

CEMENT
STRENGTH OF
PAKISTAN

3rd QUARTERLY REPORT
March 31, 2019

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	

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

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
Trust Investment Bank Limited
U Microfinance Bank Limited
United Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road, Lahore, Pakistan.
Tel: +92 42 111-KPMGTH (576484)
Fax: +92 42 3742 9907

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 unaudited standalone and consolidated financial statements for the first nine months of financial year 2018-19 ended 31st March 2019.

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

	Nine Months Ended (July to March)		Variance	Percentage
	2019	2018		
	(----- Rupees in thousand -----)			
Net Sales Revenue	18,276,181	19,224,270	(948,089)	(4.93%)
Gross Profit	4,755,009	6,435,725	(1,680,716)	(26.12%)
Operating Profit	3,456,084	4,994,742	(1,538,658)	(30.81%)
Finance Costs	1,009,692	593,007	416,685	70.27%
Profit Before Taxation	2,446,392	4,401,735	(1,955,343)	(44.42%)
Taxation	553,761	1,031,724	(477,963)	(46.33%)
Profit After Taxation	1,892,631	3,370,011	(1,477,380)	(43.84%)
Earnings Per Share (Rupees)	3.19	6.01	(2.82)	(46.96%)

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

	Nine Months Ended (July to March)		Variance	Percentage
	2019	2018		
	(----- Rupees in thousand -----)			
Net Sales Revenue	18,276,181	19,239,220	(963,039)	(5.01%)
Gross Profit	3,908,403	5,850,900	(1,942,497)	(33.20%)
Operating Profit	2,644,892	4,444,769	(1,799,877)	(40.49%)
Finance Costs	940,333	559,062	381,271	68.20%
Profit Before Taxation	1,704,559	3,885,707	(2,181,148)	(56.13%)
Taxation	553,761	1,031,724	(477,963)	(46.33%)
Profit After Taxation	1,150,798	2,853,983	(1,703,185)	(59.68%)
Earnings Per Share (Rupees)	1.94	5.09	(3.15)	(61.92%)

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	Nine Months Ended (July to March)		Variance	
	2019	2018	Change	Percentage
	(----- M. Tons -----)			
Production:				
Clinker Production	2,359,241	2,677,652	(318,411)	(11.89%)
Cement Production	2,381,593	2,850,325	(468,732)	(16.44%)
Sales:				
Domestic	2,154,440	2,642,335	(487,895)	(18.46%)
Exports	243,369	221,185	22,184	10.03%
	2,397,809	2,863,520	(465,711)	(16.26%)

Total Sales volume of 2,397,809 tons achieved depicts a decrease of 16.26% over 2,863,520 tons sold during the corresponding period last year. The domestic sales volume decreased to 2,154,440 tons registering a decline of 18.46% and exports sales volume was recorded at 243,369 tons, an increase of 10.03%.

During the period under review, the Company recorded net consolidated sales of Rs. 18,276 million against Rs. 19,224 million in the corresponding period last year. Sales price stability in the local market during the reporting period mitigated to some extent the adverse impact on turnover owing to a 18.46% quantitative decline in local sales. The reduction in local dispatches is mainly attributable to sluggish economic activity due to cuts in Public Sector Development Program (PSDP) and private sector spending. The budgetary cuts in PSDP allocation have directly impacted local cement sales. Political instability and macro-economic concerns have eroded confidence and private sector investment seems to have declined. Resultantly during the period under review, local dispatches witnessed a decline of 18.46% from the corresponding volume of 2,642,335 metric tons to 2,154,440 metric tons.

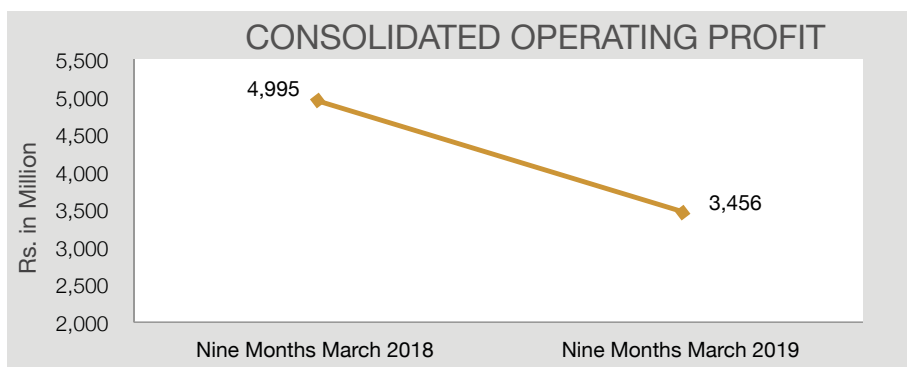
Decline in local sales mix and the devaluation of Pak Rupee have driven cement exports to grow. During the first nine months of current financial year, the Company's export volumes started picking up at an encouraging growth rate of 10.03% to reach 243,369 metric tons. However, margins are still low due to higher input costs and competition in international markets. Recently imposed import duty of 200% by India on goods exported from Pakistan has adversely affected cement exports to India. This has particularly impacted cement companies located in North region.

The Company was able to avoid the likely adverse impact on its profitability due to increase in electricity tariff by NEPRA. The Company relied mainly on its internal power generation sources to meet its electricity requirements which includes coal fired power plant (CFPP) setup as wholly-owned subsidiary, Maple Leaf Power Limited (MLPL), a cost competitive advantage to the Company. 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 on account of increase in international oil prices and 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 cost effective due to higher energy content and prudent purchases at cheaper rates during the current financial year. However, landed cost of coal has substantially increased due to Pak rupee devaluation and shifting of discharge port to PIBTL from KPT under government orders which is expensive. The Company is 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 June 2021.

On account of aforementioned factors impacting cost of production, the Company achieved consolidated gross profit of Rs. 4,755 million during the reporting period with a decrease of 26.12% from Rs. 6,436 million in the 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. 3,456 million, with a decrease of 30.81% as compared to Rs. 4,995 million in the corresponding period.



Finance costs during the reporting period increased to Rs. 1,010 million as compared to Rs. 593 million in the corresponding period. Increase in finance cost is mainly due to the continuous hike in policy rate by State Bank of Pakistan. Markup charges increased on loans availed to finance power project along with drawdown from short-term lines to meet enhanced working capital requirements. Exchange loss on payments designated in foreign currency due to high paced Pak Rupee devaluation also contributed to increase in finance cost.

