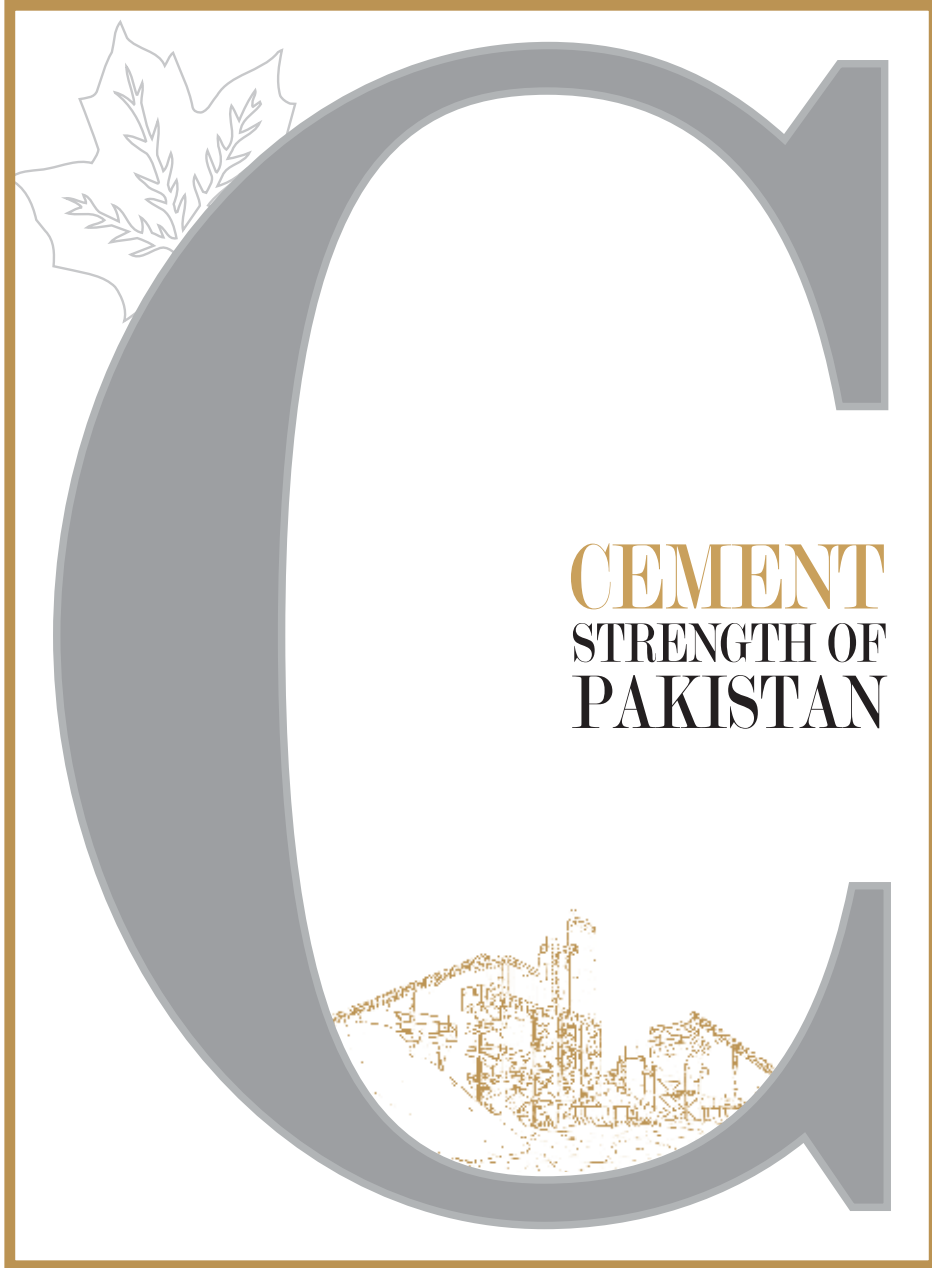




HALF YEARLY REPORT  
December 31, 2018

## 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.

# CONTENTS

## CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

|                                                                                                  |    |
|--------------------------------------------------------------------------------------------------|----|
| Company Information .....                                                                        | 2  |
| Directors' Review.....                                                                           | 3  |
| Auditors' Report to the Members on Review of Interim Financial Information .....                 | 07 |
| Condensed Interim Unconsolidated Statement of Financial Position .....                           | 08 |
| Condensed Interim Unconsolidated Statement of Profit or Loss .....                               | 10 |
| Condensed Interim Unconsolidated Statement of Comprehensive Income .....                         | 11 |
| Condensed Interim Unconsolidated Statement of Cash Flows .....                                   | 12 |
| Condensed Interim Unconsolidated Statement of Changes in Equity .....                            | 13 |
| Selected Explanatory Notes to the Condensed Interim<br>Unconsolidated Financial Information..... | 14 |

## CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

|                                                                                                 |    |
|-------------------------------------------------------------------------------------------------|----|
| Directors' Review.....                                                                          | 33 |
| Condensed Interim Consolidated Statement of Financial Position .....                            | 34 |
| Condensed Interim Consolidated Statement of Profit or Loss .....                                | 36 |
| Condensed Interim Consolidated Statement of Comprehensive Income .....                          | 37 |
| Condensed Interim Consolidated Statement of Cash Flows.....                                     | 38 |
| Condensed Interim Consolidated Statement of Changes in Equity .....                             | 39 |
| Selected Explanatory Notes to the Condensed Interim<br>Consolidated Financial Information ..... | 40 |



## 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](http://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 half of financial year 2018-19 ended 31st December 2018. The standalone financial statements for the period ended 31st December, 2018 have been reviewed by Company's statutory auditors.

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

|                             | 1st Half Year<br>(July to December) |            | Variance    | Percentage |
|-----------------------------|-------------------------------------|------------|-------------|------------|
|                             | 2018                                | 2017       |             |            |
|                             | (----- Rupees in thousand -----)    |            |             |            |
| Net Sales Revenue           | 12,249,110                          | 12,220,840 | 28,270      | 0.23%      |
| Gross Profit                | 3,374,984                           | 4,123,380  | (748,396)   | (18.15%)   |
| Operating Profit            | 2,468,801                           | 3,258,313  | (789,512)   | (24.23%)   |
| Finance Cost                | 720,680                             | 330,487    | 390,193     | 118.07%    |
| Profit Before Taxation      | 1,748,121                           | 2,927,826  | (1,179,705) | (40.29%)   |
| Taxation                    | 413,398                             | 680,138    | (266,740)   | (39.22%)   |
| Profit After Taxation       | 1,334,723                           | 2,247,688  | (912,965)   | (40.62%)   |
| Earnings Per Share (Rupees) | 2.25                                | 4.12       | (1.87)      | (45.39%)   |

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

|                             | 1st Half Year<br>(July to December) |            | Variance    | Percentage |
|-----------------------------|-------------------------------------|------------|-------------|------------|
|                             | 2018                                | 2017       |             |            |
|                             | (----- Rupees in thousand -----)    |            |             |            |
| Net Sales Revenue           | 12,249,110                          | 12,232,235 | 16,875      | 0.14%      |
| Gross Profit                | 2,764,623                           | 3,840,453  | (1,075,830) | (28.01%)   |
| Operating Profit            | 1,884,306                           | 2,983,752  | (1,099,446) | (36.85%)   |
| Finance Cost                | 670,437                             | 330,424    | 340,013     | 102.90%    |
| Profit Before Taxation      | 1,213,869                           | 2,653,328  | (1,439,459) | (54.25%)   |
| Taxation                    | 413,398                             | 680,138    | (266,740)   | (39.22%)   |
| Profit After Taxation       | 800,471                             | 1,973,190  | (1,172,719) | (59.43%)   |
| Earnings Per Share (Rupees) | 1.35                                | 3.62       | (2.27)      | (62.71%)   |

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 December)            |           | Variance  |            |
|--------------------|-------------------------------|-----------|-----------|------------|
|                    | 2018<br>(----- M. Tons -----) | 2017      | Change    | Percentage |
| <b>Production:</b> |                               |           |           |            |
| Clinker Production | 1,620,212                     | 1,675,289 | (55,077)  | (3.29%)    |
| Cement Production  | 1,605,835                     | 1,811,115 | (205,280) | (11.33%)   |
| <b>Sales:</b>      |                               |           |           |            |
| Domestic           | 1,455,753                     | 1,638,390 | (182,637) | (11.15%)   |
| Exports            | 160,866                       | 158,095   | 2,771     | 1.75%      |
|                    | 1,616,619                     | 1,796,485 | (179,866) | (10.01%)   |

Total Sales volume of 1,616,619 tons achieved depicts a decrease of 10.01% over 1,796,485 tons sold during the corresponding period last year. The domestic sales volume decreased to 1,455,753 tons registering a decline of 11.15% and exports sales volume was recorded at 160,866 tons, an increase of 1.75%.

During the period under review, the Company recorded net consolidated sales of Rs. 12,249 million against Rs. 12,221 million in the corresponding period last year. Sales price stability in the local market has mitigated the adverse impact on turnover owing to 11.15% quantitative decline in local sales, thus keeping the Company's topline close to the level reported last year for the corresponding period. The decline in local dispatches is mainly attributable to sluggish economic activity due to cuts in Public Sector Development Program (PSDP) and private sector spending on account of transition of political regime in the country after general elections held on July 25, 2018. The budgetary cuts in PSDP allocation have directly impacted local cement sales uplift. Moreover, uncertainties as to the preferences of the new government after taking charge have also impacted the economy during the first half year of current financial year due to weak macro-conditions. Resultantly during the period under review, local dispatches witnessed a decline of 11.15% from the corresponding volume of 1,638,390 metric tons to 1,455,753 metric tons.

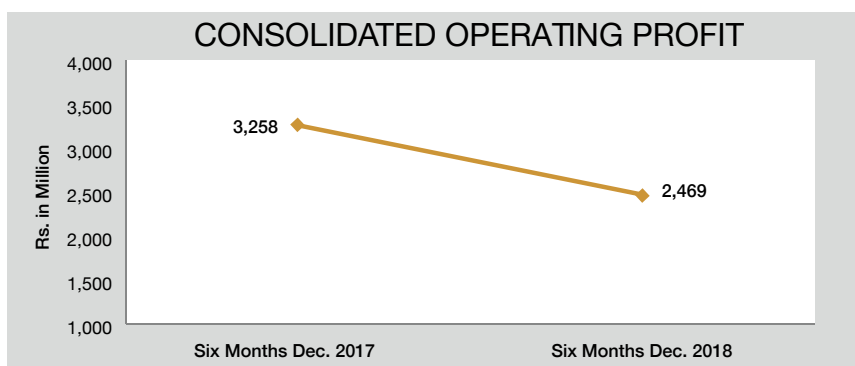
Increase in Federal Excise Duty (FED) on local cement sales by Rs. 250 per ton to take the FED charge per ton to Rs. 1500 in total, vide Finance Act 2018 effective 23rd May 2018 and the increased input costs have necessitated an upwards push in local sale price.

Decline in local sales mix and the devaluation of Pak Rupee in terms of US Dollar have driven cement exports to grow. The Company's export volumes started picking up and registered a growth of 1.75% to reach 160,866 metric tons during the first half of current financial year but margins are still low due to higher input costs.

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 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 last 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. 3,375 million during the reporting period with a decrease of 18.15% from Rs. 4,123 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. 2,469 million, with a decrease of 24.23% as compared to Rs. 3,258 million in the corresponding period.



Finance costs during the reporting period increased to Rs. 721 million as compared to Rs. 330 million in the corresponding period. Increase in finance cost relates mainly to hike in policy rate by State Bank of Pakistan, markup charged on loan availed to finance power project, the drawdown from short-term lines to meet enhanced working capital requirements and relates partially to exchange loss on payments designated in foreign currency due to high paced Pak Rupee devaluation.

The Company recorded consolidated pre-tax profit of Rs. 1,748 million for the reporting period against consolidated pre-tax profit of Rs. 2,928 million in corresponding period. Taxation component pertains only to Maple Leaf Cement Factory Limited's standalone operations and amounted to Rs. 414 million for the reporting period, down by Rs. 267 million on account of lower pre-tax profits and reduced corporate tax rate as promulgated in Finance Act, 2018.

All the above factors have impacted post-tax consolidated profits for the reporting period to register a decline of 40.62% at Rs. 1,335 million against Rs. 2,248 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. 534 million during the first half year 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.

### 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 cement capacity up to 18,000 tons per day. In this regard, the Company after signing EPC contract, has established Letter of Credit 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 is now estimated at a revised cost of Rs. 26 billion including the impact of recent devaluation of Pak Rupee. Project cost is being financed approximately 59%



from debt and 41% from equity. Project completion is accelerating as per plan and Rs. 21.8 billion has been spent to date which is approximately 84% of the total project cost.

The construction work at site is in full swing and approximately 95% of the civil work has been completed. Following the pace of civil work progress, plant erection work has also gained momentum where 81% of the plant mechanical erection work and 73% of the electrical work has been completed as of the reporting date. All the shipments related to main Letter of Credit have arrived at plant site.

Starting December 03, 2018, phase-wise commissioning test of installed equipment has begun and is expected to complete by March 31, 2019. Commercial production from new line of 7,300 tons per day is expected to commence in the beginning of 4th quarter of current financial year.

