1st Quarterly Report
September 30, 2017

میپل لیف
ایکدم
SOLID
MAPLE LEAF CEMENT

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CONDENSED UNCONSOLIDATED INTERIM FINANCIAL INFORMATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

Human Resource & Remuneration Committee

Mr. Waleed Tariq Saigol	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
Islamic Corporation for the Development of the Private Sector, Jeddah
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
Trust Investment Bank Limited
U Microfinance Bank Limited
United Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
2nd Floor, Servis House, 2-Main Gulberg,
Jail Road, Lahore, Pakistan.
Tel: +92 42 35790901-6
Fax: +92 42 35790907

Legal Adviser

Mr. Shahid Ismail
Advocate High Court

Registered Office
42-Lawrence Road, Lahore.
Phone: (042) 36278904-5
Fax: (042) 36368721
E-mail: mohsin.naqvi@kmlg.com

Factory
Iskanderabad Distt. Mianwali.
Phone: (0459) 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: (00-92-42) 36283096-97
Fax: (00-92-42) 36312550
E-mail: shares@vcl.com.pk

Company Website:
www.kmlg.com

Note: MLCFL's Financial Statements are also available at the above website.

DIRECTORS' REVIEW

In compliance with Section 237 of the Companies Act, 2017, the Directors of your Company have pleasure to present financial statements for the first quarter ended 30th September, 2017.

The financial highlights are as follows:-

	1st Qtr (Jul. to Sep.)		Variance	Percentage
	2017	2016		
	(----------- Rupees in thousand -----------)			
Net Sales Revenue	5,810,079	5,556,065	254,014	4.57%
Gross Profit	2,127,002	2,380,828	(253,826)	(10.66%)
Operating Profit	1,601,181	1,740,753	(139,572)	(8.02%)
Finance Cost	144,037	46,066	97,971	212.67%
Profit Before Taxation	1,457,144	1,694,687	(237,543)	(14.02%)
Taxation	407,703	471,277	(63,574)	(13.49%)
Profit After Taxation	1,049,441	1,223,410	(173,969)	(14.22%)
Earnings Per Share (Rupees)	1.99	2.32	(0.33)	(14.22%)

During the period, the Company recorded net sales of Rs. 5,810 million against Rs. 5,556 million in the corresponding period last year mainly due to quantitative growth in local sales mix. During the first quarter of current financial year 2017-18, local dispatches increased from 632,202 metric tons to 739,248 metric tons as compared to the corresponding period, depicting a robust growth of 16.93%, YoY stemming from improved economic activity. This growth can be attributed to acceleration in private sector construction activities, partial materialization of the budgeted Public Sector Development Program (PSDP) and demand from China Pakistan Economic Corridor (CPEC) related projects.

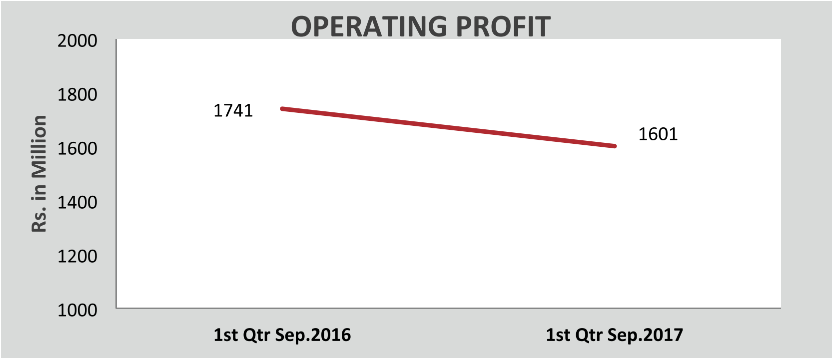
Export sale volumes, however, logged a negative growth of 46.26% i.e. registering a decline of 74,296 metric tons due to lackluster demand from overseas. Volumes to Afghanistan, one of Pakistan's biggest export markets declined due to border restrictions in the wake of mounting tension and increased competition from Iranian cement. The factors contributing to decline in exports were mainly increase in fuel prices and other input cost and the most challenging were the barriers erected by the countries we export to such as anti-dumping duty imposed by South Africa and non-tariff barriers in India. However, a record 16.93% growth in higher margin local dispatches has somewhat mitigated the adverse effects of falling exports.

Capacity utilization and dispatches also improved, as evident from the data shown below:-

Particulars	(Jul. to Sep.) 2017	2016	Variance	Percentage
	(----------- M. Tons		-----------)	
Production:				
Clinker Production	794,390	749,210	45,180	6.03%
Cement Production	838,002	764,841	73,161	9.57%
Sales:				
Domestic	739,248	632,202	107,046	16.93%
Exports	86,298	160,594	(74,296)	(46.26%)
	825,546	792,796	32,750	4.13%