The Company recorded consolidated pre-tax profit of Rs. 2,446 million for the reporting period against consolidated pre-tax profit of Rs. 4,402 million in corresponding period. Taxation component pertains only to Maple Leaf Cement Factory Limited's standalone operations and amounted to Rs. 554 million for the reporting period, down by Rs 478 million on account of lower pre-tax profits and reduced corporate tax rate as promulgated in Finance Act, 2018.

The above factors have impacted post-tax consolidated profits for the reporting period to register a decline of 43.84% at Rs. 1,893 million against Rs. 3,370 million in the bottom line for 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. 742 million during the first nine months of financial year 2018-19. Power generation from this plant has led to decent savings in input cost on account of reduced electricity costs when compared to FESCO and has favourably impacted consolidated results. Moreover, self-generation of power has reduced the company's reliance on national grid.



Capacity Expansion Project

The Company has undertaken to set up an additional dry process clinker production line of 7,300 tons per day grey clinker production, a brown field expansion at the Company's existing site in Iskandarabad, to enhance total grey clinker capacity up to 18,000 tons per day.

After successful phase-wise commissioning test of installed equipment, plant is in trial run state. Commercial production from new line of 7,300 tons per day is expected to commence in the current week. After the commencement of new line, the Company will become the largest single-site cement production plant in Pakistan.

Future Outlook

Going forward, we expect compression in domestic demand for cement as compared to local sales achieved during the last financial year, mainly due to reduced PSDP allocations due to austerity measures by the new government. However, 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. Speedy progress is promised on CPEC projects due to collective measures of political and military leadership and it is expected to be a trigger to absorb future supply from new capacities if CPEC contracts materialize. The government is committed to complete ongoing projects and the infrastructure schemes including power projects, motorways, Orange train, low-income housing schemes and dedication towards construction of water reservoirs in the country which should provide an upward push to domestic cement industry demand. However, lack of clarity in government's direction and the practical issues in mortgage financing to enable low-cost housing project raise doubts over implementation.

After the completion of expansions in north region, there will be increased pressure on cement sales. This coupled with lower domestic demand is expected to put increased pressure on cement sale price in the local market. Exports will continue to increase with the Company's efforts to explore new markets for both cement and clinker. We also expect that anticipated improvements in relations between Pakistan and India will ease trade between the neighboring countries.

Global coal prices have started rebounding after touching bottom levels during the current financial year. However, overall year to date average coal price will lessen the adverse impact on fuel costs on account of devaluation and other increased production costs. However, further devaluation could put pressure on coal and other input costs. On the export end, recently imposed duty on import in India could significantly reduce the overall export sales. 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. The Company is expecting addition to its bottom line for the current financial year due to availability of tax credits in last quarter of current financial year.

owing to installation of new plant and machinery. Initial allowance on capitalization of new plant and the tax credits thereof u/s 65B of Income Tax Ordinance 2001 will reverse the tax expense for the current financial year 2018-19 and can result in one-time net negative tax charge for the year.

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
April 24, 2019



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Authorized share capital	4	9,000,000	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		14,798,074	14,069,289
Surplus on revaluation of fixed assets - net of tax	5	4,097,959	4,264,543
		30,473,340	29,911,139
NON - CURRENT LIABILITIES			
Long term loans from financial institutions - secured	6	16,552,706	12,942,080
Long term deposits		8,664	8,714
Deferred taxation		3,178,857	3,418,172
Retention money payable		374,813	310,735
Retirement benefits		200,977	183,764
		20,316,017	16,863,465
CURRENT LIABILITIES			
Current portion of :			
- Long term loans from financial institutions - secured	6	960,385	810,616
Trade and other payables	7	6,471,168	5,388,729
Unclaimed dividend		110,328	110,743
Mark-up accrued on borrowing		554,608	283,415
Short term borrowings		5,767,099	5,360,421
		13,863,588	11,953,924
CONTINGENCIES AND COMMITMENTS			
	8	64,652,945	58,728,528

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	9	45,725,360	40,894,010
Intangible assets		15,214	16,811
Long term investment	10	5,020,000	5,020,000
Long term loans to employees - secured		20,459	9,472
Long term deposits		56,880	56,554
		<hr/> 50,837,913	<hr/> 45,996,847
CURRENT ASSETS			
Stores, spare parts and loose tools		7,798,520	6,505,283
Stock-in-trade		1,631,185	1,193,506
Trade debts	11	1,587,716	1,131,753
Loans and advances		1,429,895	2,303,402
Short term investment	12	22,477	32,062
Short term deposits and prepayments		160,411	114,208
Accrued profit		1,999	1,179
Other receivables		32,978	43,534
Income tax refundable		558,621	774,092
Cash and bank balances		591,230	632,662
		<hr/> 13,815,032	<hr/> 12,731,681
		<hr/> <hr/> 64,652,945	<hr/> <hr/> 58,728,528


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

		Nine Months Period Ended		Three Months Period Ended	
	Note	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		(..... Rupees in thousand)			
Sales - net	13	18,276,181	19,239,220	6,027,071	7,006,985
Cost of sales	14	(14,367,778)	(13,388,320)	(4,883,291)	(4,996,538)
Gross profit		3,908,403	5,850,900	1,143,780	2,010,447
Distribution cost		(607,036)	(551,684)	(217,432)	(211,042)
Administrative expenses		(515,420)	(514,016)	(159,846)	(211,872)
Other charges		(163,682)	(390,746)	(13,687)	(137,850)
		(1,286,138)	(1,456,446)	(390,965)	(560,764)
Other income		22,627	50,315	7,771	11,334
Profit from operations		2,644,892	4,444,769	760,586	1,461,017
Finance costs	15	(940,333)	(559,062)	(269,896)	(228,638)
Profit before taxation		1,704,559	3,885,707	490,690	1,232,379
Taxation		(553,761)	(1,031,724)	(140,363)	(351,586)
Profit after taxation		1,150,798	2,853,983	350,327	880,793
Earnings per Share - basic and diluted	(Rupees)	1.94	5.09	0.59	1.47

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

**CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019**

	Nine Months Period Ended		Three Months Period Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(..... Rupees in thousand)			
Profit after taxation	1,150,798	2,853,983	350,327	880,793
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,150,798	2,853,983	350,327	880,793

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)

