost of goods manufactured	4,284,406	3,722,880
Finished goods:		
At beginning of the period / year	303,589	207,747
At end of the period / year	(308,351)	(247,550)
	(4,762)	(39,803)
Cost of goods sold	4,279,644	3,683,077



Three months ended (Un-audited)
September 30, 2018 September 30, 2017
(Rupees in thousand)

15. FINANCE COSTS

Profit / interest / mark up on:

- Long term loans and finances
- Short term borrowings

	78,232	64,687
	129,603	63,468
	207,835	128,155
Exchange loss - net	97,699	9,024
Bank and other charges	6,840	6,858
	312,374	144,037

16. CASH AND CASH EQUIVALENTS

Short term running finance	(1,663,345)	(736,662)
Cash and bank balances	594,953	490,819
	(1,068,392)	(245,843)

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

Detail of transactions and balances with related parties except those disclosed else where in these unconsolidated financial information are as follows:

	Three months ended (Un-audited)	
	September 30, 2018	September 30, 2017
	(Rupees in thousand)	
Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	2,666	5,916
Wholly owned subsidiary company (Maple Leaf Power Limited)		
Sale of goods and services	38,227	-
Purchase of goods and services	1,133,066	-
Advance against issue of shares during the period	-	350,000
Key management personnel		
Remuneration and other benefits	85,736	66,784
Post employment benefit plans		
Contributions to Provident Fund Trust	38,425	42,196
Payments to Employees Gratuity Fund Trust	2,152	10,025

18. CORRESPONDING FIGURES

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

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on 23 October 2018 by the Board of Directors of the Company.

20. GENERAL

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

A black and white photograph of an industrial facility, likely a refinery or chemical plant. The image shows multiple levels of metal walkways with railings, complex piping systems, and large industrial vessels. The scene is well-lit, with overhead industrial lights visible. The overall impression is one of a large-scale, complex industrial operation.

Consolidated Financial Statements

For The First Quarter Ended September 30, 2018

DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim consolidated financial statements of Maple Leaf Cement Factory Limited (the Holding Company) and its wholly owned subsidiary company Maple Leaf Power Limited (collectively referred to as group) for the quarter ended 30 September 2018.

GROUP RESULTS

The Group has earned gross profit of Rupees 1,655 million as compared to Rupees 2,152 million of corresponding period. The Group made after tax profit of Rupees 587 million during this period as compared to Rupees 1,073 million during the corresponding period.

The overall group financial results are as follows:

	September 30, 2018	September 30, 2017
	(Rupees in million)	
Net Sales Revenue	5,655	5,800
Gross Profit	1,655	2,152
Profit From Operations	1,008	1,625
Financial Charges	333	144
Net Profit After Tax	587	1,073
	(-----Rupees-----)	
		Restated
Earnings Per Share – Basic and Diluted	0.99	1.98

SUBSIDIARY COMPANY

MAPLE LEAF POWER LIMITED (MLPL)

Maple Leaf Cement Factory Limited has formed a subsidiary company namely "Maple Leaf Power Limited (MLPL)." MLPL (the wholly owned Subsidiary) was incorporated in Pakistan on 15 October 2015 under the Companies 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



(Syed Mohsin Raza Naqvi)
Director



(Sayeed Tariq Saigol)
Chief Executive

Lahore
October 23, 2018



CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

		Un-audited Note September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	4	7,000,000	7,000,000
Issued, subscribed and paid-up share capital	4	5,937,007	5,937,007
Capital reserves		5,640,300	5,640,300
Accumulated profits		15,609,484	14,967,338
Surplus on revaluation of fixed assets - net of tax	5	4,252,438	4,264,543
		31,439,229	30,809,188
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	6	14,707,665	12,942,080
Long term deposits		8,714	8,714
Deferred taxation		3,232,964	3,418,172
Retention money payable		362,563	310,735
Retirement benefits		192,106	183,764
		18,504,012	16,863,465
CURRENT LIABILITIES			
Current portion of :			
- Long term loans from banking companies - secured	6	856,450	810,616
Trade and other payables	7	5,020,089	5,573,314
Unclaimed dividend		110,065	110,743
Mark-up accrued on borrowings		403,243	286,162
Short term borrowings		7,008,555	5,784,902
		13,398,402	12,565,737
CONTINGENCIES AND COMMITMENTS			
	8	63,341,643	60,238,390