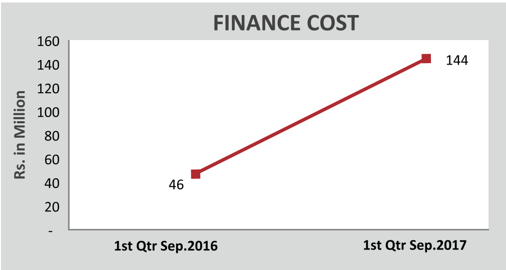
During the first quarter of financial year 2017-18, despite 16.93% volumetric increase in local sales and increase in average sales price of local dispatches, net retention per ton was impacted when compared to the corresponding period last year. This was triggered mainly by increase in production cost and enhanced Federal Excise Duty (FED) on local cement by 25% i.e. from Rs.1,000 per metric ton to Rs. 1,250 per metric ton vide Finance Act, 2017 effective 1st July, 2017. Coal prices in the global markets had an upward trend on account of disturbance in economic principal of demand and supply; mainly due to tropical storms (Arlene, Cindy and others) in the Atlantic basin and floods in Australia and Indonesia. These natural calamities accompanied cut in production days in coal mining in China resulted in increased level of coal imported in China and restricted supply from mines due to logistical difficulties which had an adverse impact on coal supply, resulting in increased coal prices in international market. However, the Company partially derived benefit of relatively lower coal prices throughout the current period on account of utilization of lower cost coal inventory which was built up when prices were low. The Company was able to keep its fuel costs under control along with advantage derived by use of pet coke, cheaper in cost but more productive due to higher energy content, in larger quantities. Furnace oil prices also registered upward trend on account of reduction in supply by oil exporting countries (OPEC) due to their production compliance. During the period, the Company continued to operate its Furnace Oil based engines from which power was produced at lower prices as compared to the grid. The Company is also continuously benefitting from lower inland transportation costs through transport via the railway network resulting in reasonable savings.

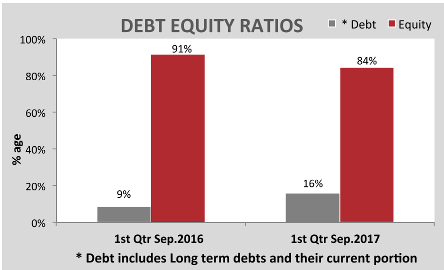
Due to these factors, the Company achieved gross profit of Rs. 2,127 million in the current period with a decrease of 10.66% from Rs. 2,381 million in the corresponding period.



Due to foregoing reason, decline in gross profits has impacted the operational margins. Reduction in distribution cost for reporting period is on account of fall in export sales as compared to the corresponding period. Operating profit for the current reporting period is Rs.1,601 million, with a decrease of 8.02% as compared to Rs.1,741 million in the corresponding period last year.

Finance costs during the reporting period increased to Rs. 144 million as compared to Rs. 46 million in corresponding period. As apparent from the graph below, debt equity mix has changed from the level in the corresponding period last year, mainly due to additional bank borrowings for investment in newly established coal-fired power plant. Moreover, keeping in view the risk of Pak Rupee devaluation, the Company has made early payment of its entire foreign currency debt. Debt equity ratio and finance cost trend is as shown below:-





The Company recorded pre-tax profit of Rs.1,457 million during the period against pre-tax profit of Rs.1,695 million in the corresponding period last year. Tax expense for the reporting period also decreased in line with reduced pre-tax profitability. Taxation charged during the period was Rs. 408 million for the first quarter of current financial year as compared to Rs. 471 million in corresponding period last year. Above earnings performance has impacted post-tax profits at Rs.1,049 million for the current period against Rs.1,223 million in the corresponding period last year bottom line, showing a decline of 14.22%.

Right Issue

To partially finance the expansion project (Line-3), the Board of Directors in their meeting held on 15th August, 2017 had decided to raise fresh equity through right issue. 12.50% rights shares (one right share for every 8 shares held) are offered at a price of Rs. 65/- per share (inclusive of premium of Rs. 55/- per share). The last date for public subscription is 24th October, 2017. The Directors and Sponsors have already subscribed their share of right subscription within the stipulated time whereas the public portion is fully underwritten.

Maple Leaf Power Limited

Maple Leaf Power Limited (a wholly owned subsidiary), established to install and operate 40 MW imported coal-fired captive power plant, has successfully started its commercial production. The project is completed within budget and as per the planned timelines.

The plant has delivered planned load during its trial phase and is sufficient to meet MLCF's own electricity requirements. With the successful power plant commencement, decent savings in power cost are expected on account of reduced electricity unit cost. Moreover, self-generation of power, will eliminate our reliance on national grid.

Capacity Expansion Project

Civil work at site of new production line with the additional capacity of 7,300 tons per day of grey clinker production is in full swing. Plant shipments have started to arrive at site and project activities are monitored weekly to ensure compliance as per the plan. Total project cost is estimated at Rs. 23 billion. The plant is targeted to begin commercial operations in March 2019.

Future Outlook

Going forward, we expect increased domestic demand for cement on account of rise in PSDP allocations in the wake of upcoming election year, together with construction activities in the private sector. The cement industry is also keenly eyeing developments on CPEC and this opportunity is expected to prove to be of great benefit for the whole nation. Despite prevailing political uncertainty, speedy progress is being registered on CPEC projects due to collective measures of the political and military leadership and would be a trigger to absorb future supply from new capacities. An historic allocation of PSDP budget for the financial year 2017-2018 is a clear indication that the focus of the government will remain on the completion of infrastructure schemes including power projects, motorways, Orange train and low-income housing schemes.