### 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. New 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.

Disorder in balance of payments, declining foreign exchange reserves and foreign debt repayments by Government of Pakistan have resulted in devaluation of Pak rupee and has caused disturbance in macro-economic indicators. Recently, the global coal prices have started declining and are expected to go further down. This will lessen the adverse impact on fuel costs on account of devaluation and other increased production costs. However, the already devalued Pak Rupee and its further expected devaluation will put pressure on coal and other input costs. Despite that, on export end, recently imposed duty on import in India will 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 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 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  
February 19, 2019



KPMG Taseer Hadi & Co.  
Chartered Accountants  
351 Shadman-1, Jail Road,  
Lahore 54000 Pakistan  
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 9907

## Independent Auditor's Review Report to the members of Maple Leaf Cement Factory Limited Report on Review of Condensed Interim Unconsolidated Financial Statements

### Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **Maple Leaf Cement Factory Limited** ("the Company") as at 31 December 2018 and the related condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows, condensed interim unconsolidated statement of changes in equity and notes to the financial statements for the six months period then ended (here-in-after referred to as "condensed interim unconsolidated financial statement"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim unconsolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial statements is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### Other Matters

The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 December 2018 and 31 December 2017, having not been reviewed by us and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Bilal Ali.

Lahore  
Date: February 19, 2019

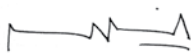
  
KPMG Taseer Hadi & Co.  
Chartered Accountants



# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

|                                                                         | Note | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|-------------------------------------------------------------------------|------|------------------------------------------------------------|-----------------------------|
| <b>EQUITY AND LIABILITIES</b>                                           |      |                                                            |                             |
| <b>SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> |      |                                                            |                             |
| Authorized share capital                                                | 5    | 9,000,000                                                  | 7,000,000                   |
| Issued, subscribed and paid-up share capital                            | 5    | 5,937,007                                                  | 5,937,007                   |
| Capital reserves                                                        |      | 5,640,300                                                  | 5,640,300                   |
| Accumulated profits                                                     |      | 14,391,794                                                 | 14,069,289                  |
| Surplus on revaluation of fixed assets - net of tax                     | 6    | 4,148,808                                                  | 4,264,543                   |
|                                                                         |      | 30,117,909                                                 | 29,911,139                  |
| <b>NON - CURRENT LIABILITIES</b>                                        |      |                                                            |                             |
| Long term loans from financial institutions - secured                   | 7    | 16,797,516                                                 | 12,942,080                  |
| Long term deposits                                                      |      | 8,714                                                      | 8,714                       |
| Deferred taxation                                                       |      | 3,279,206                                                  | 3,418,172                   |
| Retention money payable                                                 |      | 368,608                                                    | 310,735                     |
| Retirement benefits                                                     |      | 196,641                                                    | 183,764                     |
|                                                                         |      | 20,650,685                                                 | 16,863,465                  |
| <b>CURRENT LIABILITIES</b>                                              |      |                                                            |                             |
| Current portion of :                                                    |      |                                                            |                             |
| - Long term loans from financial Institutions - secured                 | 7    | 830,920                                                    | 810,616                     |
| Trade and other payables                                                | 8    | 6,242,847                                                  | 5,388,729                   |
| Unclaimed dividend                                                      |      | 115,023                                                    | 110,743                     |
| Mark-up accrued on borrowings                                           |      | 436,652                                                    | 283,415                     |
| Short term borrowings                                                   |      | 4,953,065                                                  | 5,360,421                   |
|                                                                         |      | 12,578,507                                                 | 11,953,924                  |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                    |      |                                                            |                             |
|                                                                         | 9    | 63,347,101                                                 | 58,728,528                  |

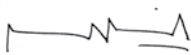
The annexed notes from 1 to 22 form an integral part of this condensed interim unconsolidated financial information.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

|                                        |    | Un-audited<br>Note December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|----------------------------------------|----|-----------------------------------------------------------------|-----------------------------|
| <b>ASSETS</b>                          |    |                                                                 |                             |
| <b>NON - CURRENT ASSETS</b>            |    |                                                                 |                             |
| Property, plant and equipment          | 10 | 44,543,091                                                      | 40,894,010                  |
| Intangible assets                      |    | 16,881                                                          | 16,811                      |
| Long term investment                   | 11 | 5,020,000                                                       | 5,020,000                   |
| Long term loans to employees - secured |    | 12,363                                                          | 9,472                       |
| Long term deposits                     |    | 56,880                                                          | 56,554                      |
|                                        |    | <hr/> 49,649,215                                                | <hr/> 45,996,847            |
| <b>CURRENT ASSETS</b>                  |    |                                                                 |                             |
| Stores, spare parts and loose tools    |    | 7,771,238                                                       | 6,505,283                   |
| Stock-in-trade                         |    | 1,675,398                                                       | 1,193,506                   |
| Trade debts                            | 12 | 1,039,580                                                       | 1,131,753                   |
| Loans and advances                     |    | 1,604,573                                                       | 2,303,402                   |
| Short term investment                  | 13 | 22,781                                                          | 32,062                      |
| Short term deposits and prepayments    |    | 164,604                                                         | 114,208                     |
| Accrued profit                         |    | 1,425                                                           | 1,179                       |
| Other receivables                      |    | 33,911                                                          | 43,534                      |
| Income tax refundable                  |    | 717,354                                                         | 774,092                     |
| Cash and bank balances                 |    | 667,022                                                         | 632,662                     |
|                                        |    | <hr/> 13,697,886                                                | <hr/> 12,731,681            |
|                                        |    | <hr/> <hr/> 63,347,101                                          | <hr/> <hr/> 58,728,528      |

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

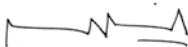
  
DIRECTOR



# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2018

|                                                   | Note     | Half year<br>ended<br>December 31,<br>2018<br>(..... Rupees in thousand .....) ) | Half year<br>ended<br>December 31,<br>2017 | Quarter<br>ended<br>December 31,<br>2018 | Quarter<br>ended<br>December 31,<br>2017 |
|---------------------------------------------------|----------|----------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------|------------------------------------------|
| Sales - net                                       | 14       | 12,249,110                                                                       | 12,232,235                                 | 6,682,639                                | 6,452,162                                |
| Cost of sales                                     | 15       | (9,484,487)                                                                      | (8,391,782)                                | (5,106,933)                              | (4,591,870)                              |
| <b>Gross profit</b>                               |          | <b>2,764,623</b>                                                                 | <b>3,840,453</b>                           | <b>1,575,706</b>                         | <b>1,860,292</b>                         |
| Distribution cost                                 |          | (389,604)                                                                        | (340,642)                                  | (193,940)                                | (221,333)                                |
| Administrative expenses                           |          | (355,574)                                                                        | (302,144)                                  | (166,942)                                | (152,544)                                |
| Other charges                                     |          | (149,995)                                                                        | (252,896)                                  | (86,085)                                 | (128,703)                                |
|                                                   |          | (895,173)                                                                        | (895,682)                                  | (446,967)                                | (502,580)                                |
| Other income                                      |          | 14,856                                                                           | 38,981                                     | 12,774                                   | 24,859                                   |
| <b>Profit from operations</b>                     |          | <b>1,884,306</b>                                                                 | <b>2,983,752</b>                           | <b>1,141,513</b>                         | <b>1,382,571</b>                         |
| Finance cost                                      | 16       | (670,437)                                                                        | (330,424)                                  | (358,063)                                | (186,387)                                |
| <b>Profit before taxation</b>                     |          | <b>1,213,869</b>                                                                 | <b>2,653,328</b>                           | <b>783,450</b>                           | <b>1,196,184</b>                         |
| Taxation                                          |          | (413,398)                                                                        | (680,138)                                  | (325,205)                                | (272,435)                                |
| <b>Profit after taxation</b>                      |          | <b>800,471</b>                                                                   | <b>1,973,190</b>                           | <b>458,245</b>                           | <b>923,749</b>                           |
| <b>Earnings per Share - basic<br/>and diluted</b> | (Rupees) | <b>1.35</b>                                                                      | <b>3.62</b>                                | <b>0.77</b>                              | <b>1.63</b>                              |

The annexed notes from 1 to 22 form an integral part of this condensed interim unconsolidated financial information.

  
CHIEF EXECUTIVE OFFICER

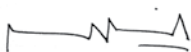
  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2018

|                                              | Half year<br>ended<br>December 31,<br>2018<br>(..... Rupees in thousand .....) ) | Half year<br>ended<br>December 31,<br>2017 | Quarter<br>ended<br>December 31,<br>2018 | Quarter<br>ended<br>December 31,<br>2017 |
|----------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------|------------------------------------------|
| Profit after taxation                        | 800,471                                                                          | 1,973,190                                  | 458,245                                  | 923,749                                  |
| Other comprehensive income                   | -                                                                                | -                                          | -                                        | -                                        |
| Total comprehensive income<br>for the period | 800,471                                                                          | 1,973,190                                  | 458,245                                  | 923,749                                  |

The annexed notes from 1 to 22 form an integral part of this condensed interim unconsolidated financial information.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

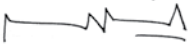
  
DIRECTOR



## CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 (UN-AUDITED)

|                                                                      | Note | December 31,<br>2018 | December 31,<br>2017 |
|----------------------------------------------------------------------|------|----------------------|----------------------|
| (Rupees in thousand)                                                 |      |                      |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |      |                      |                      |
| Profit before taxation                                               |      | 1,213,869            | 2,653,328            |
| Adjustments for:                                                     |      |                      |                      |
| Depreciation                                                         |      | 1,126,205            | 1,023,336            |
| Amortization                                                         |      | 5,150                | 4,232                |
| Provision for Workers' Profit Participation Fund                     |      | 65,788               | 142,450              |
| Provision for Workers' Welfare Fund                                  |      | 37,122               | 53,229               |
| Loss on disposal of property, plant and equipment                    |      | 21,132               | 3,325                |
| Loss on re-measurement of short term investments at fair value       |      | 9,281                | 47,689               |
| Retirement benefits                                                  |      | 28,814               | 4,697                |
| Finance cost                                                         |      | 670,437              | 330,424              |
| Profit on bank deposits                                              |      | (8,902)              | (6,703)              |
| <b>Cash generated from operations before working capital changes</b> |      | <b>3,168,896</b>     | <b>4,256,007</b>     |
| <b>(Increase) / decrease in current assets:</b>                      |      |                      |                      |
| Stores, spare parts and loose tools                                  |      | (1,265,955)          | (104,930)            |
| Stock-in-trade                                                       |      | (481,892)            | 163,777              |
| Trade debts                                                          |      | 92,173               | (417,415)            |
| Loans and advances                                                   |      | 698,829              | (288,528)            |
| Short term deposits and prepayments                                  |      | (50,396)             | (35,277)             |
| Other receivables                                                    |      | 9,623                | 219,362              |
|                                                                      |      | (997,618)            | (463,011)            |
| <b>Increase in current liabilities:</b>                              |      |                      |                      |
| Trade and other payables                                             |      | 751,227              | 1,405,716            |
| <b>Net cash generated from operations</b>                            |      | <b>2,922,505</b>     | <b>5,198,712</b>     |
| Increase in long term loans to employees - secured                   |      | (2,891)              | (3,101)              |
| Retirement benefits paid                                             |      | (15,937)             | (10,875)             |
| Workers' Profit Participation Fund paid                              |      | -                    | (88,772)             |
| Workers Welfare Fund paid                                            |      | -                    | (135,635)            |
| Taxes paid                                                           |      | (495,627)            | (847,730)            |
| <b>Net cash generated from operating activities</b>                  |      | <b>2,408,050</b>     | <b>4,112,599</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |      |                      |                      |
| Capital expenditure                                                  |      | (4,787,625)          | (8,670,129)          |
| Purchase of intangible assets                                        |      | (5,220)              | -                    |
| Proceeds from disposal of fixed assets                               |      | 38,388               | 11,970               |
| Increase in long term deposits and prepayments                       |      | (326)                | (80)                 |
| Long term investment                                                 |      | -                    | (350,000)            |
| Profit on bank deposits received                                     |      | 8,656                | 6,770                |
| <b>Net cash used in investing activities</b>                         |      | <b>(4,746,127)</b>   | <b>(9,001,469)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                          |      |                      |                      |
| Draw down of long term loans from banking companies - secured - net  |      | 3,875,740            | 1,279,285            |
| Proceeds from issuance of right shares including share premium       |      | -                    | 4,241,830            |
| Increase in long term deposits                                       |      | -                    | 65                   |
| Payment of liabilities against assets subject to finance lease - net |      | -                    | (480,615)            |
| (Repayment) / acquisition of short term borrowings - net             |      | (902,094)            | 156,143              |
| Finance cost paid                                                    |      | (506,508)            | (321,553)            |
| Redemption of preference shares                                      |      | (18)                 | (15)                 |
| Dividend paid                                                        |      | (589,421)            | (396,918)            |
| <b>Net cash generated from financing activities</b>                  |      | <b>1,877,699</b>     | <b>4,478,222</b>     |
| <b>Net decrease in cash and cash equivalents</b>                     |      | <b>(460,378)</b>     | <b>(410,648)</b>     |
| <b>Cash and cash equivalents at beginning of the period</b>          |      | <b>(636,985)</b>     | <b>158,068</b>       |
| <b>Cash and cash equivalents at end of the period</b>                | 17   | <b>(1,097,363)</b>   | <b>(252,580)</b>     |