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

Un-audited
Note September 30,
2018
(Rupees in thousand)

Audited
June 30,
2018

ASSETS

NON - CURRENT ASSETS

Property, plant and equipment	9	49,072,327	46,468,656
Intangible assets		15,399	16,811
Long term loans to employees - secured		13,387	9,472
Long term deposits		56,554	56,554
		<u>49,157,667</u>	<u>46,551,493</u>

CURRENT ASSETS

Stores, spare parts and loose tools		7,570,941	7,024,126
Stock-in-trade		1,581,079	1,193,506
Trade debts	10	1,234,756	1,131,753
Loans and advances		1,862,367	2,490,667
Short term investment	11	32,872	32,062
Short term deposits and prepayments		185,576	124,208
Accrued profit		1,800	1,729
Other receivables		42,802	43,534
Income tax refundable		1,053,832	960,358
Cash and bank balances		617,951	684,954
		<u>14,183,976</u>	<u>13,686,897</u>
		<u>63,341,643</u>	<u>60,238,390</u>


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED SEPTEMBER 30, 2018

		Un-audited Note September 30, 2018 (Rupees in thousand)	Un-audited September 30, 2017 (Rupees in thousand)
Sales - net	12	5,654,976	5,800,494
Cost of goods sold	13	(3,999,672)	(3,648,944)
Gross profit		1,655,304	2,151,550
Distribution cost		(382,079)	(266,150)
Administrative expenses		(190,244)	(152,812)
Other charges		(78,668)	(124,193)
		(650,991)	(543,155)
Other income		3,658	16,806
Profit from operations		1,007,971	1,625,201
Finance costs	14	(333,080)	(144,076)
Profit before taxation		674,891	1,481,125
Taxation		(88,193)	(407,703)
Profit after taxation		586,698	1,073,422
			Restated
		(----- Rupees -----)	
Earnings per share - basic and diluted		0.99	1.98

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 PERIOD ENDED SEPTEMBER 30, 2018

	Un-audited September 30, 2018 (Rupees in thousand)	Un-audited September 30, 2017
Profit after taxation	586,698	1,073,422
Other comprehensive income	-	-
Total comprehensive income for the period	586,698	1,073,422