On the other side, disorder in balance of payments, declining foreign exchange reserves, the risk of devaluation of Pak rupee and political turbulence have caused disturbance in macro-economic indicators of Pakistan.

The Afghanistan market is contracting on account of availability of inexpensive Iranian cement which is a worrying factor. Moreover, exports to Afghanistan market are also affected on account of border restrictions by government on account of cross border terrorism. Owing to this development, the Company is determined to explore new export markets to improve capacity utilization.

On account of imbalance in demand and supply in domestic market, sale prices are expected to remain under pressure. Gross margins could also contract owing to rising coal and fuel prices which we hope can be countered by increase in sales volume owing to our brand preference and sales network. 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 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

(Sayeed Tariq Saigol)
Chief Executive

Lahore: October 24, 2017

CONDENSED UNCONSOLIDATED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017

	Note	Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		7,000,000	7,000,000
Issued, subscribed and paid-up share capital	4	5,277,340	5,277,340
Capital reserves		2,058,137	2,058,137
Accumulated profits		13,153,698	12,048,675
		20,489,175	19,384,152
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	5	4,236,539	4,323,909
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	6	3,409,320	2,890,226
Liabilities against assets subject to finance lease - secured		-	270,615
Long term deposits		8,764	8,699
Deferred taxation		4,083,568	4,024,363
Retirement benefits		143,385	150,778
		7,645,037	7,344,681
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from banking companies - secured	6	384,675	213,534
- Liabilities against assets subject to finance lease - secured	7	-	210,000
Trade and other payables		4,836,182	3,680,346
Accrued profit / interest / mark-up		123,608	101,465
Provision for taxation - net		684,550	420,527
Short term borrowings		3,590,982	3,138,159
		9,619,997	7,764,031
CONTINGENCIES AND COMMITMENTS	8		
		41,990,748	38,816,773

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

Chief Executive Officer — Chief Financial Officer — Director

	Note	Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	9	25,504,364	23,647,663
Intangible assets		23,090	25,206
Long term investment	10	5,020,000	4,670,000
Long term loans to employees - secured		8,746	5,799
Long term deposits		56,554	56,474
		30,612,754	28,405,142
CURRENT ASSETS			
Stores, spare parts and loose tools		6,977,154	6,750,586
Stock-in-trade		1,284,815	1,301,235
Trade debts	11	1,221,038	682,526
Loans and advances		726,895	818,116
Short term investment	12	55,417	77,659
Short term deposits and prepayments		139,973	75,867
Accrued profit		995	1,356
Refunds due from Government		16,797	16,797
Other receivables	13	464,091	273,531
Cash and bank balances		490,819	413,958
		11,377,994	10,411,631
		41,990,748	38,816,773

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED UNCONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Note	Un-audited September 30, 2017	Un-audited September 30, 2016
		(Rupees in thousand)	
Sales - net	14	5,810,079	5,556,065
Cost of goods sold	15	(3,683,077)	(3,175,237)
Gross profit		2,127,002	2,380,828
Distribution cost		(266,150)	(373,481)
Administrative expenses		(149,600)	(121,778)
Other charges		(124,193)	(149,266)
		(539,943)	(644,525)
Other income		14,122	4,450
Profit from operations		1,601,181	1,740,753
Finance cost	16	(144,037)	(46,066)
Profit before taxation		1,457,144	1,694,687
Taxation		(407,703)	(471,277)
Profit after taxation		1,049,441	1,223,410
		(------- Rupees -------)	
Earnings per share - basic and diluted		1.99	2.32

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

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Un-audited September 30, 2017	Un-audited September 30, 2016
	(Rupees in thousand)	
Profit after taxation	1,049,441	1,223,410
Other comprehensive income		
Items that will not be reclassified to profit and loss account:		
Other comprehensive income - transferred to equity	-	-
Total comprehensive income for the period	1,049,441	1,223,410

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

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED UNCONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Note	Un-audited September 30, 2017	Un-audited September 30, 2016
		(Rupees in thousand)	
Cash generated from operations before working capital changes	17	2,225,685	2,350,400
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(226,567)	132,277
Stock-in-trade		16,421	(70,162)
Trade debts		(538,512)	(838,871)
Loans and advances		91,222	(307,920)
Short term deposits and prepayments		(64,105)	(69,143)
Other receivables		(190,560)	(73,972)
		(912,101)	(1,227,791)
Increase / (decrease) in current liabilities			
Trade and other payables		1,145,097	(428,415)
		232,996	(1,656,206)
Net cash generated from operations		2,458,681	694,194
(Increase) / decrease in long term loans to employees		(2,947)	231
Retirement benefits paid		(12,093)	(4,488)
Workers' Profit Participation Fund paid		(88,772)	-
Taxes paid		(116,263)	(209,175)
Net cash generated from operating activities		2,238,608	480,762
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(2,360,309)	(311,084)
Proceeds from disposal of property, plant and equipment		6,164	10,363
(Increase) / decrease in long term deposits		(80)	48
Long term investment		(350,000)	(500,000)
Profit on bank deposits received		3,448	3,276
Net cash used in investing activities		(2,700,777)	(797,397)