	Note	March 31, 2019 (Rupees in thousand)	March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,704,559	3,885,707
Adjustments for:			
Depreciation	9.1	1,676,236	1,548,693
Amortization		7,254	6,302
Provision against doubtful debts		-	20,000
Provision for Workers' Profit Participation Fund		92,916	208,962
Provision for Workers' Welfare Fund		52,867	83,881
Loss / (Gain) on disposal of property, plant and equipment		10,383	(3,745)
Loss on re-measurement of short term investments at fair value		9,585	44,685
Retirement benefits		42,809	14,790
Profit on bank deposits		(13,528)	(11,916)
Finance costs	15	940,333	559,062
Cash generated from operations before working capital changes		4,523,414	6,356,421
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(1,293,237)	(1,515,321)
Stock-in-trade		(437,679)	164,206
Trade debts		(455,963)	(941,395)
Loans and advances		873,507	(674,708)
Short term deposits and prepayments		(46,203)	(85,947)
Other receivables		10,556	222,272
		(1,349,019)	(2,830,893)
Increase in current liabilities			
Trade and other payables		1,024,511	1,734,846
		(324,508)	(1,096,047)
Net cash generated from operations		4,198,906	5,260,374
Increase in long term loans to employees		(10,987)	(2,947)
Retirement benefits paid		(25,599)	(32,113)
Workers' Profit Participation Fund paid		(672)	(88,772)
Workers' Welfare Fund paid		(87,162)	(135,635)
Taxes paid		(572,498)	(1,432,345)
Net cash generated from operating activities		3,501,988	3,568,562
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		(6,528,902)	(12,499,326)
Purchase of intangible assets		(5,658)	-
Proceeds from disposal of property, plant and equipment		75,011	27,117
Increase in long term deposits		(326)	(80)
Long term investment		-	(350,000)
Profit on bank deposits received		12,708	11,843
Net cash used in investing activities		(6,447,167)	(12,810,446)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of long term loans from banking companies - secured - net		3,760,395	5,363,133
Proceeds from issuance of right shares including share premium		-	4,241,831
(Decrease) / Increase in long term deposits		(50)	15
Payment of liabilities against assets subject to finance lease - net		-	(483,312)
Acquisition of short term borrowings - net		107,631	359,460
Finance costs paid		(669,139)	(509,419)
Redemption of preference shares		(21)	(15)
Dividend paid		(594,116)	(922,259)
Net cash generated from financing activities		2,604,700	8,049,434
Net decrease in cash and cash equivalents		(340,479)	(1,192,450)
Cash and cash equivalents at beginning of the period		(636,985)	413,958
Cash and cash equivalents at end of the period	16	(977,464)	(778,492)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

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 - 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 31 March 2018
Other comprehensive income for the period ended 31 March 2018

-	-	-	-	-	2,853,983	2,853,983
-	-	-	-	-	-	-

- - - - - 2,853,983 2,853,983

Issuance of shares
Shares issue cost

659,667	3,628,171	-	3,628,171	-	-	4,287,838
-	(46,008)	-	(46,008)	-	-	(46,008)

659,667 3,582,163 - 3,582,163 - - 4,241,830

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

- - - - (165,381) 165,381 -

Reversal of revaluation surplus of fixed assets - net of tax

- - - - (8) 8 -

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

- - - - (31,789) - (31,789)

Transactions with owners of the Company

Final cash dividend @ Rs. 1.75 per share for the year ended 30 June 2017

- - - - - (923,534) (923,534)

Interim cash dividend @ Rs. 1.50 per share for the year ended 30 June 2018

- - - - - (890,551) (890,551)

Balance as at 31 March 2018 -un-audited

5,937,007 5,112,037 528,263 5,640,300 4,126,731 13,253,962 28,958,000

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 31 March 2019
Other comprehensive income for the period ended 31 March 2019

-	-	-	-	-	1,150,798	1,150,798
-	-	-	-	-	-	-

- - - - - 1,150,798 1,150,798

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

- - - - (171,688) 171,688 -

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

- - - - 5,104 - 5,104

Transactions with owners of the Company

Final cash dividend @ Re. 1.00 per share for the year ended 30 June 2018

- - - - - (593,701) (593,701)

Balance as at 31 March 2019 Un-audited

5,937,007 5,112,037 528,263 5,640,300 4,097,959 14,798,074 30,473,340

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

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

The Company has the following long term investment:

	2019 (Direct holding percentage)	2018
Subsidiary Company		
Maple Leaf Power Limited	100	100

2.2 Statement of compliance

2.2.1 This condensed interim unconsolidated financial information of the Company for the nine months period ended 31 March 2019 have 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 31 March 2019 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 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 nine months period ended 31 March 2018.

3. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2018 except for the adoption of new standards effective as of 1 July 2018 as stated below:

3.1 Change in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018. There are other new standards which are effective from 01 July 2018 but they do not have a material effect on the Company's condensed interim unconsolidated financial statements. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

3.1.1 IFRS 15 - Revenue from Contracts with Customers

The Company is engaged in the sale of cement. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the asset is transferred to the customer, which is when the goods are dispatched to the customer or when the goods are handed over to the carrier arranged by the Company on behalf of the customer. Adoption of IFRS 15 which replaces IAS 18 revenue recognition, IAS 11 Construction contracts and related interpretations at 01 July 2018, did not have material effect on the condensed interim unconsolidated financial statement except for reclassification of freight and forwarding cost from selling and distribution to sales and cost of sales. The corresponding figures have been represented to reflect this change on adoption of IFRS 15. Accordingly, selling and distribution expense of Rs. 78.096 million and Rs. 292.913 million have been reclassified to sales and cost of sales respectively. This reclassification has no impact on the reported Earning per Share (EPS) of the corresponding period.

3.1.2 IFRS 9 - Financial instruments

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting and was effective for annual periods beginning on or after 01 July 2018. The Securities and Exchange Commission of Pakistan (SECP), vide its SRO 229(I)/2019 dated 14 February, 2019 has deferred the applicability of IFRS 9 (Financial Instruments) for reporting period ended on 31 December 2018. IFRS 9 will now be applicable for reporting periods / year ending on or after 30 June 2019.



4. SHARE CAPITAL

4.1 Authorized share capital

		Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
Number of shares				
800,000,000	(30 June 2018: 600,000,000) ordinary shares of Rs. 10 each		8,000,000	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>900,000,000</u>			<u>9,000,000</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 utilized 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 are no special rights available to any shareholder.