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Note	Un-audited September 30, 2018 (Rupees in thousand)	Un-audited September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		674,891	1,481,125
Adjustments for:			
Depreciation	9.1	636,458	500,982
Amortization		1,411	2,116
Provision for Workers' Profit Participation Fund		34,716	77,912
Provision for Workers' Welfare Fund		15,259	23,179
Loss / (Gain) on disposal of property, plant and equipment		22,933	(3,537)
(Gain) / Loss on re-measurement of short term investments at fair value		(810)	22,242
Retirement benefits		12,772	4,697
Profit on bank deposits		(4,568)	(3,529)
Finance costs	14	333,080	144,076
Cash generated from operations before working capital changes		1,726,142	2,249,263
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(546,815)	(226,567)
Stock-in-trade		(387,573)	(182,000)
Trade debts		(103,003)	(547,409)
Loans and advances		628,300	91,222
Short term deposits and prepayments		(61,368)	(67,917)
Other receivables		732	(12,514)
		(469,727)	(945,185)
(Decrease) / increase in current liabilities			
Trade and other payables		(603,185)	1,077,167
		(1,072,912)	131,982
Net cash generated from operations		653,230	2,381,245
Increase in long term loans to employees		(3,915)	(2,947)
Retirement benefits paid		(4,427)	(12,092)
Workers' Profit Participation Fund paid		-	(88,772)
Taxes paid		(323,535)	(116,583)
Net cash generated from operating activities		321,353	2,160,851
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		(3,213,084)	(2,638,570)
Proceeds from disposal of property, plant and equipment		1,851	6,164
Increase in long term deposits		-	(80)
Profit on bank deposits received		4,497	5,162
Net cash used in investing activities		(3,206,736)	(2,627,324)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term loans from banking companies - secured - net		1,811,419	690,236
Increase in long term deposits		-	65
Payment of liabilities against assets subject to finance lease - net		-	(479,700)
Acquisition / (repayment) of short term borrowings - net		829,956	(27,950)
Finance costs paid		(215,998)	(122,848)
Redemption of preference shares		(16)	-
Dividend paid		(679)	(1,584)
Net cash generated from financing activities		2,424,682	58,219
Net decrease in cash and cash equivalents		(460,701)	(408,254)
Cash and cash equivalents at beginning of the period		(584,693)	193,592
Cash and cash equivalents at end of the period	15	(1,045,394)	(214,662)

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 PERIOD ENDED SEPTEMBER 30, 2018

Share Capital	Capital Reserves				Revenue Reserves	Total Equity
	Share premium	Capital redemption reserve	Sub-Total	Surplus on revaluation of fixed assets - net of tax	Accumulated profits	

..... Rupees in thousand

Balance as at 30 June 2017 (Restated) - audited 5,277,340 1,529,874 528,263 2,058,137 4,323,909 12,006,120 23,665,506

Total comprehensive income for the period

Profit for the period ended 30 September 2017	-	-	-	-	-	1,073,422	1,073,422
Other comprehensive income for the period ended 30 September 2017	-	-	-	-	-	-	-

Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	1,073,422	1,073,422
	-	-	-	-	-	55,582	55,582

Balance as at 30 September 2017 (Restated) - un-audited	5,277,340	1,529,874	528,263	2,058,137	4,323,909	13,135,124	24,794,510
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Balance as at 30 June 2018 - audited	5,937,007	5,112,037	528,263	5,640,300	4,264,543	14,967,338	30,809,188
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Total comprehensive income for the period

Profit for the period ended 30 September 2018	-	-	-	-	-	586,698	586,698
Other comprehensive income for the period ended 30 September 2018	-	-	-	-	-	-	-

Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	586,698	586,698
	-	-	-	-	(55,448)	55,448	-

Effect of change in proportion of local and export sales	-	-	-	-	43,343	-	43,343
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Balance as at 30 September 2018 - un-audited	5,937,007	5,112,037	528,263	5,640,300	4,252,438	15,609,484	31,439,229
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The annexed notes from 1 to 19 form an integral part of this consolidated financial information.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

1.2 Maple Leaf Power Limited - ("the Subsidiary Company")

Maple Leaf Power Limited ("the Subsidiary Company") was incorporated in Pakistan on 15 October 2015 as a public limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Subsidiary Company has been established to set up and operate a 40 megawatt power generation plant at Iskanderabad, District Mianwali 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 Holding and the Subsidiary companies are collectively referred to as "the Group" in this consolidated financial information.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.1.2 This condensed interim consolidated financial information comprises the condensed interim consolidated statement of financial position of the Company, as at 30 September 2018 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity together with the notes forming part thereof.

2.1.3 This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2018.

2.1.4 Comparative condensed interim consolidated statement of financial position numbers are extracted from the annual audited consolidated financial statements of the Company for the year ended 30 June 2018, whereas comparatives of condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity are stated from unaudited condensed interim consolidated financial information of the Company for the three months period ended 30 September 2017.

2.2 Basis of accounting

2.2.1 This condensed interim consolidated financial information comprises the condensed interim consolidated statement of financial position of the Company, as at 30 September 2018 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity together with the notes forming part thereof.