	Note	Un-audited September 30, 2017	Un-audited September 30, 2016
		(Rupees in thousand)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of long term loans from banking companies - secured		690,236	159,211
Increase in long term deposits		65	-
Payment of liabilities against assets subject to finance lease - net		(479,700)	(41,920)
(Repayment) / acquisition of short term borrowings		(27,950)	330,146
Finance cost paid		(122,809)	(55,201)
Dividend paid		(1,584)	(469)
Net cash generated from financing activities		58,258	391,767
Net (decrease) / increase in cash and cash equivalents		(403,911)	75,132
Cash and cash equivalents at beginning of the period		158,068	394,474
Cash and cash equivalents at end of the period	18	(245,843)	469,606

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

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Share Capital	Capital Reserves			Revenue Reserves	Total Equity
		Share premium	Capital redemption reserve	Sub-Total	Accumulated profits	
	...... Rupees in thousand					
Balance as at 30 June 2016 - audited	5,277,340	1,529,874	528,263	2,058,137	9,414,403	16,749,880
Total comprehensive income						
Profit for the period ended 30 September 2016	-	-	-	-	1,223,410	1,223,410
Other comprehensive income for the period ended 30 September 2016	-	-	-	-	-	-
	-	-	-	-	1,223,410	1,223,410
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	65,197	65,197
Balance as at 30 September 2016 - un-audited	5,277,340	1,529,874	528,263	2,058,137	10,703,010	18,038,487
Balance as at 30 June 2017 - audited	5,277,340	1,529,874	528,263	2,058,137	12,048,675	19,384,152
Total comprehensive income						
Profit for the period ended 30 September 2017	-	-	-	-	1,049,441	1,049,441
Other comprehensive income for the period ended 30 September 2017	-	-	-	-	-	-
	-	-	-	-	1,049,441	1,049,441
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	55,582	55,582
Balance as at 30 September 2017 - un-audited	5,277,340	1,529,874	528,263	2,058,137	13,153,698	20,489,175

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

Chief Executive Officer

Chief Financial Officer

Director

SELECTED EXPLANATORY NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

1. REPORTING ENTITY

Maple Leaf Cement Factory Limited ("the Company") was incorporated in Pakistan on 13 April 1960 under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a public company limited by shares. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The cement factory is located at Iskanderabad District Mianwali in the province of Punjab. The principal activity of the Company is production and sale of cement. The Company is a subsidiary of Kohinoor Textile Mills Limited ("the Holding Company").

2. BASIS OF PREPARATION

2.1 Separate financial statements

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

Subsidiary Company	Un-audited September 30, 2017	Audited June 30, 2017
	(Direct holding percentage)	
Maple Leaf Power Limited	100	100

2.2 Statement of compliance

This condensed interim unconsolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives of the Companies Ordinance, 1984 shall prevail.

On 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the Companies Ordinance, 1984 (the repealed Ordinance). However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 23 of 2017 dated 04 October 2017 has advised the Companies whose financial year closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.3 Basis of accounting

2.3.1 This condensed interim unconsolidated financial information comprises the condensed interim balance sheet of the Company, as at 30 September 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.

2.3.2 This condensed interim unconsolidated financial information of the Company for the three months period ended 30 September 2017 has been prepared in accordance with the requirement of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 has been followed.

2.3.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2017.

2.3.4 This condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2017.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Number of shares		Note	Un-audited September 30, 2017 (Rupees in thousand)	Audited June 30, 2017 (Rupees in thousand)
290,359,856	(30 June 2017: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash		2,903,599	2,903,599
35,834,100	(30 June 2017: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		358,341	358,341
46,069,400	(30 June 2017: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		460,694	460,694
153,846,153	(30 June 2017: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	4.1	1,538,462	1,538,462
1,624,417	(30 June 2017: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	4.2	16,244	16,244
527,733,926			5,277,340	5,277,340

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

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

4.3 The Holding Company holds 291,410,425 ordinary shares, which represents 55.22% (30 June 2017: 55.22%) of total ordinary issued, subscribed and paid-up capital of the Company.

	Un-audited September 30, 2017	Audited June 30, 2017
	(Rupees in thousand)	
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
Gross Surplus		
Balance at beginning of the period / year	5,659,065	5,984,429
Less: Effect of disposal of fixed assets	-	(27,113)
Transferred to accumulated profit in respect of incremental depreciation charged during the period / year	(74,908)	(298,251)
As at end of the period / year	5,584,157	5,659,065
Deferred tax liability on revaluation surplus		
As at beginning of the period / year	1,335,156	1,397,174
Less: Transferred to accumulated profit		
Effect of disposal of fixed assets	-	(3,694)
Incremental depreciation charged on related assets	(19,326)	(75,159)
Effect of change in proportion of local and export sales	31,789	16,835
As at end of the period / year	1,347,618	1,335,156
	4,236,539	4,323,909

	Note	Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees in thousand)	
6. LONG TERM LOANS FROM BANKING COMPANIES - SECURED			
Askari Bank Limited - Term Finance		500,000	500,000
Bank of Punjab - Demand Finance		1,252,580	1,252,580
MCB Bank Limited - Demand Finance		675,590	675,590
National Bank of Pakistan - Demand Finance	6.1	865,825	675,590
MCB Bank Limited - Diminishing Musharika	6.2	500,000	-
		3,793,995	3,103,760
Less: Current maturity presented under current liabilities		(384,675)	(213,534)
At end of the period / year		3,409,320	2,890,226

6.1 During the current period additional loan of Rs. 190.235 million is draw down from National Bank of Pakistan - Demand Finance

6.2 During the current period, the Company entered into Diminishing Musharika agreement with MCB Bank Limited for Rs. 500 million.