	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
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	(171,688)	(222,762)
Related deferred tax liability	(53,997)	(74,017)
At end of the period / year	5,136,587	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	(53,997)	(74,017)
Effect of change in tax rate and proportion of local and export sales	(5,104)	(163,407)
At end of the period / year	1,038,628	1,097,729
	4,097,959	4,264,543



6. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Sanctioned Limit	Un-audited March 31, 2019	Audited June 30, 2018	Tenure and basis of principal repayment
----- Rupees in '000' -----					
Loans from banking companies					
1	Askari Bank Limited - Term Finance	1,000,000	989,981	939,981	28 equal quarterly installments with first installment beginning on 27 March 2020
2	Bank of Punjab - Demand Finance	2,000,000	1,754,367	1,415,704	28 equal quarterly installments beginning on 31 March 2020
3	MCB Bank Limited - Demand Finance	2,000,000	1,915,088	1,322,699	22 equal quarterly installments beginning on 22 June 2020
4	National Bank of Pakistan - Demand Finance	4,000,000	3,708,570	3,079,138	28 equal quarterly installments beginning on 30 June 2020
5	Samba Bank - Term Finance	750,000	750,000	750,000	20 equal quarterly installments beginning on 20 March 2020
6	MCB Bank Limited (EX NIB) - Term Finance	2,000,000	1,984,505	984,505	28 equal quarterly installments beginning on 15 August 2020
7	MCB Islamic - Diminishing Musharikah	1,500,000	1,500,000	900,000	24 equal quarterly installments beginning on 01 June 2020
8	Habib Bank Limited. - Term Finance	1,000,000	1,000,000	500,000	28 equal quarterly installments beginning on 01 March 2020
9	Askari Bank Limited - Term Finance	500,000	400,000	475,000	20 equal quarterly installments ending on 04 March 2023
10	Bank of Punjab - Demand Finance	1,500,000	1,272,752	1,268,590	20 equal quarterly installments beginning on 06 July 2018
11	MCB Bank Limited - Demand Finance	1,000,000	629,495	740,582	22 equal quarterly installments ending on 06 April 2023
12	National Bank of Pakistan - Demand Finance	1,000,000	850,000	876,497	22 equal quarterly installments beginning on 06 July 2018
13	MCB Islamic Bank - Diminishing Musharikah	500,000	458,333	500,000	24 equal quarterly installments beginning on 13 December 2018
Loan from Development Financial Institution					
1	PAIR Investment Company Limited	300,000	300,000	-	16 equal quarterly installments beginning on 27 March 2020
		19,050,000	17,513,091	13,752,696	
Less: Current portion of long term loans - secured			(960,385)	(810,616)	
Long term portion of loans			16,552,706	12,942,080	

6.1 During the current period, the Company entered into a term finance agreement with a Development Financial Institution, PAIR Investment Company Limited amounting to Rs. 300 million. The tenor of loan is 5 years from first drawdown including a grace period of one year or commercial operation date of new production line. It carries markup rate at 3 month KIBOR plus 1% per annum payable quarterly in arrears. The facility is secured against first joint pari passu charge over present and future fixed assets of the Company. Personal guarantee is also provided by Mr. Sayeed Tariq Saigol (Chief Executive Officer of the Company).

	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
7. TRADE AND OTHER PAYABLES			
Trade creditors		1,457,852	1,439,522
Due to related party	7.1	2,037,638	811,489
Bills payable - secured		179,218	691,727
Accrued liabilities		629,970	586,867
Advances from customers - unsecured		362,909	215,534
Security deposits repayable on demand	7.2	59,536	57,836
Contractors' retention money		244,473	200,046
Royalty and Excise Duty payable		34,374	31,783
Payable to Provident Fund Trust		12,876	12,268
Other taxes payable		94,905	43,423
Payable to Workers' Profit Participation Fund		1,291,836	1,199,592
Payable to Workers' Welfare Fund		57,711	92,006
Payable against redemption of preference shares		1,020	1,041
Other payables		6,850	5,595
		6,471,168	5,388,729
7.1 Due to related party			
Due to Holding company	7.1.1	202,418	259,192
Due to Subsidiary company	7.1.1	1,835,220	552,297
		2,037,638	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.



	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
8.2 Commitments		
8.2.1 In respect of:		
- capital expenditure	2,613,168	5,913,413
- irrevocable letters of credit for spare parts	829,809	1,392,690
	<u>3,442,977</u>	<u>7,306,103</u>
8.2.2 Guarantees given by banks on behalf of the Company are of Rs. 633.525 million (30 June 2018: Rs. 602.994 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.		

	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
9. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	9.1	21,299,298	22,815,983
Capital work in progress - at cost	9.2	24,070,829	16,873,730
Major spare parts and stand-by equipments		355,233	1,204,297
		<u>45,725,360</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	244,945	2,847,466
		<u>23,060,928</u>	<u>25,015,482</u>
Less: Book value of operating assets disposed-off during the period / year		85,394	55,002
Depreciation charge during the period / year		1,676,236	2,144,497
At end of the period / year		<u>21,299,298</u>	<u>22,815,983</u>

	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
9.1.1 Additions during the period / year:			
- buildings on freehold land		23,917	651,160
- plant & machinery		135,540	1,983,689
- furniture, fixtures and equipment		17,588	58,169
- roads, bridges and railway sidings		-	38,137
- quarry equipment		7,080	-
- vehicles		60,820	116,311
		<u>244,945</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		8,821,907	16,213,811
Less: Transfers during the period / year		(1,624,808)	(819,728)
At end of the period / year	9.2.1	<u>24,070,829</u>	<u>16,873,730</u>
9.2.1 Capital work-in-progress - at cost			
Civil Works		6,345,605	4,305,139
Land		760,610	736,048
Plant and machinery		14,857,674	10,916,773
Roads and bridges		18,055	-
Un-allocated capital expenditure	9.2.1.1	1,604,089	477,072
Advances to suppliers against:			
- civil works		190,362	322,626
- plant and machinery		286,969	108,343
- furniture and fixture		425	
- office equipment		400	4,615
- vehicles		6,640	3,114
		<u>24,070,829</u>	<u>16,873,730</u>
9.2.1.1 Un-allocated capital expenditure			
Salaries and wages		313,402	163,500
Finance costs		1,038,665	153,813
Legal and professional expenses		93,562	74,028
Fee and subscription		50,691	49,590
Energy expense		48,497	25,690
Insurance		28,901	10,451
Others		30,371	-
		<u>1,604,089</u>	<u>477,072</u>



	Note	Un-audited March 31, 2019 (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 year (30 June 2018: Nil).			
		Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
11. TRADE DEBTS			
Considered good			
Export - secured	11.1	17,655	7,442
Local - unsecured	11.2	1,570,061	1,124,311
		<u>1,587,716</u>	<u>1,131,753</u>
11.1 These are secured against letters of credit.			
11.2 This includes balance of Rs. 0.402 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 March 31, 2019 (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. 6.66 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 loss for the period / year	(9,585)	(45,597)
At end of the period / year	(7,523)	2,062
Fair value at the end of period / year	22,477	32,062