2.2.2 This condensed interim consolidated financial information of the Company for the three months period ended 30 September 2018 has been prepared in accordance with the requirement of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 has been followed.

2.2.3 This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2018.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2018.



4. SHARE CAPITAL

4.1 Authorized share capital

	Note	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
Number of shares			
600,000,000 (30 June 2018: 600,000,000) ordinary shares of Rs. 10 each		6,000,000	6,000,000
100,000,000 (30 June 2018: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each		1,000,000	1,000,000
<u>700,000,000</u>		<u>7,000,000</u>	<u>7,000,000</u>

4.2 Issued, subscribed and paid-up share capital

Number of shares			
356,326,596 (30 June 2018: 356,326,596) ordinary shares of Rs. 10 each fully paid in cash	4.2.1	3,563,266	3,563,266
35,834,100 (30 June 2018: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		358,341	358,341
46,069,400 (30 June 2018: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		460,694	460,694
153,846,153 (30 June 2018: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	4.2.2	1,538,462	1,538,462
1,624,417 (30 June 2018: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	4.2.3	16,244	16,244
<u>593,700,666</u>		<u>5,937,007</u>	<u>5,937,007</u>

4.2.1 During the financial year ended 30 June 2018, the Company issued 65,966,740 right shares at Rs. 65 per share at a premium of Rs. 55 per share. The Company has fully utilised proceeds from issuance of right shares in production capacity enhancement of its grey cement. Currently, the expansion project is in progress at plant site in Iskanderabad District Mianwali.

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

- 4.2.3 During the financial years ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.
- 4.3 The Holding Company holds 327,836,727 (30 June 2018: 327,836,727) ordinary shares, which represents 55.22% (30 June 2018: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Holding Company.
- 4.4 All shares issued by the company has equal voting rights. There is no special rights available to any shareholder.

	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
Gross Surplus		
At beginning of the period / year	5,362,272	5,659,065
Surplus on disposal of fixed assets during the period / year - net of deferred tax	-	(11)
Related deferred tax liability	-	(3)
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - net of deferred tax	(55,448)	(222,762)
Related deferred tax liability	(22,127)	(74,017)
At end of the period / year	5,284,697	5,362,272
Deferred tax liability on revaluation surplus		
At beginning of the period / year	1,097,729	1,335,156
Transferred to unappropriated profit in respect of disposal of fixed assets during the period / year	-	(3)
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(22,127)	(74,017)
Effect of change in tax rate and proportion of local and export sales	(43,343)	(163,407)
At end of the period / year	1,032,259	1,097,729
	4,252,438	4,264,543



	Note	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
6. LONG TERM LOANS FROM BANKING COMPANY - SECURED			
National Bank of Pakistan - Demand Finance		4,488,503	3,955,635
Bank of Punjab - Demand Finance		2,959,528	2,684,294
MCB Bank Limited - Demand Finance		2,616,598	2,063,281
Askari Bank Limited - Term Finance		1,414,981	1,414,981
MCB Islamic Bank - Diminishing Musharika		1,650,000	1,400,000
MCB Bank Limited - Term Finance		984,505	984,505
Samba Bank Limited - Term Finance		750,000	750,000
Habib Bank Limited - Term Finance		700,000	500,000
		15,564,115	13,752,696
6.1 Less: Current portion of long term loans from banking companies - secured			
National Bank of Pakistan - Demand Finance CP		200,000	200,000
Bank of Punjab - Demand Finance CP		300,000	300,000
MCB Bank Limited - Demand Finance CP		148,116	148,116
MCB Islamic Bank - Diminishing Musharika CP		83,334	62,500
Askari Bank Limited - Term Finance CP		125,000	100,000
		856,450	810,616
Long term portion of loans from banking companies		14,707,665	12,942,080
7. TRADE AND OTHER PAYABLES			
Trade creditors		1,639,205	2,056,356
Due to related party	7.1	53,625	259,192
Bills payable - secured		559,447	691,727
Accrued liabilities		552,817	589,763
Advances from customers - unsecured		216,647	215,534
Security deposits repayable on demand	7.2	58,446	57,836
Contractors' retention money		282,270	250,504
Royalty and Excise Duty payable		35,676	31,783
Payable to Provident Fund Trust		12,198	12,268
Other Taxes payable		115,891	47,614
Electricity Duty		29,276	22,606
Payable to Workers' Profit Participation Fund		1,274,205	1,239,489
Payable to Workers' Welfare Fund		107,265	92,006
Payable against redemption of preference shares		1,025	1,041
Other payables		82,096	5,595
		5,020,089	5,573,314
7.1 Due to related party			
Due to Holding company		53,625	259,192
	7.1.1	53,625	259,192