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

During the current period , the Company has made early repayment of six outstanding quarterly repayments amounting to US$ 4.577 million (Rs. 479.699 million) that was originally due to be repaid by December 2018.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2017.

8.2 Guarantees given by banks on behalf of the Company are of Rs. 494.422 million (30 June 2017: Rs. 483.387 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

8.3 Commitments

	Note	Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees in thousand)	
8.3.1 In respect of:			
- capital expenditure		15,944,409	14,954,991
- irrevocable letters of credit for spare parts		719,029	847,495
		16,663,438	15,802,486

9. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited September 30, 2017	Audited June 30, 2017
Operating fixed assets	9.1	22,200,484	22,168,016
Capital work in progress - at cost	9.2	2,336,250	1,479,647
Major spare parts and stand-by equipment	9.3	967,630	-
		25,504,364	23,647,663

9.1 Operating fixed assets

	Note	Un-audited September 30, 2017	Audited June 30, 2017
Balance at beginning of the period / year		22,168,016	22,399,800
Add: Additions during the period / year	9.1.1	536,077	1,860,359
		22,704,093	24,260,159
Less: Book value of operating assets disposed-off during the period / year		2,627	198,038
Depreciation charge during the period / year		500,982	1,894,105
		22,200,484	22,168,016

	Note	Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees in thousand)	
9.1.1 Additions during the period / year:			
- buildings on freehold land		345,366	435,709
- plant & machinery		146,383	1,300,293
- furniture, fixtures and equipment		14,942	68,718
- roads, bridges and railway sidings		-	3,026
- vehicles		29,386	52,613
		536,077	1,860,359
9.2 Capital work-in-progress - at cost			
Civil Works		241,176	469,109
Land		668,300	550,918
Plant and machinery		18,726	8,951
Un-allocated capital expenditure		134,486	97,988
Advances to supplier against:			
- civil works		398,103	39,089
- plant and machinery		856,704	310,770
- vehicles		18,755	2,822
		2,336,250	1,479,647

9.3 Major spare parts and stand-by equipment

These represent major spare parts and stand-by equipment for on going expansion project.

10. LONG TERM INVESTMENT

		Un-audited September 30, 2017	Audited June 30, 2017
Investment in Maple Leaf Power Limited - Unquoted			
Balance at beginning of the period / year		4,670,000	660,000
Addition during the period / year		-	4,010,000
Advances against issue of shares during the period / year		350,000	-
Balance at end of the period / year		5,020,000	4,670,000

	Note	Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees in thousand)	
11. TRADE DEBTS			
Considered good			
Export - secured	11.1	6,733	34,849
Local - unsecured		1,214,305	647,677
		1,221,038	682,526

11.1 These are secured through bank by letters of credit.

		Un-audited September 30, 2017	Audited June 30, 2017
12. SHORT TERM INVESTMENT			
Investment at fair value through profit or loss - listed securities			
Next Capital Limited:			
Number of shares			
1,500,000	(30 June 2017: 1,500,000) ordinary shares of Rs. 10 each fully paid in cash	15,000	15,000
1,875,000	(30 June 2017: 1,875,000) right shares of Rs. 8 each issued as fully paid in cash Market value Rs. 16.42 per share (30 June 2017: Rs. 23.01 per share)	15,000	15,000
3,375,000		30,000	30,000
Unrealized fair value gain / (loss)			
As at beginning of the period / year		47,659	(3,000)
Fair value (loss) / gain for the period / year		(22,242)	50,659
As at end of the period / year		25,417	47,659
Fair value at end of period / year		55,417	77,659

	Un-audited September 30, 2017	Audited June 30, 2017
13. OTHER RECEIVABLES		
Due from the Holding Company - unsecured	33,739	32,437
Due from the Subsidiary Company - unsecured	377,328	180,414
Others	53,024	60,680
	464,091	273,531

	Three months ended (Un-audited) September 30, 2017	September 30, 2016
	(Rupees in thousand)	
14. SALES - NET		
Gross local sales	7,569,480	6,406,954
Less:		
Federal Excise Duty	(924,044)	(632,202)
Sales Tax	(1,225,989)	(1,023,878)
Discount	(76,400)	(57,937)
Commission	(30,999)	(23,106)
	(2,257,432)	(1,737,123)
Net local sales	5,312,048	4,669,831
Export sales	498,031	886,234
	5,810,079	5,556,065
15. COST OF GOODS SOLD		
Raw materials consumed	246,325	201,451
Packing materials consumed	314,943	315,446
Fuel	1,245,672	920,287
Power and associated costs	854,746	748,415
Stores, spare parts and loose tools consumed	169,173	153,474
Salaries, wages and other benefits	220,824	182,391
Rent, rates and taxes	6,102	6,768
Insurance	14,197	14,391
Repairs and maintenance	92,927	65,016
Depreciation	490,382	454,079
Vehicles running and maintenance	30,560	25,307
Other expenses	31,882	26,975
	3,717,733	3,114,000
Work in process:		
As at beginning of the period	819,354	395,257
As at end of the period	(814,207)	(472,473)
	5,147	(77,216)
Cost of goods manufactured	3,722,880	3,036,784
Finished goods:		
As at beginning of the period	207,747	270,180
As at end of the period	(247,550)	(131,727)
	(39,803)	138,453
Cost of goods sold	3,683,077	3,175,237