The annexed notes from 1 to 22 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 SIX MONTHS ENDED DECEMBER 31, 2018

|                                                                                               | Share Capital | Capital Reserves |                            |           | Revenue Reserves                             | Total Equity |                     |
|-----------------------------------------------------------------------------------------------|---------------|------------------|----------------------------|-----------|----------------------------------------------|--------------|---------------------|
|                                                                                               |               | Share premium    | Capital redemption reserve | Sub-Total | Surplus on revaluation of fixed assets - net |              | 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                                                                    |               |                  |                            |           |                                              |              |                     |
| Profit for the six months ended 31 December 2017                                              | -             | -                | -                          | -         | -                                            | 1,973,190    | 1,973,190           |
| Other comprehensive Income for the period                                                     | -             | -                | -                          | -         | -                                            | -            | -                   |
|                                                                                               | -             | -                | -                          | -         | -                                            | 1,973,190    | 1,973,190           |
| 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 | -             | -                | -                          | -         | (11)                                         | 11           | -                   |
| Reversal of revaluation surplus on disposal of fixed assets - net of tax                      | -             | -                | -                          | -         | (8)                                          | 8            | -                   |
| 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)           |
| Balance as at 31 December 2017 - un-audited                                                   | 5,937,007     | 5,112,037        | 528,263                    | 5,640,300 | 4,323,890                                    | 13,098,350   | 28,999,547          |
| Total comprehensive Income                                                                    |               |                  |                            |           |                                              |              |                     |
| Profit for the six months ended 30 June 2018                                                  | -             | -                | -                          | -         | -                                            | 1,659,011    | 1,659,011           |
| Other comprehensive Income for the period                                                     | -             | -                | -                          | -         | -                                            | (20,275)     | (20,275)            |
|                                                                                               | -             | -                | -                          | -         | -                                            | 1,638,736    | 1,638,736           |
| Effect on deferred tax due to change in tax rate and proportion of local and export sales     | -             | -                | -                          | -         | 163,407                                      | -            | 163,407             |
| Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax | -             | -                | -                          | -         | (222,751)                                    | 222,751      | -                   |
| Reversal of revaluation surplus on disposal of fixed assets - net of tax                      | -             | -                | -                          | -         | (3)                                          | 3            | -                   |
| Transactions with owners of the Company                                                       |               |                  |                            |           |                                              |              |                     |
| Interim cash dividend @ Rs. 1.5 per share for the year ended 30 June 2018                     | -             | -                | -                          | -         | -                                            | (890,551)    | (890,551)           |
| 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                                                                    |               |                  |                            |           |                                              |              |                     |
| Profit for the six months ended 31 December 2018                                              | -             | -                | -                          | -         | -                                            | 800,471      | 800,471             |
| Other comprehensive Income for the period                                                     | -             | -                | -                          | -         | -                                            | -            | -                   |
|                                                                                               | -             | -                | -                          | -         | -                                            | 800,471      | 800,471             |
| Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax | -             | -                | -                          | -         | (115,735)                                    | 115,735      | -                   |
| Transactions with owners of the Company                                                       |               |                  |                            |           |                                              |              |                     |
| Final cash dividend @ Re. 1 per share for the year ended 30 June 2018                         | -             | -                | -                          | -         | -                                            | (593,701)    | (593,701)           |
| Balance as at 31 December 2018 - un-audited                                                   | 5,937,007     | 5,112,037        | 528,263                    | 5,640,300 | 4,148,808                                    | 14,391,794   | 30,117,909          |

The annexed notes from 1 to 22 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 SIX MONTHS ENDED DECEMBER 31, 2018

### 1. REPORTING ENTITY

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

### 1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance were particularly affected by the following events and transactions during the reporting period:

- a) The Company is in the process of installation of an additional Cement Line having cement manufacturing capacity of 7,300 tons per day at its existing manufacturing premises, which will significantly affect the business volume and profitability of the Company. Refer note 10 for expenditures incurred till 31 December 2018. In this regard, the Company has arranged long term finance facilities aggregating Rs. 14,550 million as referred to in note 7 of this condensed interim unconsolidated financial information.
- b) The Company has adopted new accounting standards applicable in the current year. The adoption of these new standards has been accounted for as change in accounting policy as explained in note 4.1 of this condensed interim unconsolidated financial information.

### 2. BASIS OF PREPARATION

#### 2.1 Separate financial statements

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

The Company has the following long term investment:

|                           | Un-audited<br>December 31,<br>2018<br>(Direct holding percentage) | Audited<br>June 30,<br>2018 |
|---------------------------|-------------------------------------------------------------------|-----------------------------|
| <b>Subsidiary Company</b> |                                                                   |                             |
| 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 six months period ended 31 December 2018 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 are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and are subject to limited scope review by external auditors as required by the Act and Code of Corporate Governance.

**2.2.3** This condensed interim unconsolidated financial information comprise of the condensed interim unconsolidated statement of financial position of the Company, as at 31 December 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.

**2.2.4** This condensed interim unconsolidated financial information do 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.

**2.2.5** 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 six months period ended 31 December 2017.

### **3. JUDGMENTS AND ESTIMATES**

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

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited unconsolidated financial statements for the year ended 30 June 2018.

### **4. 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:



#### 4.1 Change in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' from 01 July 2018 which is 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 information. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

##### 4.1.1 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 recognised 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 information 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. 57.44 million and Rs. 211.03 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.

##### 4.1.2 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 S.R.O. 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.

##### 4.1.3 Other than those disclosed above in note 4.1 and 4.1.2, there were certain other new amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

|                                                                                                                                      |                 |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| - IFRIC 23 - Uncertainty over Income Tax Treatments                                                                                  | 01 January 2019 |
| - Amendment to IFRS 9 - Financial Instrument                                                                                         | 01 January 2019 |
| - IFRS 16 - Leases                                                                                                                   | 01 January 2019 |
| - Amendment to IAS 28 - Investments in associates and joint ventures - Long Term Interests in Associates and Joint Ventures          | 01 January 2019 |
| - Amendment to IAS 19 - Employee benefits - Plan Amendment, Curtailment or Settlement                                                | 01 January 2019 |
| - Amendment to IFRS 3 - Business Combinations - Definition of a Business                                                             | 01 January 2020 |
| - Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors | 01 January 2020 |
| - Annual Improvements to IFRS Standards 2015-2017 Cycle                                                                              | 01 January 2019 |

## 5. SHARE CAPITAL

|                                                                                                                         | Note  | Number<br>of shares | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|-------------------------------------------------------------------------------------------------------------------------|-------|---------------------|------------------------------------------------------------|-----------------------------|
| <b>5.1 Authorized share capital</b>                                                                                     |       |                     |                                                            |                             |
| (30 June 2018: 600,000,000) ordinary shares of Rs. 10 each                                                              |       | 800,000,000         | 8,000,000                                                  | 6,000,000                   |
| (30 June 2018: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each                                |       | 100,000,000         | 1,000,000                                                  | 1,000,000                   |
|                                                                                                                         |       | <u>900,000,000</u>  | <u>9,000,000</u>                                           | <u>7,000,000</u>            |
| <b>5.2 Issued, subscribed and paid-up share capital</b>                                                                 |       |                     |                                                            |                             |
| (30 June 2018: 356,326,596) ordinary shares of Rs. 10 each fully paid in cash                                           | 5.2.1 | 356,326,596         | 3,563,266                                                  | 3,563,266                   |
| (30 June 2018: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash        |       | 35,834,100          | 358,341                                                    | 358,341                     |
| (30 June 2018: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares                             |       | 46,069,400          | 460,694                                                    | 460,694                     |
| (30 June 2018: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount                | 5.2.2 | 153,846,153         | 1,538,462                                                  | 1,538,462                   |
| (30 June 2018: 1,624,417) ordinary shares of Rs. 10 each issued on conversion of preference shares into ordinary shares | 5.2.3 | 1,624,417           | 16,244                                                     | 16,244                      |
|                                                                                                                         |       | <u>593,700,666</u>  | <u>5,937,007</u>                                           | <u>5,937,007</u>            |

**5.2.1** During the 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 utilised the proceeds from right shares in enhancement of cement manufacturing capacity. Currently, the expansion project is in progress at plant site in Iskanderabad District Mianwali.

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

**5.2.3** During the financial years ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.

**5.3** The Holding Company holds 327,836,727 ordinary shares, which represents 55.22% (30 June 2018:55.22%) of total ordinary issued, subscribed and paid-up capital of the Company.

**5.4** All shares issued by the company have equal voting rights. There are no special rights available to any shareholder.



Un-audited  
December 31,  
2018  
(Rupees in thousand)

Audited  
June 30,  
2018

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

### Gross Surplus

|                                                                                                                                 |           |           |
|---------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Balance 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 | (115,735) | (222,762) |
| Related deferred tax liability                                                                                                  | (36,709)  | (74,017)  |

### At end of the period / year

5,209,828      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 | (36,709)  | (74,017)  |
| Effect of change in tax rate and proportion of local and export sales                                        | -         | (163,407) |

### At end of the period / year

1,061,020      1,097,729

4,148,808      4,264,543

## 7. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

|                                     | Lender                                     | Sanctioned Limit | Un-audited December 31, 2018 | Audited June 30, 2018 | Tenure and basis of principal repayment                                           |
|-------------------------------------|--------------------------------------------|------------------|------------------------------|-----------------------|-----------------------------------------------------------------------------------|
| ----- Rupees in '000' -----         |                                            |                  |                              |                       |                                                                                   |
| <b>Loans from banking companies</b> |                                            |                  |                              |                       |                                                                                   |
| 1                                   | Askari Bank Limited - Term Finance         | 1,000,000        | 939,981                      | 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        | 3,666,184                    | 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          | 425,000                      | 475,000               | 20 equal quarterly installments ending on 04 March 2023                           |
| 10                                  | Bank of Punjab - Demand Finance            | 1,500,000        | 1,347,620                    | 1,268,590             | 20 equal quarterly installments beginning on 06 July 2018                         |
| 11                                  | MCB Bank Limited - Demand Finance          | 1,000,000        | 666,524                      | 740,582               | 22 equal quarterly installments ending on 06 April 2023                           |
| 12                                  | National Bank of Pakistan - Demand Finance | 1,000,000        | 900,000                      | 876,497               | 22 equal quarterly installments beginning on 06 July 2018                         |
| 13                                  | MCB Islamic Bank - Diminishing Musharikah  | 500,000          | 479,167                      | 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 | 17,628,436 | 13,752,696 |                                                            |

**Less: Current portion of long term loans - secured**

**Long term portion of loans**

**7.1** 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 guarantees is also provided by Mr. Sayeed Tariq Saigol (Chief Executive Officer of the Company).

**7.2** There has been no change in markup terms and securities related to the existing loans from banking companies as disclosed in the note 8 to the audited unconsolidated financial statements as at 30 June 2018.



|                                                 |       | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|-------------------------------------------------|-------|------------------------------------------------------------|-----------------------------|
| <b>8. TRADE AND OTHER PAYABLES</b>              |       |                                                            |                             |
| Trade creditors                                 |       | 1,557,241                                                  | 1,439,522                   |
| Due to related party                            | 8.1   | 1,337,181                                                  | 811,489                     |
| Bills payable - secured                         |       | 644,412                                                    | 691,727                     |
| Accrued liabilities                             |       | 668,495                                                    | 586,867                     |
| Advances from customers                         |       | 198,959                                                    | 215,534                     |
| Payable to Workers' Profit Participation Fund   |       | 1,264,708                                                  | 1,199,592                   |
| Payable to Workers' Welfare Fund                |       | 129,128                                                    | 92,006                      |
| Payable to Provident Fund Trust                 |       | 12,492                                                     | 12,268                      |
|                                                 |       | 5,812,616                                                  | 5,049,005                   |
| Payable to Government on account of:            |       |                                                            |                             |
| Royalty and Excise Duty payable                 |       | 38,250                                                     | 31,783                      |
| Other taxes payable                             |       | 86,578                                                     | 43,423                      |
|                                                 |       | 124,828                                                    | 75,206                      |
| Contractors' retention money                    |       | 239,375                                                    | 200,046                     |
| Payable against redemption of preference shares |       | 1,023                                                      | 1,041                       |
| Security deposits repayable on demand           |       | 58,326                                                     | 57,836                      |
| Other payables                                  |       | 6,679                                                      | 5,595                       |
|                                                 |       | 305,403                                                    | 264,518                     |
|                                                 |       | 6,242,847                                                  | 5,388,729                   |
| <b>8.1 Due to related party</b>                 |       |                                                            |                             |
| Due to the Holding Company                      | 8.1.1 | -                                                          | 259,192                     |
| Due to the Subsidiary Company                   | 8.1.1 | 1,337,181                                                  | 552,297                     |
|                                                 |       | 1,337,181                                                  | 811,489                     |

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

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2018.

9.2 Guarantees given by banks on behalf of the Company are of Rs. 621.947 million (30 June 2018: Rs. 602.994 million) in favor of Sui Northern Gas Pipelines Limited and Government Institutions.