7.1.1 These carry interest at 1% (30 June 2018: 1%) per annum in addition to the average borrowing rate of the Company.

7.2 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.

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 30 June 2018.

8.2 Commitments

	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
8.2.1 In respect of:		
- capital expenditure	3,267,369	5,913,413
- irrevocable letters of credit for spare parts	256,716	1,392,690
	<u>3,524,085</u>	<u>7,306,103</u>
8.2.2 Guarantees given by banks on behalf of the Company are of Rs. 612.994 million (30 June 2018: Rs. 602.994 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.		

	Note	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
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9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	9.1	27,820,423	28,390,629
Capital work in progress - at cost	9.2	19,902,532	16,873,730
Major spare parts and stand-by equipment		1,349,372	1,204,297
		<u>49,072,327</u>	<u>46,468,656</u>
9.1 Operating fixed assets			
Balance at beginning of the period / year		28,390,629	22,185,383
Add: Additions during the period / year	9.1.1	91,033	8,619,067
		<u>28,481,662</u>	<u>30,804,450</u>
Less: Book value of operating assets disposed-off during the period / year		24,781	55,002
Depreciation charge during the period / year		636,458	2,358,819
		<u>27,820,423</u>	<u>28,390,629</u>



	Note	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
9.1.1 Additions during the period / year:			
- buildings on freehold land		17,009	2,077,451
- plant & machinery		53,584	6,320,214
- furniture, fixtures and equipment		3,326	60,373
- roads, bridges and railway sidings		-	38,137
- quarry equipment		7,080	-
- vehicles		10,034	122,892
		<u>91,033</u>	<u>8,619,067</u>
9.2 Movement in capital work-in-progress - at cost			
At beginning of the period / year		16,873,730	5,944,809
Additions during the period / year		3,032,507	17,316,831
Less: Transfers during the period/ year		(3,705)	(6,387,910)
At end of the period / year	9.2.1	<u>19,902,532</u>	<u>16,873,730</u>
9.2.1 Capital work-in-progress - at cost			
Civil Works		5,049,307	4,305,139
Land		738,818	736,048
Plant and machinery		12,860,425	10,916,773
Un-allocated capital expenditure	9.2.1.1	749,242	477,072
Advances to suppliers against:			
- civil works		238,372	322,626
- plant and machinery		231,093	108,343
- office equipment		2,919	4,615
- vehicles		32,356	3,114
		<u>19,902,532</u>	<u>16,873,730</u>
9.2.1.1 Un-allocated capital expenditure			
Salaries and wages		212,371	163,500
Finance costs		366,535	153,813
Legal and professional expenses		74,403	74,028
Fee and subscription		50,416	49,590
Energy expense		30,314	25,690
Insurance		15,203	10,451
		<u>749,242</u>	<u>477,072</u>

	Note	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
10. TRADE DEBTS			
Considered good			
Export - secured	10.1	3,308	7,442
Local - unsecured	10.2	1,231,448	1,124,311
		<u>1,234,756</u>	<u>1,131,753</u>

10.1 These are secured against letters of credit.

10.2 This includes balance of Rs. 0.378 million (30 June 2018: Rs. nil) receivable from Kohinoor Textile Mills Limited against sale of cement and are due by not more than 150 days.