	Three months ended (Un-audited) September 30, 2017	September 30, 2016
	(Rupees in thousand)	

16. FINANCE COST

Profit / interest / mark up on long term loans, lease finances and short term finances	128,155	30,138
Exchange loss - net	9,024	3,381
Bank and other charges	6,858	12,547
	144,037	46,066

17. CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES

Profit before taxation	1,457,144	1,694,687
Adjustments for:		
Depreciation	500,982	461,178
Amortization	2,116	-
Provision for Workers' Profit Participation Fund	77,912	89,908
Provision for Workers' Welfare Fund	23,179	42,554
Gain/(loss) on disposal of property, plant and equipment	(3,537)	15,739
Loss /(gain) on re-measurement of short term investments at fair value	22,242	(1,485)
Retirement benefits	4,697	3,962
Profit on bank deposits	(3,087)	(2,209)
Finance cost	144,037	46,066
	2,225,685	2,350,400

18. CASH AND CASH EQUIVALENTS

Short term running finance	(736,663)	(187,948)
Cash and bank balances	490,819	657,554
	(245,844)	469,606

19. TRANSACTIONS WITH RELATED PARTIES

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

Details of transactions with related parties are as follows:

	Three months ended (Un-audited)	
	September 30, 2017	September 30, 2016
	(Rupees in thousand)	
19.1 Transactions with related parties		
19.1.1 Holding Company (Kohinoor Textile Mills Limited)		
Sale of goods and services	5,916	6,865
19.1.2 Wholly owned subsidiary company (Maple Leaf Power Limited)		
Sale of goods and services	-	39,191
Advance against issue of shares during the period	350,000	-
19.1.3 Key management personnel		
Remuneration and other benefits	165,899	85,662
19.1.4 Post employment benefit plans		
Contributions to Provident Fund Trust	42,196	23,271
Payments to MLCF Employees Gratuity Fund Trust	10,025	2,540

Transactions in relation to sales, purchases and technical services with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method except for allocation of expenses such as electricity, gas, water, repairs and maintenance relating to the head office, shared with the Holding Company / Associates, which are on the actual basis.

20. CORRESPONDING FIGURES

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

21. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 24 October 2017 by the Board of Directors of the Company.

22. GENERAL

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

Chief Executive Officer | Chief Financial Officer | Director

Consolidated Financial Statements

For The First Quarter Ended September 30, 2017

DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim consolidated financial statements of Maple Leaf Cement Factory Limited (the Holding Company) and its wholly owned subsidiary company Maple Leaf Power Limited (collectively referred to as group) for the quarter ended 30 September 2017.

GROUP RESULTS

The Group has earned gross profit of Rupees 2,152 million as compared to Rupees 2,351 million of corresponding period. The Group made after tax profit of Rupees 1,073 million during this period as compared to Rupees 1,185 million during the corresponding period.

The overall group financial results are as follows:

	September 30, 2017	September 30, 2016
	(Rupees in million)	
Sales	5,800	5,527
Gross Profit	2,152	2,351
Profit from operations	1,625	1,709
Financial charges	144	53
Net Profit after tax	1,073	1,185
	(------Rupees------)	
Earnings per share – Basic and diluted	2.03	2.25

SUBSIDIARY COMPANY

MAPLE LEAF POWER LIMITED (MLPL)

Maple Leaf Cement Factory Limited has formed a subsidiary company namely "Maple Leaf Power Limited (MLPL)." MLPL ("the Subsidiary) was incorporated in Pakistan on 15 October 2015 under the Companies Ordinance, 1984 as public limited company. The principal objective of MLPL is to develop, design, operate and maintain electric power generation plant in connection therewith to engage in the business of generation, sale and supply of electricity to the Holding Company.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

(Sayeed Tariq Saigol)
Chief Executive

Lahore: October 24, 2017

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017

	Note	Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		7,000,000	7,000,000
Issued, subscribed and paid-up share capital	4	5,277,340	5,277,340
Capital reserves		2,058,137	2,058,137
Accumulated profits		13,135,124	12,006,120
		20,470,601	19,341,597
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	5	4,236,539	4,323,909
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	6	3,409,320	2,890,226
Liabilities against assets subject to finance lease - secured		-	270,615
Long term deposits		8,764	8,699
Deferred taxation		4,083,568	4,024,363
Retirement benefits		143,385	150,778
		7,645,037	7,344,681
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from banking companies - secured	6	384,675	213,534
- Liabilities against assets subject to finance lease - secured	7	-	210,000
Trade and other payables		5,056,620	3,968,719
Accrued profit / interest / mark-up		123,608	101,465
Provision for taxation - net		684,550	420,527
Short term borrowings		3,590,982	3,138,159
		9,840,435	8,052,404
CONTINGENCIES AND COMMITMENTS	8		
		42,192,612	39,062,591