12.1 There has been no investment in any foreign company during the year (30 June 2018: Nil).

	Nine months ended (Un-audited)	
	March 31, 2019	March 31, 2018
	(Rupees in thousand)	
13. SALES - NET		
Gross local sales	24,338,031	25,934,007
Less:		
Federal Excise Duty	(3,231,659)	(3,302,919)
Sales Tax	(3,904,297)	(4,286,150)
Discount	(232,475)	(252,140)
Commission	(95,160)	(106,185)
Freight	(211,785)	-
	(7,675,376)	(7,947,394)
Net local sales	16,662,655	17,986,613
Export sales	1,662,761	1,330,703
Less:		
Sea freight	(49,235)	(78,096)
	1,613,526	1,252,607
	18,276,181	19,239,220



Nine months ended (Un-audited)
March 31, March 31,
2019 2018
(Rupees in thousand)

14. COST OF SALES

Raw materials consumed
Packing materials consumed
Fuel
Power and associated costs
Stores, spare parts and loose tools consumed
Salaries, wages and other benefits
Rent, rates and taxes
Insurance
Repairs and maintenance
Depreciation
Amortization
Vehicles running and maintenance
Freight and forwarding
Other expenses

834,415	838,839
1,350,620	1,120,058
5,223,091	4,666,798
3,256,204	2,986,886
672,533	667,144
802,681	688,771
18,548	18,620
33,736	36,529
267,418	284,052
1,633,740	1,501,529
3,617	-
135,207	93,919
387,436	292,913
171,466	87,738

14,790,712	13,283,796
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Work in process:

At beginning of the period
At end of the period

665,606	819,354
(1,016,014)	(690,554)
(350,408)	128,800

Cost of goods manufactured

14,440,304	13,412,596
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Finished goods:

At beginning of the period
At end of the period

303,589	207,747
(376,115)	(232,023)
(72,526)	(24,276)

Cost of sales

14,367,778	13,388,320
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Nine months ended (Un-audited)

March 31, 2019	March 31, 2018
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(Rupees in thousand)

15. FINANCE COSTS

Profit / interest / mark up on:

- Long term loans and finances
- Short term borrowings

Loss on forex transactions - net
 Unwinding Interest - Retention money payable
 Bank and other charges

	280,634	207,350
	399,577	230,568
	680,211	437,918
	216,364	95,776
	16,896	-
	26,862	25,368
	940,333	559,062

16. CASH AND CASH EQUIVALENTS

Short term running finance
 Cash and bank balances

	(1,568,694)	(1,458,846)
	591,230	680,354
	(977,464)	(778,492)

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.

Details of transactions and balances with related parties except those disclosed else where in this condensed interim unconsolidated financial information are as follows:



Nine months ended (Un-audited)
March 31, March 31,
2019 2018
(Rupees in thousand)

Holding company (Kohinoor Textile Mills Limited)

Sale of goods and services	79,156	32,533
Sale of fixed assets	-	1,785
Net markup incurred during the period	(3,024)	(2,045)

Wholly owned subsidiary company (Maple Leaf Power Limited)

Sale of goods and services	38,227	14,950
Purchase of goods and services	3,505,186	1,657,203
Shares issued during the period	-	350,000
Advance against issue of shares during the period	-	423,730
Markup charged during the period	-	14,508

Dividend Paid

Holding company (Kohinoor Textile Mills Limited)	327,837	509,968
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Key management personnel

Remuneration and other benefits	253,526	202,411
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Post employment benefit plans

Contributions to Provident Fund Trust	120,401	99,001
Payments to Employees Gratuity Fund Trust	15,278	25,004

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 24 April 2019 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 power plant or refinery. The image shows multiple levels of metal walkways with railings, complex piping systems, and large industrial vessels. The scene is well-lit, with overhead lights visible. A semi-transparent white box is overlaid on the upper right portion of the image, containing the title and subtitle text.

Consolidated Financial Statements

For the Nine Months Ended March 31, 2019



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 nine months ended 31 March 2019.

GROUP RESULTS

The Group has earned gross profit of Rupees 4,755 million as compared to Rupees 6,436 million of corresponding period. The Group made after tax profit of Rupees 1,893 million during this period as compared to Rupees 3,370 million during the corresponding period.

The overall group financial results are as follows:

The overall group financial results are as follows:

	March 31, 2019 (Rupees in million)	March 31, 2018
Net Sales Revenue	18,276	19,224
Gross Profit	4,755	6,436
Profit from operations	3,456	4,995
Financial charges	1,010	593
Net Profit after Tax	1,893	3,370
	(------Rupees-----)	
Earnings Per Share – Basic and Diluted	3.19	6.01

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 electric power to the Holding Company.

ACKNOWLEDGEMENT

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

For and on behalf of the Board



(Syed Mohsin Raza Naqvi)
Director



(Sayeed Tariq Saigol)
Chief Executive Officer

Lahore
April 24, 2019



CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Authorised share capital	4	9,000,000	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		16,437,956	14,967,338
Surplus on revaluation of fixed assets - net of tax	5	4,097,959	4,264,543
		32,113,222	30,809,188
NON - CURRENT LIABILITIES			
Long term loans from financial institutions - secured	6	16,552,706	12,942,080
Long term deposits		8,664	8,714
Deferred taxation		3,178,857	3,418,172
Retention money payables		374,812	310,735
Retirement benefits		200,977	183,764
		20,316,016	16,863,465
CURRENT LIABILITIES			
Current portion of :			
- Long term loans from financial institutions - secured	6	960,385	810,616
Trade and other payables	7	5,357,699	5,573,314
Unclaimed dividend		110,328	110,743
Mark-up accrued on borrowings		567,288	286,162
Short term borrowings		6,422,787	5,784,902
		13,418,487	12,565,737
CONTINGENCIES AND COMMITMENTS			
	8	65,847,725	60,238,390

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	9	51,261,922	46,468,656
Intangible assets		15,214	16,811
Long term loans to employees - secured		20,459	9,472
Long term deposits		56,880	56,554
		51,354,475	46,551,493
CURRENT ASSETS			
Stores, spare parts and loose tools		8,161,484	7,024,126
Stock-in-trade		1,631,185	1,193,506
Trade debts	10	1,587,716	1,131,753
Loans and advances		1,441,825	2,490,667
Short term investment	11	22,477	32,062
Short term deposits and prepayments		173,303	124,208
Accrued profit		2,549	1,729
Other receivables		57,730	43,534
Income tax refundable		788,304	960,358
Cash and bank balances		626,677	684,954
		14,493,250	13,686,897
		65,847,725	60,238,390