### 9.3 Commitments

|                                                 | Note | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|-------------------------------------------------|------|------------------------------------------------------------|-----------------------------|
| 9.3.1 In respect of:                            |      |                                                            |                             |
| - capital expenditure                           |      | 3,568,484                                                  | 5,913,413                   |
| - irrevocable letters of credit for spare parts |      | 769,435                                                    | 1,392,690                   |
|                                                 |      | <u>4,337,919</u>                                           | <u>7,306,103</u>            |

## 10. PROPERTY, PLANT AND EQUIPMENT

|                                          |      |                   |                   |
|------------------------------------------|------|-------------------|-------------------|
| Operating fixed assets                   | 10.1 | 21,832,711        | 22,815,983        |
| Capital work in progress - at cost       | 10.2 | 22,128,661        | 16,873,730        |
| Major spare parts and stand-by equipment | 10.3 | 581,719           | 1,204,297         |
|                                          |      | <u>44,543,091</u> | <u>40,894,010</u> |

### 10.1 Operating fixed assets

|                                                                                 |        |                   |                   |
|---------------------------------------------------------------------------------|--------|-------------------|-------------------|
| Balance at beginning of the period / year                                       |        | 22,815,983        | 22,168,016        |
| Add: Additions during the period / year                                         | 10.1.1 | 202,453           | 2,847,466         |
|                                                                                 |        | <u>23,018,436</u> | <u>25,015,482</u> |
| Less: Book value of operating assets disposed -<br>off during the period / year |        | 59,520            | 55,002            |
| Depreciation charge during the period / year                                    |        | 1,126,205         | 2,144,497         |
|                                                                                 |        | <u>21,832,711</u> | <u>22,815,983</u> |



|                                                                           | Note          | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|---------------------------------------------------------------------------|---------------|------------------------------------------------------------|-----------------------------|
| <b>10.1.1 Additions during the period / year:</b>                         |               |                                                            |                             |
| - buildings on freehold land                                              |               | 18,734                                                     | 651,160                     |
| - plant and machinery                                                     |               | 121,684                                                    | 1,983,689                   |
| - furniture, fixtures and equipment                                       |               | 12,549                                                     | 58,169                      |
| - roads, bridges and railway sidings                                      |               | -                                                          | 38,137                      |
| - quarry equipment                                                        |               | 7,080                                                      | -                           |
| - vehicles                                                                |               | 42,406                                                     | 116,311                     |
|                                                                           |               | <u>202,453</u>                                             | <u>2,847,466</u>            |
| <b>10.2 Movement in capital work-in-progress - at cost</b>                |               |                                                            |                             |
| At beginning of the period / year                                         |               | 16,873,730                                                 | 1,479,647                   |
| Additions during the period / year                                        |               | 5,316,069                                                  | 16,213,811                  |
| Less: Transfers during the period / year                                  |               | (61,138)                                                   | (819,728)                   |
| <b>At end of the period / year</b>                                        | <b>10.2.1</b> | <u><u>22,128,661</u></u>                                   | <u><u>16,873,730</u></u>    |
| <b>10.2.1 Capital work-in-progress - at cost</b>                          |               |                                                            |                             |
| Civil works                                                               |               | 5,967,271                                                  | 4,305,139                   |
| Land                                                                      |               | 754,224                                                    | 736,048                     |
| Plant and machinery                                                       |               | 13,783,280                                                 | 10,916,773                  |
| Un-allocated capital expenditure                                          | 10.2.1.1      | 1,083,710                                                  | 477,072                     |
| Advance to supplier against:                                              |               |                                                            |                             |
| - civil works                                                             |               | 263,424                                                    | 322,626                     |
| - plant and machinery                                                     |               | 260,927                                                    | 108,343                     |
| - office equipment                                                        |               | 550                                                        | 4,615                       |
| - vehicles                                                                |               | 243                                                        | -                           |
| - furniture and fixture                                                   |               | 15,032                                                     | 3,114                       |
|                                                                           |               | <u>22,128,661</u>                                          | <u>16,873,730</u>           |
| <b>102.1.1 Capital work-in-progress - unallocated capital expenditure</b> |               |                                                            |                             |
| Salaries and wages                                                        |               | 254,763                                                    | 163,500                     |
| Finance cost                                                              |               | 647,591                                                    | 153,813                     |
| Legal and professional expenses                                           |               | 75,768                                                     | 74,028                      |
| Fee and subscription                                                      |               | 50,690                                                     | 49,590                      |
| Energy expense                                                            |               | 35,060                                                     | 25,690                      |
| Insurance                                                                 |               | 19,838                                                     | 10,451                      |
|                                                                           |               | <u>1,083,710</u>                                           | <u>477,072</u>              |

### 10.3 Major spare parts and stand-by equipment

This represents major spare parts and stand-by equipment for on going expansion project.

Un-audited  
December 31,  
2018  
(Rupees in thousand)

Audited  
June 30,  
2018

## 11. LONG TERM INVESTMENT

Investment in Maple Leaf Power Limited - Unquoted

5,020,000

5,020,000

- 11.1 The Company holds 100% (30 June 2018: 100%) shares in the Maple Leaf Power Limited, a wholly owned subsidiary of the Company.

Un-audited  
December 31,  
2018  
(Rupees in thousand)

Audited  
June 30,  
2018

## 12. TRADE DEBTS

Export debtors

Considered good - secured

33,454

7,442

Local debtors

Considered good - unsecured

1,006,126

1,124,311

Considered doubtful - unsecured

25,000

25,000

Less: Provision for doubtful balances

(25,000)

(25,000)

1,006,126

1,124,311

1,039,580

1,131,753

- 12.1 It includes receivable from foreign debtors amounting to Rs. 33.45 million (30 June 2018: 7.4 million) and Rs. 0.04 million (30 June 2018: 0.04 million) from Asia and Africa respectively. These are secured against letters of credit.



|                                                                                                                                            | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------|
| <b>13. SHORT TERM INVESTMENT</b>                                                                                                           |                                                            |                             |
| Investment at fair value through profit or loss<br>- listed securities                                                                     |                                                            |                             |
| Next Capital Limited:                                                                                                                      |                                                            |                             |
| 3,375,000 (30 June 2018: 3,375,000)<br>ordinary shares of Rs. 10 each Market value<br>Rs. 6.75 per share (30 June 2018: Rs. 9.5 per share) |                                                            |                             |
| <b>Cost</b>                                                                                                                                |                                                            |                             |
| At beginning and end of the period / year                                                                                                  | 30,000                                                     | 30,000                      |
| <b>Unrealized fair value gain / (loss)</b>                                                                                                 |                                                            |                             |
| At beginning of the period / year                                                                                                          | 2,062                                                      | 47,659                      |
| Fair value (loss) for the period / year                                                                                                    | (9,281)                                                    | (45,597)                    |
| At end of the period / year                                                                                                                | (7,219)                                                    | 2,062                       |
| <b>Fair value at end of the period / year</b>                                                                                              | <b>22,781</b>                                              | <b>32,062</b>               |
| <b>13.1</b> There has been no investment in any foreign company during the period (30 June 2018: nil).                                     |                                                            |                             |

|                        | Half year ended (Un-audited)<br>December 31, 2018<br>(Rupees in thousand) | December 31,<br>2017 |
|------------------------|---------------------------------------------------------------------------|----------------------|
| <b>14. SALES - NET</b> |                                                                           |                      |
| Gross local sales      | 16,360,654                                                                | 16,314,867           |
| Less:                  |                                                                           |                      |
| Federal Excise Duty    | (2,183,629)                                                               | (2,047,987)          |
| Sales Tax              | (2,622,204)                                                               | (2,678,559)          |
| Discount               | (151,745)                                                                 | (158,779)            |
| Commission             | (62,578)                                                                  | (65,420)             |
| Freight                | (146,682)                                                                 | -                    |
|                        | (5,166,838)                                                               | (4,950,745)          |
| Net local sales        | 11,193,816                                                                | 11,364,122           |
| Export sales           | 1,092,449                                                                 | 925,552              |
| Less:                  |                                                                           |                      |
| Sea freight            | (37,155)                                                                  | (57,439)             |
|                        | 1,055,294                                                                 | 868,113              |
|                        | <b>12,249,110</b>                                                         | <b>12,232,235</b>    |

Half year ended (Un-audited)  
December 31, 2018      December 31, 2017  
(Rupees in thousand)

## 15. COST OF SALES

|                                              |           |           |
|----------------------------------------------|-----------|-----------|
| Raw materials consumed                       | 566,444   | 513,743   |
| Packing materials consumed                   | 878,423   | 682,948   |
| Fuel                                         | 3,572,860 | 2,822,507 |
| Power and associated costs                   | 2,225,979 | 1,894,843 |
| Stores, spare parts and loose tools consumed | 348,890   | 374,488   |
| Salaries, wages and other benefits           | 545,857   | 448,645   |
| Rent, rates and taxes                        | 12,468    | 12,482    |
| Insurance                                    | 21,871    | 25,733    |
| Repairs and maintenance                      | 196,626   | 200,941   |
| Depreciation                                 | 1,098,416 | 994,576   |
| Amortization                                 | 3,001     | -         |
| Vehicles running and maintenance             | 92,308    | 59,705    |
| Freight and forwarding                       | 238,557   | 211,028   |
| Other expenses                               | 118,476   | 70,335    |

9,920,176      8,311,974

### Work in process:

|                            |             |           |
|----------------------------|-------------|-----------|
| At beginning of the period | 665,606     | 819,354   |
| At end of the period       | (1,130,280) | (647,777) |

(464,674)      171,577

### Cost of goods manufactured

9,455,502      8,483,551

### Finished goods:

|                               |           |           |
|-------------------------------|-----------|-----------|
| As at beginning of the period | 303,589   | 207,747   |
| As at end of the period       | (274,604) | (299,516) |

28,985      (91,769)

### Cost of sales

9,484,487      8,391,782



Half year ended (Un-audited)  
December 31, 2018      December 31, 2017  
(Rupees in thousand)

## 16. FINANCE COST

### Profit / interest / mark up on:

|                                              |         |         |
|----------------------------------------------|---------|---------|
| - Long term loans and finances               | 174,145 | 136,639 |
| - Short term borrowings                      | 260,295 | 131,961 |
|                                              | 434,440 | 268,600 |
| Loss on forex transactions - net             | 210,436 | 44,869  |
| Unwinding Interest - Retention money payable | 10,692  | -       |
| Bank and other charges                       | 14,869  | 16,955  |
|                                              | 670,437 | 330,424 |

## 17. CASH AND CASH EQUIVALENTS

|                            |             |           |
|----------------------------|-------------|-----------|
| Short term running finance | (1,764,385) | (726,208) |
| Cash and bank balances     | 667,022     | 473,628   |
|                            | (1,097,363) | (252,580) |

## 18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

|                                                  |  | 31 December 2018                                |                                          |                                         |                   |                         |          |          |
|--------------------------------------------------|--|-------------------------------------------------|------------------------------------------|-----------------------------------------|-------------------|-------------------------|----------|----------|
|                                                  |  | Carrying Amount (Un-audited)                    |                                          |                                         |                   | Fair Value (Un-audited) |          |          |
|                                                  |  | Fair Value through statement of profit and loss | Loans and receivables at amortized costs | Financial liabilities at amortized cost | Total             | Level 1                 | Level 2  | Level 3  |
| Note                                             |  | ----- (Rupees in thousand) -----                |                                          |                                         |                   |                         |          |          |
| On - Statement of financial position instruments |  |                                                 |                                          |                                         |                   |                         |          |          |
| Financial assets measured at fair value          |  |                                                 |                                          |                                         |                   |                         |          |          |
| Short term investment                            |  | 22,781                                          | -                                        | -                                       | 22,781            | 22,781                  | -        | -        |
|                                                  |  | <u>22,781</u>                                   | <u>-</u>                                 | <u>-</u>                                | <u>22,781</u>     | <u>22,781</u>           | <u>-</u> | <u>-</u> |
| Financial assets not measured at fair value      |  |                                                 |                                          |                                         |                   |                         |          |          |
| Cash and bank balances                           |  | -                                               | 667,022                                  | -                                       | 667,022           | -                       | -        | -        |
| Long term loans to employees                     |  | -                                               | 18,504                                   | -                                       | 18,504            | -                       | -        | -        |
| Short term deposits                              |  | -                                               | 108,307                                  | -                                       | 108,307           | -                       | -        | -        |
| Accrued profit                                   |  | -                                               | 1,425                                    | -                                       | 1,425             | -                       | -        | -        |
| Long term deposits                               |  | -                                               | 56,880                                   | -                                       | 56,880            | -                       | -        | -        |
| Trade debts - unsecured, considered good         |  | -                                               | 1,039,580                                | -                                       | 1,039,580         | -                       | -        | -        |
| 18.1                                             |  | <u>-</u>                                        | <u>1,891,718</u>                         | <u>-</u>                                | <u>1,891,718</u>  | <u>-</u>                | <u>-</u> | <u>-</u> |
| Financial liabilities measured at fair value     |  |                                                 |                                          |                                         |                   |                         |          |          |
|                                                  |  | -                                               | -                                        | -                                       | -                 | -                       | -        | -        |
|                                                  |  | <u>-</u>                                        | <u>-</u>                                 | <u>-</u>                                | <u>-</u>          | <u>-</u>                | <u>-</u> | <u>-</u> |
| Financial liabilities not measured at fair value |  |                                                 |                                          |                                         |                   |                         |          |          |
| Long term finances                               |  | -                                               | -                                        | 17,628,436                              | 17,628,436        | -                       | -        | -        |
| Long term deposits                               |  | -                                               | -                                        | 8,714                                   | 8,714             | -                       | -        | -        |
| Retention money payable                          |  | -                                               | -                                        | 368,608                                 | 368,608           | -                       | -        | -        |
| Trade and other payables                         |  | -                                               | -                                        | 6,043,888                               | 6,043,888         | -                       | -        | -        |
| Unclaimed dividend                               |  | -                                               | -                                        | 115,023                                 | 115,023           | -                       | -        | -        |
| Accrued mark up                                  |  | -                                               | -                                        | 436,652                                 | 436,652           | -                       | -        | -        |
| Short term borrowings                            |  | -                                               | -                                        | 4,953,065                               | 4,953,065         | -                       | -        | -        |
| 18.1                                             |  | <u>-</u>                                        | <u>-</u>                                 | <u>29,554,386</u>                       | <u>29,554,386</u> | <u>-</u>                | <u>-</u> | <u>-</u> |



| 30 June 2018                                    |                                          |                                         |       |                      |         |         |
|-------------------------------------------------|------------------------------------------|-----------------------------------------|-------|----------------------|---------|---------|
| Carrying Amount (Audited)                       |                                          |                                         |       | Fair Value (Audited) |         |         |
| Fair Value through statement of profit and loss | Loans and receivables at amortized costs | Financial liabilities at amortized cost | Total | Level 1              | Level 2 | Level 3 |
| Note                                            | ----- (Rupees in thousand) -----         |                                         |       |                      |         |         |

#### On - Statement of financial position instruments

##### Financial assets measured at fair value

|                       |               |          |          |               |               |          |          |
|-----------------------|---------------|----------|----------|---------------|---------------|----------|----------|
| Short term investment | 32,062        | -        | -        | 32,062        | 32,062        | -        | -        |
|                       | <u>32,062</u> | <u>-</u> | <u>-</u> | <u>32,062</u> | <u>32,062</u> | <u>-</u> | <u>-</u> |