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

Chief Executive Officer | Chief Financial Officer | Director

	Note	Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	9	30,432,010	28,296,283
Intangible assets		23,090	25,206
Long term loans to employees - secured		8,746	5,799
Long term deposits		56,554	56,474
		30,520,400	28,383,762
CURRENT ASSETS			
Stores, spare parts and loose tools		6,977,154	6,750,586
Stock-in-trade		1,483,236	1,301,235
Trade debts	10	1,206,723	681,293
Loans and advances		726,895	818,116
Short term investment	11	55,417	77,659
Short term deposits and prepayments		155,483	87,565
Accrued profit		995	2,628
Refunds due from Government		457,545	417,148
Other receivables	12	86,762	93,117
Cash and bank balances		522,002	449,482
		11,672,212	10,678,829
		42,192,612	39,062,591

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Note	Un-audited September 30, 2017	Un-audited September 30, 2016
		(Rupees in thousand)	
Sales - net	13	5,800,494	5,526,506
Cost of goods sold	14	(3,648,944)	(3,175,237)
Gross profit		2,151,550	2,351,269
Distribution cost		(266,150)	(373,481)
Administrative expenses		(152,812)	(124,409)
Other charges		(124,193)	(149,266)
		(543,155)	(647,156)
Other income		16,806	5,021
Profit from operations		1,625,201	1,709,134
Finance cost	15	(144,076)	(52,669)
Profit before taxation		1,481,125	1,656,465
Taxation		(407,703)	(471,277)
Profit after taxation		1,073,422	1,185,188
		(------- Rupees -------)	
Earnings per share - basic and diluted		2.03	2.25

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

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Un-audited September 30, 2017	Un-audited September 30, 2016
	(Rupees in thousand)	
Profit after taxation	1,073,422	1,185,188
Other comprehensive income		
Items that will not be reclassified to profit and loss account:		
Other comprehensive income - transferred to equity	-	-
Total comprehensive income for the period	1,073,422	1,185,188

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

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Note	Un-audited September 30, 2017	Un-audited September 30, 2016
		(Rupees in thousand)	
Cash generated from operations before working capital changes	16	2,249,263	2,318,458
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(226,567)	132,277
Stock-in-trade		(182,000)	(70,162)
Trade debts		(547,409)	(838,871)
Loans and advances		91,222	(307,920)
Short term deposits and prepayments		(67,917)	(74,414)
Other receivables		(12,514)	(145,345)
		(945,185)	(1,304,435)
Increase / (decrease) in current liabilities			
Trade and other payables		1,077,167	(213,359)
		131,982	(1,517,794)
Net cash generated from operations		2,381,245	800,664
(Increase) / decrease in long term loans to employees		(2,947)	231
Retirement benefits paid		(12,092)	(4,488)
Workers' Profit Participation Fund paid		(88,772)	-
Taxes paid		(116,583)	(209,591)
Net cash generated from operating activities		2,160,851	586,816
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(2,638,570)	(899,968)
Proceeds from disposal of property, plant and equipment		6,164	10,363
Increase in long term deposits		(80)	48
Profit on bank deposits received		5,162	3,827
Net cash used in investing activities		(2,627,324)	(885,732)

	Note	Un-audited September 30, 2017	Un-audited September 30, 2016
		(Rupees in thousand)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of long term loans from banking companies - secured		690,236	159,211
Increase in long term deposits		65	-
Payment of liabilities against assets subject to finance lease - net		(479,700)	(41,920)
(Repayment) / acquisition of short term borrowings		(27,950)	330,146
Finance cost paid		(122,848)	(55,303)
Dividend paid		(1,584)	(469)
Net cash generated from financing activities		58,219	391,665
Net (decrease) / increase in cash and cash equivalents		(408,254)	92,751
Cash and cash equivalents at beginning of the period		193,592	441,728
Cash and cash equivalents at end of the period	17	(214,662)	534,479

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

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Share Capital	Capital Reserves: Share premium	Capital Reserves: Capital redemption reserve	Capital Reserves: Sub-Total	Revenue Reserves: Accumulated profits	Total Equity
	...... Rupees in thousand					
Balance As At 30 June 2016 - audited	5,277,340	1,529,874	528,263	2,058,137	9,372,617	16,708,094
Total comprehensive income						
Profit for the period ended 30 September 2016	-	-	-	-	1,185,188	1,185,188
Other comprehensive income for the period ended 30 September 2016	-	-	-	-	-	-
	-	-	-	-	1,185,188	1,185,188
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	65,197	65,197
Balance As At 30 September 2016 - un- audited	5,277,340	1,529,874	528,263	2,058,137	10,623,002	17,958,479
Balance As At 30 June 2017 - audited	5,277,340	1,529,874	528,263	2,058,137	12,006,120	19,341,597
Total comprehensive income						
Profit for the period ended 30 September 2017	-	-	-	-	1,073,422	1,073,422
Other comprehensive income for the period ended 30 September 2017	-	-	-	-	-	-
	-	-	-	-	1,073,422	1,073,422
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	55,582	55,582
Balance As At 30 September 2017- un- audited	5,277,340	1,529,874	528,263	2,058,137	13,135,124	20,470,601

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

Chief Executive Officer   Chief Financial Officer   Director

SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

1. REPORTING ENTITY

Maple Leaf Cement Factory Limited ("the Holding Company") was incorporated in Pakistan on 13 April 1960 under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a public company limited by shares. The Company is listed on Pakistan Stock Exchange. 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 Company is a subsidiary of Kohinoor Textile Mills Limited ("the Ultimate Holding Company").