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

		Nine Months Period Ended		Three Months Period Ended	
	Note	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		(..... Rupees in thousand)			
Sales - net	12	18,276,181	19,224,270	6,027,071	7,003,430
Cost of sales	13	(13,521,172)	(12,788,545)	(4,647,046)	(4,691,085)
Gross profit		4,755,009	6,435,725	1,380,025	2,312,345
Distribution cost		(607,036)	(551,684)	(217,432)	(211,042)
Administrative expenses		(518,993)	(516,418)	(161,181)	(212,357)
Other charges		(203,360)	(427,709)	(24,615)	(159,634)
		(1,329,389)	(1,495,811)	(403,228)	(583,033)
Other income		30,464	54,828	10,486	7,117
Profit from operations		3,456,084	4,994,742	987,283	1,736,429
Finance costs	14	(1,009,692)	(593,007)	(289,012)	(262,520)
Profit before taxation		2,446,392	4,401,735	698,271	1,473,909
Taxation		(553,761)	(1,031,724)	(140,363)	(351,586)
Profit after taxation		1,892,631	3,370,011	557,908	1,122,323
Earnings per Share - basic and diluted	(Rupees)	3.19	6.01	0.94	1.89

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine Months Period Ended		Three Months Period Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(..... Rupees in thousand)			
Profit after taxation	1,892,631	3,370,011	557,908	1,122,323
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,892,631	3,370,011	557,908	1,122,323

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)

	Note	March 31, 2019 (Rupees in thousand)	March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,446,392	4,401,735
Adjustments for:			
Depreciation	9.1	1,888,607	1,679,269
Amortization		7,254	6,302
Provision against doubtful debts		-	20,000
Provision for Workers' Profit Participation Fund		131,963	237,145
Provision for Workers' Welfare Fund		52,867	83,888
Loss / (Gain) on disposal of property, plant and equipment		10,383	(3,745)
Loss on re-measurement of short term investments at fair value		9,585	44,685
Retirement benefits		42,808	14,790
Profit on bank deposits		(14,684)	(13,228)
Finance costs	14	1,009,692	593,007
Cash generated from operations before working capital changes		5,584,867	7,063,841
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(1,137,358)	(1,691,458)
Stock-in-trade		(437,679)	164,206
Trade debts		(455,963)	(935,218)
Loans and advances		1,048,842	(690,876)
Short term deposits and prepayments		(49,095)	(86,393)
Other receivables		(14,196)	270,283
		(1,045,449)	(2,969,456)
(Decrease) /increase in current liabilities			
Trade and other payables		(312,591)	1,766,173
		(1,358,040)	(1,203,283)
Net cash generated from operations		4,226,827	5,860,558
Increase in long term loans to employees		(10,987)	(2,947)
Retirement benefits paid		(25,599)	(32,113)
Workers' Profit Participation Fund paid		(672)	(88,772)
Workers' Welfare Fund paid		(87,162)	(135,635)
Taxes paid		(615,915)	(1,432,855)
Net cash generated from operating activities		3,486,492	4,168,236
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		(6,703,189)	(13,421,973)
Purchase of intangible assets		(5,658)	-
Proceeds from disposal of property, plant and equipment		75,011	27,117
Increase in long term deposits		(326)	(80)
Short term investment		-	-
Profit on bank deposits received		13,865	14,427
Net cash used in investing activities		(6,620,297)	(13,380,509)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of long term loans from banking companies - secured - net		3,760,395	5,363,133
Proceeds from issuance of right shares including share premium		-	4,241,831
(Decrease) / Increase in long term deposits		(50)	15
Payment of liabilities against assets subject to finance lease - net		-	(483,312)
Acquisition of short term borrowings - net		338,838	359,460
Finance costs paid		(728,565)	(543,364)
Redemption of preference shares		(21)	(15)
Dividend paid		(594,116)	(922,259)
Net cash generated from financing activities		2,776,481	8,015,489
Net decrease in cash and cash equivalents		(357,324)	(1,196,784)
Cash and cash equivalents at beginning of the period		(584,693)	449,482
Cash and cash equivalents at end of the period	15	(942,017)	(747,302)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

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 - 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 31 March 2018	-	-	-	-	3,370,011	3,370,011
Other comprehensive income for the period ended 31 March 2018	-	-	-	-	-	-

- - - - - 3,370,011 3,370,011

Issuance of shares	659,667	3,628,171	-	3,628,171	-	4,287,838
Shares issue cost	-	(46,008)	-	(46,008)	-	(46,008)
	659,667	3,582,163	-	3,582,163	-	4,241,830

Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax - - - - (165,381) 165,381 -

Reversal of revaluation surplus of fixed assets - net of tax - - - - (8) 8 -

Effect on deferred tax due to change in tax rate and proportion of local and export sales - - - - (31,789) - (31,789)

Transactions with owners of the Company

Final cash dividend @ Rs. 1.75 per share for the year ended 30 June 2017	-	-	-	-	(923,534)	(923,534)
Interim cash dividend @ Rs. 1.50 per share for the year ended 30 June 2018	-	-	-	-	(890,551)	(890,551)

Balance as at 31 March 2018 un-audited 5,937,007 5,112,037 528,263 5,640,300 4,126,731 13,727,435 29,431,473

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

Total comprehensive income for the period

Profit for the period ended 31 March 2019	-	-	-	-	1,892,631	1,892,631
Other comprehensive income for the period ended 31 March 2019	-	-	-	-	-	-

- - - - - 1,892,631 1,892,631

Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax - - - - (171,688) 171,688 -

Effect on deferred tax due to change in tax rate and proportion of local and export sales - - - - 5,104 - 5,104

Transactions with owners of the Company

Final cash dividend @ Re. 1.00 per share for the year ended 30 June 2018	-	-	-	-	(593,701)	(593,701)
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Balance as at 31 March 2019 un-audited 5,937,007 5,112,037 528,263 5,640,300 4,097,959 16,437,956 32,113,222

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

1. REPORTING ENTITY

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

Maple Leaf Cement Factory Limited ("the Holding Company") was incorporated in Pakistan on 13 April 1960 under the Companies Act, 1913 (now the Companies Act, 2017) as a public company limited by shares. The 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 these consolidated financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim consolidated financial information of the Group for the nine months period ended 31 March 2019 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 This condensed interim consolidated financial information comprises the condensed interim consolidated statement of financial position of the Group, as at 31 March 2019 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 information and should be read in conjunction with the financial statements for the year ended on 30 June 2018.