##### Financial assets not measured at fair value

|                                          |          |                  |          |                  |          |          |          |
|------------------------------------------|----------|------------------|----------|------------------|----------|----------|----------|
| Cash and bank balances                   | -        | 632,662          | -        | 632,662          | -        | -        | -        |
| Long term loans to employees             | -        | 14,820           | -        | 14,820           | -        | -        | -        |
| Short term deposits                      | -        | 97,648           | -        | 97,648           | -        | -        | -        |
| Accrued profit                           | -        | 1,179            | -        | 1,179            | -        | -        | -        |
| Long term deposits                       | -        | 56,554           | -        | 56,554           | -        | -        | -        |
| Trade debts - unsecured, considered good | -        | 1,131,753        | -        | 1,131,753        | -        | -        | -        |
| 18.1                                     | <u>-</u> | <u>1,934,616</u> | <u>-</u> | <u>1,934,616</u> | <u>-</u> | <u>-</u> | <u>-</u> |

##### Financial liabilities measured at fair value

|          |          |          |          |          |          |          |          |
|----------|----------|----------|----------|----------|----------|----------|----------|
| -        | -        | -        | -        | -        | -        | -        | -        |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

##### Financial liabilities not measured at fair value

|                                                  |          |          |                   |                   |          |          |          |
|--------------------------------------------------|----------|----------|-------------------|-------------------|----------|----------|----------|
| Long term loans from banking companies - secured | -        | -        | 13,752,696        | 13,752,696        | -        | -        | -        |
| Long term deposits                               | -        | -        | 8,714             | 8,714             | -        | -        | -        |
| Retention money payable                          | -        | -        | 310,735           | 310,735           | -        | -        | -        |
| Trade and other payables                         | -        | -        | 3,806,391         | 3,806,391         | -        | -        | -        |
| Unclaimed dividend                               | -        | -        | 110,743           | 110,743           | -        | -        | -        |
| Mark-up accrued on borrowings                    | -        | -        | 283,415           | 283,415           | -        | -        | -        |
| Short term borrowings                            | -        | -        | 5,360,421         | 5,360,421         | -        | -        | -        |
| 18.1                                             | <u>-</u> | <u>-</u> | <u>23,633,115</u> | <u>23,633,115</u> | <u>-</u> | <u>-</u> | <u>-</u> |

**18.1** The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

Freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. For revaluation of freehold land fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. In case of buildings on freehold land, roads, bridges and railway sidings, construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed

market value. For revaluation of plant and machinery, suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in this condensed interim unconsolidated financial information.

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

|                                                        | Issued,<br>subscribed<br>and paid-up<br>capital | Share<br>premium | Dividend<br>payable | Long<br>term<br>financing | Short term<br>borrowings | Accrued<br>markup | Total      |
|--------------------------------------------------------|-------------------------------------------------|------------------|---------------------|---------------------------|--------------------------|-------------------|------------|
|                                                        | ----- (Rupees in thousand) -----                |                  |                     |                           |                          |                   |            |
| As at 30 June 2018                                     | 5,937,007                                       | 5,112,037        | 110,743             | 13,752,696                | 5,360,421                | 283,415           | 30,556,319 |
| Changes from financing cash flows                      |                                                 |                  |                     |                           |                          |                   |            |
| Dividend paid                                          | -                                               | -                | (589,421)           | -                         | -                        | -                 | (589,421)  |
| Financial charges paid                                 | -                                               | -                | -                   | -                         | -                        | (506,508)         | (506,508)  |
| Repayment of short term borrowings - net               | -                                               | -                | -                   | -                         | (902,094)                | -                 | (902,094)  |
| Proceeds from long term financing - net                | -                                               | -                | -                   | 3,875,740                 | -                        | -                 | 3,875,740  |
| Payment of finance lease liabilities                   | -                                               | -                | -                   | -                         | -                        | -                 | -          |
| <b>Total changes from financing cash flows</b>         | -                                               | -                | (589,421)           | 3,875,740                 | (902,094)                | (506,508)         | 1,877,717  |
| Other changes                                          |                                                 |                  |                     |                           |                          |                   |            |
| Final cash dividend                                    | -                                               | -                | 593,701             | -                         | -                        | -                 | 593,701    |
| Change in short term running finance - net             | -                                               | -                | -                   | -                         | 494,738                  | -                 | 494,738    |
| Finance cost excluding unwinding<br>of retention money | -                                               | -                | -                   | -                         | -                        | 659,745           | 659,745    |
| <b>Total liability related other changes</b>           | -                                               | -                | 593,701             | -                         | 494,738                  | 659,745           | 1,748,184  |
| As at 31 December 2018                                 | 5,937,007                                       | 5,112,037        | 115,023             | 17,628,436                | 4,953,065                | 436,652           | 34,182,220 |



## 20. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of associated companies, directors of the Company and entities under common directorship, key management personnel and close family members of directors and other key management personnel, and post employment retirement plan. Amount due from and due to related parties are shown under respective notes. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:

|                                   |                                       |                                                   | Half year ended (Un-audited) |                   |
|-----------------------------------|---------------------------------------|---------------------------------------------------|------------------------------|-------------------|
|                                   |                                       |                                                   | December 31, 2018            | December 31, 2017 |
| Name of parties                   | Relationship                          | Transactions                                      | (Rupees in thousand)         |                   |
| a) Kohinoor Textile Mills Limited | Holding Company (55.22% equity held)  | Sale of goods and services                        | 39,663                       | 9,480             |
|                                   |                                       | Sale of fixed assets                              | -                            | 1,785             |
|                                   |                                       | Net Markup (incurred) / charged during the period | (3,059)                      | 1,763             |
|                                   |                                       | Dividend paid                                     | 327,837                      | -                 |
| b) Maple Leaf Power Limited       | Subsidiary Company (100% equity held) | Sale of goods and services                        | 38,217                       | 15,579            |
|                                   |                                       | Purchase of goods and services                    | 2,419,737                    | 1,071,819         |
|                                   |                                       | Markup charged during the period                  | -                            | 9,403             |
| c) Key management personnel       |                                       | Remuneration and other benefits                   | 167,889                      | 129,043           |
| d) Employee benefits              |                                       |                                                   |                              |                   |
| - Gratuity                        | Post employment benefit plan          | Contribution                                      | 9,603                        | 11,624            |
| - Provident Fund Trust            | Employees benefit fund                | Contribution                                      | 80,058                       | 63,693            |

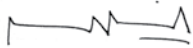
20.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Holding Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel.

## 21. DATE OF AUTHORIZATION FOR ISSUE AND DIVIDEND DECLARATION

These condensed interim unconsolidated financial statements were authorized for issue on 19 February 2019 by the Board of Directors of the Company. Further, the Board of Directors has approved interim dividend of Rs. nil per share in their meeting held on 19 February 2019.

## 22. 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 text.

# Consolidated Financial Statements

For The Half Year Ended December 31, 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 half-year ended 31 December 2018.

### GROUP RESULTS

The Group has earned gross profit of Rupees 3,375 million as compared to Rupees 4,123 million of corresponding period. The Group made after tax profit of Rupees 1,335 million during this period as compared to Rupees 2,248 million during the corresponding period.

The overall group financial results are as follows:

|                                        | December 31,<br>2018 | December 31,<br>2017 |
|----------------------------------------|----------------------|----------------------|
|                                        | (Rupees in million)  |                      |
| Sales                                  | 12,249               | 12,221               |
| Gross Profit                           | 3,375                | 4,123                |
| Profit from operations                 | 2,469                | 3,258                |
| Financial charges                      | 721                  | 330                  |
| Net Profit After Tax                   | 1,335                | 2,248                |
|                                        | (------Rupees-----)  |                      |
| Earnings Per Share – Basic and Diluted | 2.25                 | 4.12                 |

### 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 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 electricity 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

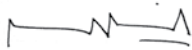
Lahore  
February 19, 2019



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

|                                                                         | Note | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|-------------------------------------------------------------------------|------|------------------------------------------------------------|-----------------------------|
| <b>EQUITY AND LIABILITIES</b>                                           |      |                                                            |                             |
| <b>SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> |      |                                                            |                             |
| Authorized share capital                                                | 5    | 9,000,000                                                  | 7,000,000                   |
| Issued, subscribed and paid-up share capital                            | 5    | 5,937,007                                                  | 5,937,007                   |
| Capital reserves                                                        |      | 5,640,300                                                  | 5,640,300                   |
| Accumulated profits                                                     |      | 14,391,794                                                 | 14,967,338                  |
| Surplus on revaluation of fixed assets - net of tax                     | 6    | 4,148,808                                                  | 4,264,543                   |
|                                                                         |      | 30,117,909                                                 | 30,809,188                  |
| <b>NON - CURRENT LIABILITIES</b>                                        |      |                                                            |                             |
| Long term loans from financial institution - secured                    | 7    | 16,797,516                                                 | 12,942,080                  |
| Long term deposits                                                      |      | 8,714                                                      | 8,714                       |
| Deferred taxation                                                       |      | 3,279,206                                                  | 3,418,172                   |
| Retention money payable                                                 |      | 368,608                                                    | 310,735                     |
| Retirement benefits                                                     |      | 196,641                                                    | 183,764                     |
|                                                                         |      | 20,650,685                                                 | 16,863,465                  |
| <b>CURRENT LIABILITIES</b>                                              |      |                                                            |                             |
| Current portion of:                                                     |      |                                                            |                             |
| - Long term loans from financial Institutions - secured                 | 7    | 830,920                                                    | 810,616                     |
| Trade and other payables                                                | 8    | 6,242,847                                                  | 5,573,314                   |
| Unclaimed dividend                                                      |      | 115,023                                                    | 110,743                     |
| Mark-up accrued on borrowings                                           |      | 436,652                                                    | 286,162                     |
| Short term borrowings                                                   |      | 4,953,065                                                  | 5,784,902                   |
|                                                                         |      | 12,578,507                                                 | 12,565,737                  |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                    |      |                                                            |                             |
|                                                                         | 9    | -                                                          | -                           |
|                                                                         |      | 63,347,101                                                 | 60,238,390                  |

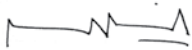
The annexed notes from 1 to 21 form an integral part of this condensed interim consolidated financial information.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

|                                        |    | Un-audited<br>Note December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|----------------------------------------|----|-----------------------------------------------------------------|-----------------------------|
| <b>ASSETS</b>                          |    |                                                                 |                             |
| <b>NON - CURRENT ASSETS</b>            |    |                                                                 |                             |
| Property, plant and equipment          | 10 | 50,095,037                                                      | 46,468,656                  |
| Intangible assets                      |    | 16,881                                                          | 16,811                      |
| Long term loans to employees - secured |    | 12,363                                                          | 9,472                       |
| Long term deposits                     |    | 56,880                                                          | 56,554                      |
|                                        |    | <hr/> 50,181,161                                                | <hr/> 46,551,493            |
| <b>CURRENT ASSETS</b>                  |    |                                                                 |                             |
| Stores, spare parts and loose tools    |    | 8,053,219                                                       | 7,024,126                   |
| Stock-in-trade                         |    | 1,675,398                                                       | 1,193,506                   |
| Trade debts                            | 11 | 1,039,580                                                       | 1,131,753                   |
| Loans and advances                     |    | 1,632,762                                                       | 2,490,667                   |
| Short term investment                  | 12 | 22,781                                                          | 32,062                      |
| Short term deposits and prepayments    |    | 180,441                                                         | 124,208                     |
| Accrued profit                         |    | 1,975                                                           | 1,729                       |
| Other receivables                      |    | 33,911                                                          | 43,534                      |
| Income tax refundable                  |    | 928,467                                                         | 960,358                     |
| Cash and bank balances                 |    | 682,962                                                         | 684,954                     |
|                                        |    | <hr/> 14,251,496                                                | <hr/> 13,686,897            |
|                                        |    | <hr/> <hr/> 64,432,657                                          | <hr/> <hr/> 60,238,390      |

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2018

|                                                   | Note     | Half year<br>ended<br>December 31,<br>2018 | Half year<br>ended<br>December 31,<br>2017 | Quarter<br>ended<br>December 31,<br>2018 | Quarter<br>ended<br>December 31,<br>2017 |
|---------------------------------------------------|----------|--------------------------------------------|--------------------------------------------|------------------------------------------|------------------------------------------|
| (..... Rupees in thousand .....)                  |          |                                            |                                            |                                          |                                          |
| Sales - net                                       | 13       | 12,249,110                                 | 12,220,840                                 | 6,682,639                                | 6,450,351                                |
| Cost of sales                                     | 14       | (8,874,126)                                | (8,097,460)                                | (4,776,544)                              | (4,331,681)                              |
| <b>Gross profit</b>                               |          | <b>3,374,984</b>                           | <b>4,123,380</b>                           | <b>1,906,095</b>                         | <b>2,118,670</b>                         |
| Distribution cost                                 |          | (389,604)                                  | (340,642)                                  | (193,940)                                | (221,333)                                |
| Administrative expenses                           |          | (357,812)                                  | (304,061)                                  | (167,568)                                | (151,249)                                |
| Other charges                                     |          | (178,745)                                  | (268,075)                                  | (100,077)                                | (143,882)                                |
|                                                   |          | (926,160)                                  | (912,778)                                  | (461,584)                                | (516,464)                                |
| Other income                                      |          | 19,978                                     | 47,711                                     | 16,320                                   | 30,905                                   |
| <b>Profit from operations</b>                     |          | <b>2,468,802</b>                           | <b>3,258,313</b>                           | <b>1,460,831</b>                         | <b>1,633,111</b>                         |
| Finance cost                                      | 15       | (720,680)                                  | (330,487)                                  | (387,600)                                | (186,411)                                |
| <b>Profit before taxation</b>                     |          | <b>1,748,122</b>                           | <b>2,927,826</b>                           | <b>1,073,231</b>                         | <b>1,446,700</b>                         |
| Taxation                                          |          | (413,398)                                  | (680,138)                                  | (325,205)                                | (272,435)                                |
| <b>Profit after taxation</b>                      |          | <b>1,334,724</b>                           | <b>2,247,688</b>                           | <b>748,026</b>                           | <b>1,174,265</b>                         |
| <b>Earnings per Share - basic<br/>and diluted</b> | (Rupees) | <b>2.25</b>                                | <b>4.12</b>                                | <b>1.26</b>                              | <b>2.09</b>                              |