	Un-audited September 30, 2018 (Rupees in thousand)	Audited June 30, 2018
11. SHORT TERM INVESTMENT		
Investment at fair value through profit or loss - listed securities		
Next Capital Limited:		
1,500,000 (30 June 2018: 1,500,000) ordinary shares of Rs. 10 each		
1,875,000 (30 June 2018: 1,875,000) right shares of Rs. 8 each		
Market value Rs. 9.74 per share (30 June 2018: Rs. 9.50 per share)		
Cost		
At beginning and end of the period / year	30,000	30,000
Unrealized fair value gain / (loss)		
At beginning of the period / year	2,062	47,659
Fair value gain / (loss) for the period / year	810	(45,597)
At end of the period / year	2,872	2,062
Fair value at the end of period / year	<u>32,872</u>	<u>32,062</u>

11.1 There has been no investment in any foreign company during the period (30 June 2018: nil).



Three months ended (Un-audited)
September 30, 2018 September 30, 2017
(Rupees in thousand)

12. SALES - NET

Gross local sales	7,505,994	7,556,396
Less:		
Federal Excise Duty	(1,019,519)	(922,513)
Sales Tax	(1,207,295)	(1,224,021)
Discount	(67,728)	(76,400)
Commission & Freight	(29,049)	(30,999)
	(2,323,591)	(2,253,933)
Net local sales	5,182,403	5,302,463
Export sales	472,573	498,031
	5,654,976	5,800,494

13. COST OF GOODS SOLD

Raw materials consumed	266,642	246,325
Packing materials consumed	383,967	314,943
Fuel	1,745,279	1,245,672
Coal used in power generation	513,058	-
Power and associated costs	156,606	820,613
Stores, spare parts and loose tools consumed	191,765	169,173
Salaries, wages and other benefits	285,587	220,824
Rent, rates and taxes	6,207	6,102
Insurance	13,183	14,197
Repairs and maintenance	114,867	92,927
Depreciation	622,648	489,876
Amortization	337	506
Vehicles running and maintenance	44,440	30,560
Other expenses	37,375	31,882
	4,381,961	3,683,600
Work in process:		
At beginning of the period / year	665,606	819,354
At end of the period / year	(1,043,133)	(814,207)
	(377,527)	5,147
Cost of goods manufactured	4,004,434	3,688,747
Finished goods:		
At beginning of the period / year	303,589	207,747
At end of the period / year	(308,351)	(247,550)
	(4,762)	(39,803)
Cost of goods sold	3,999,672	3,648,944

Three months ended (Un-audited)
September 30, 2018 September 30, 2017
(Rupees in thousand)

14. FINANCE COSTS

Profit / interest / mark up on:

- Long term loans and finances
- Short term borrowings

Exchange loss - net
Bank and other charges

	78,232	64,686
	138,963	63,468
	217,195	128,154
	108,706	9,024
	7,179	6,898
	333,080	144,076

15. CASH AND CASH EQUIVALENTS

Short term running finance
Cash and bank balances

	(1,663,345)	(736,664)
	617,951	522,002
	(1,045,394)	(214,662)

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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



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

	Three months ended (Un-audited)	
	September 30, 2018	September 30, 2017
	(Rupees in thousand)	
Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	2,666	5,916
Key management personnel		
Remuneration and other benefits	85,736	66,784
Post employment benefit plans		
Contributions to Provident Fund Trust	38,425	42,196
Payments to Employees Gratuity Fund Trust	2,152	10,025

17. CORRESPONDING FIGURES

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

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on 23 October 2018 by the Board of Directors of the Company.

19. GENERAL

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