2.1.4 Comparative consolidated statement of financial position numbers are extracted from the annual audited consolidated financial statements of the Group for the year ended 30 June 2018, whereas comparatives of condensed interim consolidated statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim consolidated financial information of the Group for the nine months period ended 31 March 2018.

3. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial information is the same as those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended 30 June 2018 except for the adoption of new standards effective as of 1 July 2018 as stated below:

3.1 Change in significant accounting policies

The Group has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018. There are other new standards which are effective from 01 July 2018 but they do not have a material effect on the Group's condensed interim consolidated financial statements. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

3.1.1 IFRS 15 - Revenue from Contracts with Customers

The Group is engaged in the sale of cement. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the asset is transferred to the customer, which is when the goods are dispatched to the customer or when the goods are handed over to the carrier arranged by the Company on behalf of the customer. Adoption of IFRS 15 which replaces IAS 18 revenue recognition, IAS 11 Construction contracts and related interpretations at 01 July 2018, did not have material effect on the condensed interim consolidated financial statement except for reclassification of freight and forwarding cost from selling and distribution to sales and cost of sales. The corresponding figures have been represented to reflect this change on adoption of IFRS 15. Accordingly, selling and distribution expense of Rs. 78.096 million and Rs. 292.913 million have been reclassified to sales and cost of sales respectively. This reclassification has no impact on the reported Earning per Share (EPS) of the corresponding period.

3.1.2 IFRS 9 - Financial instruments

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting and was effective for annual periods beginning on or after 01 July 2018. The Securities and Exchange Commission of Pakistan (SECP), vide its SRO 229(I)/2019 dated 14 February 2019 has deferred the applicability of IFRS 9 (Financial Instruments) for reporting period ended on 31 December 2018. IFRS 9 will now be applicable for reporting periods / year ending on or after 30 June 2019.



4. SHARE CAPITAL

4.1 Authorized share capital

	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
Number of shares			
800,000,000 (30 June 2018: 600,000,000) ordinary shares of Rs. 10 each		8,000,000	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>900,000,000</u>		<u>9,000,000</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 Group issued 65,966,740 right shares at Rs. 65 per share at a premium of Rs. 55 per share. The Group has fully utilized 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, Group issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.

- 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 Group 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 are no special rights available to any shareholder.

	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
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	(171,688)	(222,762)
Related deferred tax liability	(53,997)	(74,017)
At end of the period / year	5,136,587	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	(53,997)	(74,017)
Effect of change in tax rate and proportion of local and export sales	(5,104)	(163,407)
At end of the period / year	1,038,628	1,097,729
	4,097,959	4,264,543



6. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

	Lender	Sanctioned Limit	Un-audited March 31, 2019	Audited June 30, 2018	Tenure and basis of principal repayment
----- Rupees in '000' -----					
Loans from banking companies					
1	Askari Bank Limited - Term Finance	1,000,000	989,981	939,981	28 equal quarterly installments with first installment beginning on 27 March 2020
2	Bank of Punjab - Demand Finance	2,000,000	1,754,367	1,415,704	28 equal quarterly installments beginning on 31 March 2020
3	MCB Bank Limited - Demand Finance	2,000,000	1,915,088	1,322,699	22 equal quarterly installments beginning on 22 June 2020
4	National Bank of Pakistan - Demand Finance	4,000,000	3,708,570	3,079,138	28 equal quarterly installments beginning on 30 June 2020
5	Samba Bank - Term Finance	750,000	750,000	750,000	20 equal quarterly installments beginning on 20 March 2020
6	MCB Bank Limited (EX NIB) - Term Finance	2,000,000	1,984,505	984,505	28 equal quarterly installments beginning on 15 August 2020
7	MCB Islamic - Diminishing Musharikah	1,500,000	1,500,000	900,000	24 equal quarterly installments beginning on 01 June 2020
8	Habib Bank Limited. - Term Finance	1,000,000	1,000,000	500,000	28 equal quarterly installments beginning on 01 March 2020
9	Askari Bank Limited - Term Finance	500,000	400,000	475,000	20 equal quarterly installments ending on 04 March 2023
10	Bank of Punjab - Demand Finance	1,500,000	1,272,752	1,268,590	20 equal quarterly installments beginning on 06 July 2018
11	MCB Bank Limited - Demand Finance	1,000,000	629,495	740,582	22 equal quarterly installments ending on 06 April 2023
12	National Bank of Pakistan - Demand Finance	1,000,000	850,000	876,497	22 equal quarterly installments beginning on 06 July 2018
13	MCB Islamic Bank - Diminishing Musharikah	500,000	458,333	500,000	24 equal quarterly installments beginning on 13 December 2018
Loan from Development Financial Institution					
1	PAIR Investment Company Limited	300,000	300,000	-	16 equal quarterly installments beginning on 27 March 2020
			17,513,091	13,752,696	
Less: Current portion of long term loans - secured			(960,385)	(810,616)	
Long term portion of loans			16,552,706	12,942,080	

6.1 During the current period, the Company entered into a term finance agreement with a Development Financial Institution, PAIR Investment Company Limited amounting to Rs. 300 million. The tenor of loan is 5 years from first drawdown including a grace period of one year or commercial operation date of new production line. It carries markup rate at 3 month KIBOR plus 1% per annum payable quarterly in arrears. The facility is secured against first joint pari passu charge over present and future fixed assets of the Company. Personal guarantee is also provided by Mr. Sayeed Tariq Saigol (Chief Executive Officer of the Company).

	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
7. TRADE AND OTHER PAYABLES			
Trade creditors		1,485,153	2,056,356
Due to related party	7.1	202,418	259,192
Bills payable - secured		662,368	691,727
Accrued liabilities		635,980	589,763
Advances from customers - unsecured		362,909	215,534
Security deposits repayable on demand	7.2	59,536	57,836
Contractors' retention money		299,359	250,504
Royalty and Excise Duty payable		34,374	31,783
Payable to Provident Fund Trust		12,876	12,268
Other taxes payable		124,918	47,614
Electricity duty		41,446	22,606
Payable to Workers' Profit Participation Fund		1,370,780	1,239,489
Payable to Workers' Welfare Fund		57,711	92,006
Payable against redemption of preference shares		1,020	1,041
Other payables		6,851	5,595
		<u>5,357,699</u>	<u>5,573,314</u>
7.1 Due to related party			
Due to Holding company	7.1.1	202,418	259,192
		<u>202,418</u>	<u>259,192</u>

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

7.2 This represents security deposits received from distributors and contractors of the holding Company. Distributors and contractors have given the holding 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 holding Company for the year ended 30 June 2018.