The annexed notes from 1 to 21 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 SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2018

|                                              | Half year<br>ended<br>December 31,<br>2018 | Half year<br>ended<br>December 31,<br>2017 | Quarter<br>ended<br>December 31,<br>2018 | Quarter<br>ended<br>December 31,<br>2017 |
|----------------------------------------------|--------------------------------------------|--------------------------------------------|------------------------------------------|------------------------------------------|
|                                              | (..... Rupees in thousand .....)           |                                            |                                          |                                          |
| Profit after taxation                        | 1,334,723                                  | 2,247,688                                  | 748,025                                  | 1,174,265                                |
| Other comprehensive income                   | -                                          | -                                          | -                                        | -                                        |
| Total comprehensive income<br>for the period | 1,334,723                                  | 2,247,688                                  | 748,025                                  | 1,174,265                                |

The annexed notes from 1 to 21 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 SIX MONTHS ENDED DECEMBER 31, 2018 (UN-AUDITED)

|                                                                      | Note | December 31,<br>2018<br>(Rupees in thousand) | December 31,<br>2017 |
|----------------------------------------------------------------------|------|----------------------------------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |      |                                              |                      |
| Profit before taxation                                               |      | 1,748,121                                    | 2,927,826            |
| Adjustments for:                                                     |      |                                              |                      |
| Depreciation                                                         |      | 1,267,789                                    | 1,085,274            |
| Amortization                                                         |      | 5,150                                        | 4,232                |
| Provision for Workers' Profit Participation Fund                     |      | 93,906                                       | 157,629              |
| Provision for Workers' Welfare Fund                                  |      | 37,122                                       | 53,229               |
| Loss on disposal of property, plant and equipment                    |      | 21,132                                       | 3,325                |
| Loss on re-measurement of short term investments at fair value       |      | 9,281                                        | 47,689               |
| Retirement benefits                                                  |      | 28,814                                       | 4,697                |
| Finance cost                                                         |      | 720,680                                      | 330,487              |
| Profit on bank deposits                                              |      | (9,408)                                      | (7,277)              |
| <b>Cash generated from operations before working capital changes</b> |      | <b>3,922,586</b>                             | <b>4,607,111</b>     |
| <b>(Increase) / decrease in current assets:</b>                      |      |                                              |                      |
| Stores, spare parts and loose tools                                  |      | (1,265,955)                                  | (374,870)            |
| Stock-in-trade                                                       |      | (245,030)                                    | 163,777              |
| Trade debts                                                          |      | 92,173                                       | (416,153)            |
| Loans and advances                                                   |      | 716,314                                      | (294,661)            |
| Short term deposits and prepayments                                  |      | (56,233)                                     | (37,865)             |
| Other receivables                                                    |      | 151,214                                      | 134,905              |
|                                                                      |      | (607,517)                                    | (824,867)            |
| <b>Increase in current liabilities:</b>                              |      |                                              |                      |
| Trade and other payables                                             |      | (55,350)                                     | 1,808,430            |
| <b>Net cash generated from operations</b>                            |      | <b>3,259,719</b>                             | <b>5,590,674</b>     |
| Increase in long term loans to employees - secured                   |      | (2,891)                                      | (3,101)              |
| Retirements benefits paid                                            |      | (15,937)                                     | (10,875)             |
| Workers' Profit Participation Fund paid                              |      | -                                            | (88,772)             |
| Workers Welfare Fund paid                                            |      | -                                            | (135,635)            |
| Taxes paid                                                           |      | (520,474)                                    | (848,093)            |
| <b>Net cash generated from operating activities</b>                  |      | <b>2,720,417</b>                             | <b>4,504,198</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |      |                                              |                      |
| Capital expenditure                                                  |      | (4,906,509)                                  | (9,408,600)          |
| Purchase of intangible assets                                        |      | (5,220)                                      | -                    |
| Proceeds from disposal of fixed assets                               |      | 38,388                                       | 11,970               |
| Increase in long term deposits and prepayments                       |      | (326)                                        | (80)                 |
| Profit on bank deposits received                                     |      | 9,162                                        | 8,615                |
| <b>Net cash used in investing activities</b>                         |      | <b>(4,864,505)</b>                           | <b>(9,388,095)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                          |      |                                              |                      |
| Draw down of long term loans from banking companies - secured - net  |      | 3,875,740                                    | 1,279,285            |
| Proceeds from issuance of right shares including share premium       |      | -                                            | 4,241,830            |
| Increase in long term deposits                                       |      | -                                            | 65                   |
| Payment of liabilities against assets subject to finance lease - net |      | -                                            | (480,615)            |
| (Repayment) / acquisition of short term borrowings - net             |      | (1,086,891)                                  | 156,143              |
| Finance cost paid                                                    |      | (552,053)                                    | (321,616)            |
| Redemption of preference shares                                      |      | (18)                                         | (15)                 |
| Dividend paid                                                        |      | (589,421)                                    | (396,918)            |
| <b>Net cash generated from financing activities</b>                  |      | <b>1,647,357</b>                             | <b>4,478,159</b>     |
| <b>Net increase in cash and cash equivalents</b>                     |      | <b>(496,731)</b>                             | <b>(405,738)</b>     |
| <b>Cash and cash equivalents at beginning of the period</b>          |      | <b>(584,693)</b>                             | <b>193,592</b>       |
| <b>Cash and cash equivalents at end of the period</b>                | 16   | <b>(1,081,424)</b>                           | <b>(212,146)</b>     |

The annexed notes from 1 to 21 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 SIX MONTHS ENDED DECEMBER 31, 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 - audited 5,277,340 1,529,874 528,263 2,058,137 4,323,909 12,006,120 23,665,506

## Total comprehensive Income

|                                                  |   |   |   |   |   |           |           |
|--------------------------------------------------|---|---|---|---|---|-----------|-----------|
| Profit for the six months ended 31 December 2017 | - | - | - | - | - | 2,247,688 | 2,247,688 |
| Other comprehensive Income for the period        | - | - | - | - | - | -         | -         |
|                                                  | - | - | - | - | - | 2,247,688 | 2,247,688 |

|                    |         |           |   |           |   |   |           |
|--------------------|---------|-----------|---|-----------|---|---|-----------|
| 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 | - | - | - | - | (11) | 11 | - |
| Reversal of revaluation surplus on disposal of fixed assets - net of tax                      | - | - | - | - | (8)  | 8  | - |

## 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) |
|--------------------------------------------------------------------------|---|---|---|---|---|-----------|-----------|

Balance as at 31 December 2017 - un-audited 5,937,007 5,112,037 528,263 5,640,300 4,323,890 13,330,293 29,231,490

## Total comprehensive Income

|                                              |   |   |   |   |   |           |           |
|----------------------------------------------|---|---|---|---|---|-----------|-----------|
| Profit for the six months ended 30 June 2018 | - | - | - | - | - | 2,325,117 | 2,325,117 |
| Other comprehensive Income for the period    | - | - | - | - | - | (20,275)  | (20,275)  |
|                                              | - | - | - | - | - | 2,304,842 | 2,304,842 |

|                                                                                               |   |   |   |   |           |         |         |
|-----------------------------------------------------------------------------------------------|---|---|---|---|-----------|---------|---------|
| Effect on deferred tax due to change in tax rate and proportion of local and export sales     | - | - | - | - | 163,407   | -       | 163,407 |
| Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax | - | - | - | - | (222,751) | 222,751 | -       |
| Reversal of revaluation surplus on disposal of fixed assets - net of tax                      | - | - | - | - | (3)       | 3       | -       |

## Transactions with owners of the Company

|                                                                           |   |   |   |   |   |           |           |
|---------------------------------------------------------------------------|---|---|---|---|---|-----------|-----------|
| Interim cash dividend @ Rs. 1.5 per share for the year ended 30 June 2018 | - | - | - | - | - | (890,551) | (890,551) |
|---------------------------------------------------------------------------|---|---|---|---|---|-----------|-----------|

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

|                                                  |   |   |   |   |   |           |           |
|--------------------------------------------------|---|---|---|---|---|-----------|-----------|
| Profit for the six months ended 31 December 2018 | - | - | - | - | - | 1,334,723 | 1,334,723 |
| Other comprehensive Income for the period        | - | - | - | - | - | -         | -         |
|                                                  | - | - | - | - | - | 1,334,723 | 1,334,723 |

|                                                                                               |   |   |   |   |           |         |   |
|-----------------------------------------------------------------------------------------------|---|---|---|---|-----------|---------|---|
| Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax | - | - | - | - | (115,735) | 115,735 | - |
|-----------------------------------------------------------------------------------------------|---|---|---|---|-----------|---------|---|

## Transactions with owners of the Company

|                                                                       |   |   |   |   |   |           |           |
|-----------------------------------------------------------------------|---|---|---|---|---|-----------|-----------|
| Final cash dividend @ Rs. 1 per share for the year ended 30 June 2018 | - | - | - | - | - | (593,701) | (593,701) |
|-----------------------------------------------------------------------|---|---|---|---|---|-----------|-----------|

Balance as at 31 December 2018 - un-audited 5,937,007 5,112,037 528,263 5,640,300 4,148,808 15,824,095 31,550,210

The annexed notes from 1 to 21 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 STATEMENT (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 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 these consolidated financial statements.

#### 1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance were particularly affected by the following events and transactions during the reporting period:

- a) The Holding Company is in the process of installation of an additional Cement Line having cement manufacturing capacity of 7,300 tons per day at its existing manufacturing premises, which will significantly affect the business volume and profitability of the Company. Refer note 10 for expenditures incurred till 31 December 2018. In this regard, the Company has arranged long term finance facilities aggregating Rs. 14,550 million as referred to in note 7 of this condensed interim consolidated financial information.
- b) The Holding Company has adopted new accounting standards applicable in the current year. The adoption of these new standards has been accounted for as change in accounting policy as explained in note 4.1 of this condensed interim consolidated financial information.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

**2.1.1** This condensed interim consolidated financial information of the Holding Company for the six months period ended 31 December 2018 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 are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and are subject to limited scope review by external auditors as required by the Act and Code of Corporate Governance.

**2.1.3** This condensed interim consolidated financial information comprise of the condensed interim consolidated statement of financial position of the Holding Company, as at 31 December 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.

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

**2.1.5** Comparative consolidated statement of financial position numbers are extracted from the annual audited consolidated financial statements of the Holding Company for the year ended 30 June 2018, whereas comparatives of condensed interim consolidated statement of profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim consolidated financial information of the Company for the six months period ended 31 December 2017.

## 3. JUDGMENTS AND ESTIMATES

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



The significant judgments made by the management in applying the Holding Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited consolidated financial statements for the year ended 30 June 2018.

#### 4. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

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

##### 4.1 Change in significant accounting policies

The Holding 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 Holding Company'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:

##### 4.1.1 IFRS 15 - Revenue from Contracts with Customers

The Holding Company is engaged in the sale of cement. Management has concluded that revenue from sale of goods be recognised 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. 57.44 million and Rs. 211.03 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.

##### 4.1.2 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. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

#### 4.1.2.1 Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. Under IFRS 9, on initial recognition, the Holding Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through Other Comprehensive Income (FVOCI) or through statement of profit or loss (FVTPL); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of the principal and markup on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or the statement of comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

However, the above had no effect on these condensed interim consolidated financial statements as the Holding Company has no investment in quoted securities which were classified as available for sale.

#### 4.1.2.2 Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Holding Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss. Trade receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. Given the Company's experience with customers having good collection history with no



historical loss rates / bad debts and as per management's initial assessment at period end, the move from an incurred loss model to an expected loss model had no material impact on the financial position and / or financial performance of the Holding Company.

Other than those disclosed above in note 4.1, there were certain other new amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Holding Company's operations and are, therefore, not disclosed.

The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

|                                                                                                                                      |                 |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| - IFRIC 23 - Uncertainty over Income Tax Treatments                                                                                  | 01 January 2019 |
| - Amendment to IFRS 9 - Financial Instrument                                                                                         | 01 January 2019 |
| - IFRS 16 - Leases                                                                                                                   | 01 January 2019 |
| - Amendment to IAS 28 - Investments in associates and joint ventures - Long Term Interests in Associates and Joint Ventures          | 01 January 2019 |
| - Amendment to IAS 19 - Employee benefits - Plan Amendment, Curtailment or Settlement                                                | 01 January 2019 |
| - Amendment to IFRS 3 - Business Combinations – Definition of a Business                                                             | 01 January 2020 |
| - Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors | 01 January 2020 |
| - Annual Improvements to IFRS Standards 2015–2017 Cycle                                                                              | 01 January 2019 |

## 5. SHARE CAPITAL

|                                                                                                                         | Note  | Number<br>of shares | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|-------------------------------------------------------------------------------------------------------------------------|-------|---------------------|------------------------------------------------------------|-----------------------------|
| <b>5.1 Authorised share capital</b>                                                                                     |       |                     |                                                            |                             |
| (30 June 2018: 600,000,000) ordinary shares of Rs. 10 each                                                              |       | 800,000,000         | 8,000,000                                                  | 6,000,000                   |
| (30 June 2018: 100,000,000) 9.75% redeemable cumulative preference shares of Rs. 10 each                                |       | 100,000,000         | 1,000,000                                                  | 1,000,000                   |
|                                                                                                                         |       | <u>900,000,000</u>  | <u>9,000,000</u>                                           | <u>7,000,000</u>            |
| <b>5.2 Issued, subscribed and paid-up share capital</b>                                                                 |       |                     |                                                            |                             |
| (30 June 2018: 356,326,596) ordinary shares of Rs. 10 each fully paid in cash                                           | 5.2.1 | 356,326,596         | 3,563,266                                                  | 3,563,266                   |
| (30 June 2018: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash        |       | 35,834,100          | 358,341                                                    | 358,341                     |
| (30 June 2018: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares                             |       | 46,069,400          | 460,694                                                    | 460,694                     |
| (30 June 2018: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount                | 5.2.2 | 153,846,153         | 1,538,462                                                  | 1,538,462                   |
| (30 June 2018: 1,624,417) ordinary shares of Rs. 10 each issued on conversion of preference shares into ordinary shares | 5.2.3 | 1,624,417           | 16,244                                                     | 16,244                      |
|                                                                                                                         |       | <u>593,700,666</u>  | <u>5,937,007</u>                                           | <u>5,937,007</u>            |

**5.2.1** During the year ended 30 June 2018, the Holding Company issued 65,966,740 right shares at Rs. 65 per share at a premium of Rs. 55 per share. The Holding Company utilised the proceeds from right shares in enhancement of cement manufacturing capacity. Currently, the expansion project is in progress at plant site in Iskanderabad District Mianwali.

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

**5.2.3** During the financial years ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.

**5.3** The Holding Company holds 327,836,727 ordinary shares, which represents 55.22% (30 June 2018:55.22%) of total ordinary issued, subscribed and paid-up capital of the Company.

**5.4** All shares issued by the company have equal voting rights. There are no special rights available to any shareholder.



Un-audited  
December 31,  
2018  
(Rupees in thousand)

Audited  
June 30,  
2018

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

### Gross Surplus

|                                                                                                                                 |           |           |
|---------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Balance at beginning of the period                                                                                              | 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 | (115,735) | (222,762) |
| Related deferred tax liability                                                                                                  | (36,709)  | (74,017)  |

### At end of the period / year

5,209,828      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 | (36,709)  | (74,017)  |
| Effect of change in tax rate and proportion of local and export sales                                        | -         | (163,407) |

### At end of the period / year

1,061,020      1,097,729

4,148,808      4,264,543

## 7. LONG TERM LOANS FROM FINANCIAL INSTITUTIONS - SECURED

|                                                    | Lender                                     | Sanctioned Limit | Un-audited December 31, 2018 | Audited June 30, 2018 | Tenure and basis of principal repayment                                           |
|----------------------------------------------------|--------------------------------------------|------------------|------------------------------|-----------------------|-----------------------------------------------------------------------------------|
| ----- Rupees in '000' -----                        |                                            |                  |                              |                       |                                                                                   |
| Loans from Banks companies                         |                                            |                  |                              |                       |                                                                                   |
| 1                                                  | Askari Bank Limited - Term Finance         | 1,000,000        | 939,981                      | 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        | 3,666,184                    | 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 Ltd. - 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          | 425,000                      | 475,000               | 20 equal quarterly installments ending on 04 March 2023                           |
| 10                                                 | Bank of Punjab - Demand Finance            | 1,500,000        | 1,347,620                    | 1,268,590             | 20 equal quarterly installments beginning on 06 July 2018                         |
| 11                                                 | MCB Bank Limited - Demand Finance          | 1,000,000        | 666,524                      | 740,582               | 22 equal quarterly installments ending on 06 April 2023                           |
| 12                                                 | National Bank of Pakistan - Demand Finance | 1,000,000        | 900,000                      | 876,497               | 22 equal quarterly installments beginning on 06 July 2018                         |
| 13                                                 | MCB Islamic Bank - Diminishing Musharikah  | 500,000          | 479,167                      | 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       | 17,628,436                   | 13,752,696            |                                                                                   |
|                                                    |                                            |                  | (830,920)                    | (810,616)             |                                                                                   |
| Less: Current portion of long term loans - secured |                                            |                  |                              |                       |                                                                                   |
|                                                    |                                            |                  | 16,797,516                   | 12,942,080            |                                                                                   |
| Long term portion of loans                         |                                            |                  |                              |                       |                                                                                   |

**7.1** During the current period, the Holding 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 Holding Company. Personal guarantees is also provided by Mr. Sayeed Tariq Saigol (Chief Executive Officer of the Company).

**7.2** There has been no change in markup terms and securities related to the existing loans from banking companies as disclosed in the note 8 to the audited unconsolidated financial statements as at 30 June 2018.



|                                                                                                                           |       | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|---------------------------------------------------------------------------------------------------------------------------|-------|------------------------------------------------------------|-----------------------------|
| <b>8. TRADE AND OTHER PAYABLES</b>                                                                                        |       |                                                            |                             |
| Trade creditors                                                                                                           |       | 1,572,079                                                  | 2,056,356                   |
| Due to related party                                                                                                      | 8.1   | -                                                          | 259,192                     |
| Bills payable - secured                                                                                                   |       | 1,175,223                                                  | 691,727                     |
| Accrued liabilities                                                                                                       |       | 669,306                                                    | 589,763                     |
| Advances from customers                                                                                                   |       | 198,959                                                    | 215,534                     |
| Payable to Workers' Profit Participation Fund                                                                             |       | 1,332,723                                                  | 1,239,489                   |
| Payable to Workers' Welfare Fund                                                                                          |       | 129,128                                                    | 92,006                      |
| Payable to Provident Fund Trust                                                                                           |       | 12,492                                                     | 12,268                      |
|                                                                                                                           |       | 5,089,909                                                  | 5,156,335                   |
| Payable to Government on account of:                                                                                      |       |                                                            |                             |
| Royalty and Excise Duty payable                                                                                           |       | 38,250                                                     | 31,783                      |
| Sales tax payable - net                                                                                                   |       | 13,557                                                     | -                           |
| Other taxes payable                                                                                                       |       | 146,305                                                    | 70,220                      |
|                                                                                                                           |       | 198,112                                                    | 102,003                     |
| Contractors' retention money                                                                                              |       | 294,924                                                    | 250,504                     |
| Payable against redemption of preference shares                                                                           |       | 1,023                                                      | 1,041                       |
| Security deposits repayable on demand                                                                                     |       | 58,326                                                     | 57,836                      |
| Other payables                                                                                                            |       | 6,679                                                      | 5,595                       |
|                                                                                                                           |       | 360,952                                                    | 314,976                     |
|                                                                                                                           |       | 5,648,973                                                  | 5,573,314                   |
| <b>8.1 Due to related party</b>                                                                                           |       |                                                            |                             |
| Due to the Holding Company                                                                                                | 8.1.1 | -                                                          | 259,192                     |
|                                                                                                                           |       | -                                                          | 259,192                     |
| <b>8.1.1</b>                                                                                                              |       |                                                            |                             |
| These carry interest at 1% (30 June 2018: 1%) per annum in addition to the average borrowing rate of the Holding Company. |       |                                                            |                             |

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2018.

9.2 Guarantees given by banks on behalf of the Holding Company are of Rs. 621.947 million (30 June 2018: Rs. 602.994 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

### 9.3 Commitments

|                                                 | Note | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|-------------------------------------------------|------|------------------------------------------------------------|-----------------------------|
| 9.3.1 In respect of:                            |      |                                                            |                             |
| - capital expenditure                           |      | 3,568,484                                                  | 5,913,413                   |
| - irrevocable letters of credit for spare parts |      | 778,219                                                    | 1,423,245                   |
|                                                 |      | <u>4,346,703</u>                                           | <u>7,336,658</u>            |

## 10. PROPERTY, PLANT AND EQUIPMENT

|                                           |      |                   |                   |
|-------------------------------------------|------|-------------------|-------------------|
| Operating fixed assets                    | 10.1 | 27,384,657        | 28,390,629        |
| Capital work in progress - at cost        | 10.2 | 22,128,661        | 16,873,730        |
| Major spare parts and stand-by equipments | 10.3 | 581,719           | 1,204,297         |
|                                           |      | <u>50,095,037</u> | <u>46,468,656</u> |

### 10.1 Operating fixed assets

|                                                                                 |        |                   |                   |
|---------------------------------------------------------------------------------|--------|-------------------|-------------------|
| Balance at beginning of the period / year                                       |        | 28,390,629        | 22,185,383        |
| Add: Additions during the period / year                                         | 10.1.1 | 321,337           | 8,619,067         |
|                                                                                 |        | <u>28,711,966</u> | <u>30,804,450</u> |
| Less: Book value of operating assets disposed -<br>off during the period / year |        | 59,520            | 55,002            |
| Depreciation charge during the period / year                                    |        | 1,267,789         | 2,358,819         |
|                                                                                 |        | <u>27,384,657</u> | <u>28,390,629</u> |



|                                                                           | Note          | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|---------------------------------------------------------------------------|---------------|------------------------------------------------------------|-----------------------------|
| <b>10.1.1 Additions during the period / year:</b>                         |               |                                                            |                             |
| - buildings on freehold land                                              |               | 66,879                                                     | 2,077,451                   |
| - plant and machinery                                                     |               | 192,423                                                    | 6,320,214                   |
| - furniture, fixtures and equipment                                       |               | 12,549                                                     | 60,373                      |
| - roads, bridges and railway sidings                                      |               | -                                                          | 38,137                      |
| - quarry equipment                                                        |               | 7,080                                                      | -                           |
| - vehicles                                                                |               | 42,406                                                     | 122,892                     |
|                                                                           |               | <u>321,337</u>                                             | <u>8,619,067</u>            |
| <b>10.2 Movement in capital work-in-progress - at cost</b>                |               |                                                            |                             |
| At beginning of the period / year                                         |               | 16,873,730                                                 | 1,479,647                   |
| Additions during the period / year                                        |               | 5,316,069                                                  | 16,213,811                  |
| Less: Transfers during the period / year                                  |               | (61,138)                                                   | (819,728)                   |
| <b>At end of the period / year</b>                                        | <b>10.2.1</b> | <u>22,128,661</u>                                          | <u>16,873,730</u>           |
| <b>10.2.1 Capital work-in-progress - at cost</b>                          |               |                                                            |                             |
| Civil works                                                               |               | 5,967,271                                                  | 4,305,139                   |
| Land                                                                      |               | 754,224                                                    | 736,048                     |
| Plant and machinery                                                       |               | 13,783,280                                                 | 10,916,773                  |
| Un-allocated capital expenditure                                          | 10.2.1.1      | 1,083,710                                                  | 477,072                     |
| Advance to supplier against:                                              |               |                                                            |                             |
| - civil works                                                             |               | 263,424                                                    | 322,626                     |
| - plant and machinery                                                     |               | 260,927                                                    | 108,343                     |
| - office equipment                                                        |               | 550                                                        | 4,615                       |
| - vehicles                                                                |               | 243                                                        | -                           |
| - furniture and fixture                                                   |               | 15,032                                                     | 3,114                       |
|                                                                           |               | <u>22,128,661</u>                                          | <u>16,873,730</u>           |
| <b>102.1.1 Capital work-in-progress - unallocated capital expenditure</b> |               |                                                            |                             |
| Salaries and wages                                                        |               | 254,763                                                    | 163,500                     |
| Finance cost                                                              |               | 647,591                                                    | 153,813                     |
| Legal and professional expenses                                           |               | 75,768                                                     | 74,028                      |
| Fee and subscription                                                      |               | 50,690                                                     | 49,590                      |
| Energy expense                                                            |               | 35,060                                                     | 25,690                      |
| Insurance                                                                 |               | 19,837                                                     | 10,451                      |
|                                                                           |               | <u>1,083,709</u>                                           | <u>477,072</u>              |

### 10.3 Major spare parts and stand-by equipments

This represents stores and spares mainly held to be capitalized for on going expansion project.

|                                       | Note | Un-audited<br>December 31,<br>2018<br>(Rupees in thousand) | Audited<br>June 30,<br>2018 |
|---------------------------------------|------|------------------------------------------------------------|-----------------------------|
| <b>11. TRADE DEBTS</b>                |      |                                                            |                             |
| Export debtors                        |      |                                                            |                             |
| Considered good - secured             | 11.1 | 33,454                                                     | 7,442                       |
| Local debtors                         |      |                                                            |                             |
| Considered good - unsecured           | 14.2 | 1,006,126                                                  | 1,124,311                   |
| Considered doubtful - unsecured       |      | 25,000                                                     | 25,000                      |
| Less: Provision for doubtful balances |      | (25,000)                                                   | (25,000)                    |
|                                       |      | 1,006,126                                                  | 1,124,311                   |
|                                       |      | <u>1,039,580</u>                                           | <u>1,131,753</u>            |

- 11.1** It includes receivable from foreign debtors amounting to Rs. 33.45 million (30 June 2018: 7.4 million) and Rs. 0.04 million (30 June 2018: 0.04 million) from Asia and Africa respectively. These are secured against letters of credit.