8.2 Commitments

8.2.1 In respect of:

	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
- capital expenditure	2,613,168	5,913,413
- irrevocable letters of credit for spare parts	846,152	1,423,245
	<u>3,459,320</u>	<u>7,336,658</u>

8.2.2 Guarantees given by banks on behalf of the Company are of Rs. 633.525 million (30 June 2018: Rs. 602.994 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

9. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
Operating fixed assets	9.1	26,831,908	28,390,629
Capital work in progress - at cost	9.2	24,074,782	16,873,730
Major spare parts and stand-by equipments		355,232	1,204,297
		<u>51,261,922</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	415,279	8,619,067
		<u>28,805,908</u>	<u>30,804,450</u>
Less: Book value of operating assets disposed-off during the period / year		85,393	55,002
Depreciation charge during the period / year		1,888,607	2,358,819
At end of the period / year		<u>26,831,908</u>	<u>28,390,629</u>

	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
9.1.1 Additions during the period / year:			
- buildings on freehold land		72,062	2,077,451
- plant & machinery		135,540	6,320,214
- furniture, fixtures and equipment		139,777	60,373
- roads, bridges and railway sidings		-	38,137
- quarry equipment		7,080	-
- vehicles		60,820	122,892
		<u>415,279</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	1,479,647
Additions during the period / year		8,825,860	16,213,811
Less: Transfers during the year		(1,624,808)	(819,728)
At end of the period / year	9.2.1	<u><u>24,074,782</u></u>	<u><u>16,873,730</u></u>
9.2.1 Capital work-in-progress - at cost			
Civil Works		6,345,605	4,305,139
Land		760,610	736,048
Plant and machinery		14,861,627	10,916,773
Roads and bridges		18,055	-
Un-allocated capital expenditure	9.2.1.1	1,604,089	477,072
Advances to suppliers against:			
- civil works		190,362	322,626
- plant and machinery		286,969	108,343
- furniture and fixture		425	
- office equipment		400	4,615
- vehicles		6,640	3,114
		<u>24,074,782</u>	<u>16,873,730</u>
9.2.1.1 Un-allocated capital expenditure			
Salaries and wages		313,402	163,500
Finance costs		1,038,665	153,813
Legal and professional expenses		93,562	74,028
Fee and subscription		50,691	49,590
Energy expense		48,497	25,690
Insurance		28,901	10,451
Others		30,371	-
		<u>1,604,089</u>	<u>477,072</u>



	Note	Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
10. TRADE DEBTS			
Considered good			
Export - secured	10.1	17,655	7,442
Local - unsecured	10.2	1,570,061	1,124,311
		<u>1,587,716</u>	<u>1,131,753</u>

10.1 These are secured against letters of credit.

10.2 This includes balance of Rs. 0.402 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 March 31, 2019 (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. 6.66 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 loss for the period / year	(9,585)	(45,597)
At end of the period / year	<u>(7,523)</u>	<u>2,062</u>
Fair value at the end of period / year	<u>22,477</u>	<u>32,062</u>

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

Nine months ended (Un-audited)
March 31, 2019 **March 31, 2018**
(Rupees in thousand)

12. SALES - NET

Gross local sales	24,338,031	25,913,513
Less:		
Federal Excise Duty	(3,231,659)	(3,300,469)
Sales Tax	(3,904,297)	(4,283,056)
Discount	(232,475)	(252,140)
Commission	(95,160)	(106,185)
Freight	(211,785)	-
	(7,675,376)	(7,941,850)
Net local sales	16,662,655	17,971,663
Export sales	1,662,761	1,330,703
Less:		
Sea freight	(49,235)	(78,096)
	1,613,526	1,252,607
	18,276,181	19,224,270

13. COST OF SALES

Raw materials consumed	813,823	824,454
Packing materials consumed	1,350,620	1,120,058
Fuel	5,234,614	4,666,798
Coal used in power generation	1,592,790	809,340
Power and associated costs	458,993	1,373,469
Stores, spare parts and loose tools consumed	719,371	667,144
Salaries, wages and other benefits	871,931	726,932
Rent, rates and taxes	18,848	18,809
Insurance	42,224	40,712
Repairs and maintenance	279,218	284,052
Depreciation	1,846,110	1,632,105
Amortization	3,617	-
Vehicles running and maintenance	137,267	95,236
Freight and forwarding	387,436	292,913
Other expenses	187,244	131,999
	13,944,106	12,684,021
Work in process:		
At beginning of the period	665,606	819,354
At end of the period	(1,016,014)	(690,554)
	(350,408)	128,800
Cost of goods manufactured	13,593,698	12,812,821
Finished goods:		
At beginning of the period	303,589	207,747
At end of the period	(376,115)	(232,023)
	(72,526)	(24,276)
Cost of sales	13,521,172	12,788,545



Nine months ended (Un-audited)
 March 31, March 31,
 2019 2018
 (Rupees in thousand)

14. FINANCE COSTS

Profit / interest / mark up on:

- Long term loans and finances
- Short term borrowings

Loss on forex transactions - net
 Unwinding Interest - Retention money payable
 Bank and other charges

280,634	207,350
440,322	230,568
720,956	437,918
244,470	129,635
16,896	-
27,370	25,454
1,009,692	593,007

15. CASH AND CASH EQUIVALENTS

Short term running finance
 Cash and bank balances

(1,568,694)	(1,458,846)
626,677	711,544
(942,017)	(747,302)

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 elsewhere in these consolidated financial information are as follows:

Nine months ended (Un-audited)
March 31, March 31,
2019 2018
(Rupees in thousand)

Holding company (Kohinoor Textile Mills Limited)

Sale of goods and services	79,156	32,533
Sale of fixed assets	-	1,785
Net markup incurred during the period	(3,024)	(2,045)

Dividend Paid

Holding company (Kohinoor Textile Mills Limited)	327,837	509,968
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Key management personnel

Remuneration and other benefits	253,526	202,411
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Post employment benefit plans

Contributions to Provident Fund Trust	120,401	99,001
Payments to Employees Gratuity Fund Trust	15,278	25,004

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 24 April 2019 by the Board of Directors of the Group.

19. GENERAL

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