## 12. SHORT TERM INVESTMENT

Investment at fair value through profit or loss  
- listed securities

Next Capital Limited:

3,375,000 (30 June 2018: 3,375,000)  
ordinary shares of Rs. 10 each Market value  
Rs. 6.75 per share (30 June 2018: Rs. 9.5 per share)

Cost

At beginning and end of the period / year

Unrealized fair value gain / (loss)

At beginning of the period / year  
Fair value (loss) for the period / year

At end of the period / year

Fair value at 30 June

Un-audited  
December 31,  
2018  
(Rupees in thousand)

Audited  
June 30,  
2018

|         |          |        |
|---------|----------|--------|
|         | 30,000   | 30,000 |
|         |          |        |
| 2,062   | 47,659   |        |
| (9,281) | (45,597) |        |
| (7,219) | 2,062    |        |
| 22,781  | 32,062   |        |

Half year ended (Un-audited)  
December 31, December 31,  
2018 2017  
(Rupees in thousand)

## 13. SALES - NET

Gross local sales

Less:

Federal Excise Duty

Sales Tax

Discount

Commission

Freight

Net local sales

Export sales

Less:

Sea freight

|             |             |
|-------------|-------------|
| 16,360,654  | 16,299,288  |
| (2,183,629) | (2,046,149) |
| (2,622,204) | (2,676,213) |
| (151,745)   | (158,779)   |
| (62,578)    | (65,420)    |
| (146,682)   | -           |
| (5,166,838) | (4,946,561) |
| 11,193,816  | 11,352,727  |
| 1,092,449   | 925,552     |
| -           |             |
| (37,155)    | (57,439)    |
| 1,055,294   | 868,113     |
| 12,249,110  | 12,220,840  |

Half year ended (Un-audited)  
December 31, December 31,  
2018 2017  
(Rupees in thousand)

#### 14. COST OF SALES

|                                              |             |           |
|----------------------------------------------|-------------|-----------|
| Raw materials consumed                       | 549,873     | 506,578   |
| Packing materials consumed                   | 878,423     | 682,948   |
| Fuel                                         | 3,581,291   | 2,821,220 |
| Coal Used in power generation                | 1,088,679   | 370,178   |
| Power and associated costs                   | 289,185     | 1,136,470 |
| Stores, spare parts and loose tools consumed | 381,084     | 374,488   |
| Salaries, wages and other benefits           | 592,274     | 464,719   |
| Rent, rates and taxes                        | 12,678      | 12,651    |
| Insurance                                    | 27,413      | 27,774    |
| Repairs and maintenance                      | 206,083     | 205,524   |
| Depreciation                                 | 1,240,000   | 1,056,514 |
| Amortization                                 | 3,001       | -         |
| Vehicles running and maintenance             | 93,738      | 59,594    |
| Freight and forwarding                       | 238,557     | 211,028   |
| Other expenses                               | 127,536     | 87,966    |
|                                              | 9,309,815   | 8,017,652 |
| <b>Work in process:</b>                      |             |           |
| At beginning of the period                   | 665,606     | 819,354   |
| At end of the period                         | (1,130,280) | (647,777) |
|                                              | (464,675)   | 171,577   |
| <b>Cost of goods manufactured</b>            | 8,845,141   | 8,189,229 |
| <b>Finished goods:</b>                       |             |           |
| As at beginning of the period                | 303,589     | 207,747   |
| As at end of the period                      | (274,604)   | (299,516) |
|                                              | 28,985      | (91,769)  |
| <b>Cost of sales</b>                         | 8,874,125   | 8,097,460 |



Half year ended (Un-audited)  
December 31, 2018, December 31, 2017  
(Rupees in thousand)

## 15. FINANCE COSTS

### Profit / interest / mark up on:

- Long term loans and finances
- Short term borrowings

|         |         |
|---------|---------|
| 174,145 | 268,600 |
| 284,559 | -       |
| 458,704 | 268,600 |
| 236,055 | 44,869  |
| 10,692  | -       |
| 15,229  | 17,018  |
| 720,680 | 330,487 |

- Exchange loss / (gain) - net
- Unwinding Interest - Retention money payable
- Bank and other charges

## 16. CASH AND CASH EQUIVALENTS

- Short term running finance
- Cash and bank balances

|             |           |
|-------------|-----------|
| (1,764,385) | (726,208) |
| 682,962     | 514,062   |
| (1,081,423) | (212,146) |

## 17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

|                                                  |  | 31 December 2018                                |                                          |                                         |            |                         |         |         |
|--------------------------------------------------|--|-------------------------------------------------|------------------------------------------|-----------------------------------------|------------|-------------------------|---------|---------|
|                                                  |  | Carrying Amount (Un-audited)                    |                                          |                                         |            | Fair Value (Un-audited) |         |         |
|                                                  |  | Fair Value through statement of profit and loss | Loans and receivables at amortized costs | Financial liabilities at amortized cost | Total      | Level 1                 | Level 2 | Level 3 |
| Note                                             |  | ----- (Rupees in thousand) -----                |                                          |                                         |            |                         |         |         |
| On - Statement of financial position instruments |  |                                                 |                                          |                                         |            |                         |         |         |
| Financial assets measured at fair value          |  |                                                 |                                          |                                         |            |                         |         |         |
| Short term investment                            |  | 22,781                                          | -                                        | -                                       | 22,781     | 22,781                  | -       | -       |
|                                                  |  | 22,781                                          | -                                        | -                                       | 22,781     | 22,781                  | -       | -       |
| Financial assets not measured at fair value      |  |                                                 |                                          |                                         |            |                         |         |         |
| Cash and bank balances                           |  | -                                               | 667,022                                  | -                                       | 667,022    | -                       | -       | -       |
| Long term loans to employees                     |  | -                                               | 18,504                                   | -                                       | 18,504     | -                       | -       | -       |
| Short term deposits                              |  | -                                               | 108,307                                  | -                                       | 108,307    | -                       | -       | -       |
| Accrued profit                                   |  | -                                               | 1,425                                    | -                                       | 1,425      | -                       | -       | -       |
| Long term deposits                               |  | -                                               | 56,880                                   | -                                       | 56,880     | -                       | -       | -       |
| Trade debts - unsecured, considered good         |  | -                                               | 1,039,581                                | -                                       | 1,039,581  | -                       | -       | -       |
| 17.1                                             |  | -                                               | 1,891,719                                | -                                       | 1,891,719  | -                       | -       | -       |
| Financial liabilities measured at fair value     |  |                                                 |                                          |                                         |            |                         |         |         |
|                                                  |  | -                                               | -                                        | -                                       | -          | -                       | -       | -       |
|                                                  |  | -                                               | -                                        | -                                       | -          | -                       | -       | -       |
| Financial liabilities not measured at fair value |  |                                                 |                                          |                                         |            |                         |         |         |
| Long term finances                               |  | -                                               | -                                        | 17,628,436                              | 17,628,436 | -                       | -       | -       |
| Long term deposits                               |  | -                                               | -                                        | 8,714                                   | 8,714      | -                       | -       | -       |
| Retention money payable                          |  | -                                               | -                                        | 368,608                                 | 368,608    | -                       | -       | -       |
| Trade and other payables                         |  | -                                               | -                                        | 6,043,887                               | 6,043,887  | -                       | -       | -       |
| Unclaimed dividend                               |  | -                                               | -                                        | 115,023                                 | 115,023    | -                       | -       | -       |
| Accrued mark up                                  |  | -                                               | -                                        | 436,652                                 | 436,652    | -                       | -       | -       |
| Short term borrowing                             |  | -                                               | -                                        | 4,953,065                               | 4,953,065  | -                       | -       | -       |
| 17.1                                             |  | -                                               | -                                        | 29,554,385                              | 29,554,385 | -                       | -       | -       |



| 30 June 2018                                    |                                          |                                         |       |                         |         |         |
|-------------------------------------------------|------------------------------------------|-----------------------------------------|-------|-------------------------|---------|---------|
| Carrying Amount (Un-audited)                    |                                          |                                         |       | Fair Value (Un-audited) |         |         |
| Fair Value through statement of profit and loss | Loans and receivables at amortized costs | Financial liabilities at amortized cost | Total | Level 1                 | Level 2 | Level 3 |
| Note                                            | ----- (Rupees in thousand) -----         |                                         |       |                         |         |         |

#### On - Statement of financial position instruments

##### Financial assets measured at fair value

|                       |               |          |          |               |               |          |          |
|-----------------------|---------------|----------|----------|---------------|---------------|----------|----------|
| Short term investment | 32,062        | -        | -        | 32,062        | 32,062        | -        | -        |
|                       | <u>32,062</u> | <u>-</u> | <u>-</u> | <u>32,062</u> | <u>32,062</u> | <u>-</u> | <u>-</u> |

##### Financial assets not measured at fair value

|                                          |          |                  |          |                  |          |          |          |
|------------------------------------------|----------|------------------|----------|------------------|----------|----------|----------|
| Cash and bank balances                   | -        | 632,662          | -        | 632,662          | -        | -        | -        |
| Long term loans to employees             | -        | 14,820           | -        | 14,820           | -        | -        | -        |
| Short term deposits                      | -        | 97,648           | -        | 97,648           | -        | -        | -        |
| Accrued profit                           | -        | 1,179            | -        | 1,179            | -        | -        | -        |
| Long term deposits                       | -        | 56,554           | -        | 56,554           | -        | -        | -        |
| Trade debts - unsecured, considered good | -        | 1,131,753        | -        | 1,131,753        | -        | -        | -        |
| 17.1                                     | <u>-</u> | <u>1,934,616</u> | <u>-</u> | <u>1,934,616</u> | <u>-</u> | <u>-</u> | <u>-</u> |

##### Financial liabilities measured at fair value

|          |          |          |          |          |          |          |          |
|----------|----------|----------|----------|----------|----------|----------|----------|
| -        | -        | -        | -        | -        | -        | -        | -        |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

##### Financial liabilities not measured at fair value

|                                                  |          |          |                   |                   |          |          |          |
|--------------------------------------------------|----------|----------|-------------------|-------------------|----------|----------|----------|
| Long term loans from banking companies - secured | -        | -        | 13,752,696        | 13,752,696        | -        | -        | -        |
| Long term deposits                               | -        | -        | 8,714             | 8,714             | -        | -        | -        |
| Retention money payable                          | -        | -        | 310,735           | 310,735           | -        | -        | -        |
| Trade and other payables                         | -        | -        | 3,806,391         | 3,806,391         | -        | -        | -        |
| Unclaimed dividend                               | -        | -        | 110,743           | 110,743           | -        | -        | -        |
| Mark-up accrued on borrowings                    | -        | -        | 283,415           | 283,415           | -        | -        | -        |
| Short term borrowings                            | -        | -        | 5,360,421         | 5,360,421         | -        | -        | -        |
| 17.1                                             | <u>-</u> | <u>-</u> | <u>23,633,115</u> | <u>23,633,115</u> | <u>-</u> | <u>-</u> | <u>-</u> |

**17.1** The Holding Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

Freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Holding Company's properties. For revaluation of freehold land fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. In case of buildings on freehold land, roads, bridges and railway sidings, construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed

market value. For revaluation of plant and machinery, suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these condensed interim unconsolidated financial statements.

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

|                                                       | 2018                                            |                  |                     |                           |                         |                   |            |
|-------------------------------------------------------|-------------------------------------------------|------------------|---------------------|---------------------------|-------------------------|-------------------|------------|
|                                                       | Issued,<br>subscribed<br>and paid-up<br>capital | Share<br>premium | Dividend<br>Payable | Long<br>term<br>financing | Short term<br>borrowing | Accrued<br>markup | Total      |
|                                                       | ----- (Rupees in thousand) -----                |                  |                     |                           |                         |                   |            |
| As at 30 June 2018                                    | 5,937,007                                       | 5,112,037        | 110,743             | 13,752,696                | 5,784,902               | 286,162           | 30,983,547 |
| Changes from financing cash flows                     |                                                 |                  |                     |                           |                         |                   |            |
| Dividend paid                                         | -                                               | -                | (589,421)           | -                         | -                       | -                 | (589,421)  |
| Financial charges paid                                | -                                               | -                | -                   | -                         | -                       | (506,508)         | (506,508)  |
| Repayment of short term borrowings - net              | -                                               | -                | -                   | -                         | (902,094)               | -                 | -          |
| Proceeds from long term financing - net               | -                                               | -                | -                   | 3,875,740                 | -                       | -                 | 3,875,740  |
| Payment of finance lease liabilities                  | -                                               | -                | -                   | -                         | -                       | -                 | -          |
| Total changes from financing cash flows               | -                                               | -                | (589,421)           | 3,875,740                 | (902,094)               | (506,508)         | 2,779,811  |
| Other changes                                         |                                                 |                  |                     |                           |                         |                   |            |
| Final cash dividend                                   | -                                               | -                | 593,701             | -                         | -                       | -                 | 593,701    |
| Change in short term running finance - net            | -                                               | -                | -                   | -                         | 494,738                 | -                 | 494,738    |
| Finance cost excluding unwinding<br>of renetion money | -                                               | -                | -                   | -                         | -                       | 659,745           | 659,745    |
| Total liability related other changes                 | -                                               | -                | 593,701             | -                         | 494,738                 | 659,745           | 1,748,184  |
| As at 31 December 2018                                | 5,937,007                                       | 5,112,037        | 115,023             | 17,628,436                | 5,377,546               | 439,399           | 35,511,542 |



## 19. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprise of associated companies, Directors of the Holding Company and entities under common directorship, key management personnel and close family members of directors and other key management personnel, and post employment retirement plan. Amount due from and due to related parties are shown under respective notes. Other significant transactions and balances with related parties except those disclosed elsewhere are as follows:

|                                   |                                      |                                                | Half year ended (Un-audited) |                   |
|-----------------------------------|--------------------------------------|------------------------------------------------|------------------------------|-------------------|
|                                   |                                      |                                                | December 31, 2018            | December 31, 2017 |
| Name of parties                   | Relationship                         | Transactions                                   | (Rupees in thousand)         |                   |
| a) Kohinoor Textile Mills Limited | Holding Company (55.22% equity held) | Sale of goods and services                     | 39,663                       | 9,480             |
|                                   |                                      | Sale of fixed assets                           | -                            | 1,785             |
|                                   |                                      | Net markup(expense) / income during the period | (3,059)                      | 1,763             |
|                                   |                                      | Dividend paid                                  | 327,837                      | -                 |
| b) Key management personnel       |                                      | Remuneration and other benefits                | 167,889                      | 129,043           |
| c) Employee benefits              |                                      |                                                |                              |                   |
| Gratuity                          | Post employment benefit plan         | Contribution                                   | 9,603                        | 11,624            |
| Provident Fund Trust              | Employees benefit fund               | Contribution                                   | 80,058                       | 63,693            |

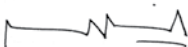
**19.1** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel.

## 20. DATE OF AUTHORIZATION FOR ISSUE AND DIVIDEND DECLARATION

This condensed interim unconsolidated financial information were authorized for issue on 19 February 2019 by the Board of Directors of the Company. Further, the Board of Directors has approved interim dividend of Rs. \_\_\_\_\_ per share in their meeting held on 19 February 2019.

## 21. 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