2. BASIS OF PREPARATION

2.1 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. 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. During the year, the Company has been granted electricity generation license from National Electric and Power Regulatory Authority (NEPRA) on 20 December 2016.

The Holding and the Subsidiary companies are collectively referred to as " the Group" in these consolidated financial statements.

2.2 Statement of compliance

This condensed interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board as notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives of the Companies Ordinance, 1984 shall prevail.

On 30 May 2017, the Companies Act, 2017 (the Act) was enacted which replaced and repealed the Companies Ordinance, 1984 (the repealed Ordinance). However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 23 of 2017 dated 04 October 2017 has advised the Companies whose financial year closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.3 Basis of accounting

2.3.1 This condensed interim consolidated financial information comprises the condensed interim balance sheet of the Company, as at 30 September 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.

2.3.2 This condensed interim consolidated financial information of the Company for the three months period ended 30 September 2017 has been prepared in accordance with the requirement of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 has been followed.

2.3.3 This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2017.

2.3.4 This condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2017.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Number of shares		Note	Un-audited September 30, 2017	Audited June 30, 2017
			(Rupees in thousand)	
290,359,856	(30 June 2017: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash		2,903,599	2,903,599
35,834,100	(30 June 2017: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash		358,341	358,341
46,069,400	(30 June 2017: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares		460,694	460,694
153,846,153	(30 June 2017: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	4.1	1,538,462	1,538,462
1,624,417	(30 June 2017: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	4.2	16,244	16,244
527,733,926			5,277,340	5,277,340

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

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

4.3 The Holding Company holds 291,410,425 ordinary shares, which represents 55.22% (30 June 2017: 55.22%) of total ordinary issued, subscribed and paid-up capital of the Company.

		Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees in thousand)	
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX			
Gross Surplus			
Balance at beginning of the period / year		5,659,065	5,984,429
Less: Effect of disposal of fixed assets		-	(27,113)
Transferred to accumulated profit in respect of incremental depreciation charged during the period / year		(74,908)	(298,251)
As at end of the period / year		5,584,157	5,659,065
Deferred tax liability on revaluation surplus			
As at beginning of the period / year		1,335,156	1,397,174
Less: Transferred to accumulated profit			
Effect of disposal of fixed assets		-	(3,694)
Incremental depreciation charged on related assets		(19,326)	(75,159)
Effect of change in proportion of local and export sales		31,789	16,835
As at end of the period / year		1,347,618	1,335,156
		6,931,775	4,323,909
6. LONG TERM LOANS FROM BANKING COMPANIES - SECURED			
Askari Bank Limited - Term Finance		500,000	500,000
Bank of Punjab - Demand Finance		1,252,580	1,252,580
MCB Bank Limited - Demand Finance		675,590	675,590
National Bank of Pakistan - Demand Finance	6.1	865,825	675,590
MCB Bank Limited - Diminishing Musharika	6.2	500,000	-
		3,793,995	3,103,760
Less: Current maturity presented under current liabilities		(384,675)	(213,534)
At end of the period / year		3,409,320	2,890,226

6.1 During the current period additional loan of Rs. 190.235 million is draw down from National Bank of Pakistan - Demand Finance.

6.2 During the current period, the Company entered into Diminishing Musharika agreement with MCB Bank Limited for Rs. 500 million.

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

During the current period , the Company has made early repayment of six outstanding quarterly repayments amounting to US$ 4.577 million (Rs. 479.699 million) that was originally due to be repaid by December 2018.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2017.

8.2 Guarantees given by banks on behalf of the Company are of Rs. 494.422 million (30 June 2017: Rs. 483.387 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

8.3 Commitments

	Note	Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees in thousand)	
8.3.1 In respect of:			
- capital expenditure		16,423,728	15,541,853
- irrevocable letters of credit for spare parts		719,029	847,495
		17,142,757	16,389,348

9. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited September 30, 2017	Audited June 30, 2017
Operating fixed assets	9.1	22,217,225	22,185,383
Capital work in progress - at cost	9.2	7,231,781	5,944,809
Major spare parts and stand-by equipment	9.3	983,004	166,091
		30,432,010	28,296,283

		Note	Un-audited September 30, 2017	Audited June 30, 2017
			(Rupees in thousand)	
9.1	Operating fixed assets			
	Balance at beginning of the period / year		22,185,383	22,409,641
	Add: Additions during the period / year	9.1.1	536,077	1,869,499
			22,721,460	24,279,140
	Less: Book value of operating assets disposed-off during the period / year		2,627	198,038
	Depreciation charge during the period / year		501,608	1,895,719
			22,217,225	22,185,383
9.1.1	Additions during the period / year:			
	- buildings on freehold land		345,366	435,709
	- plant & machinery		146,383	1,309,433
	- furniture, fixtures and equipment		14,942	68,718
	- roads, bridges and railway sidings		-	3,026
	- vehicles		29,386	52,613
			536,077	1,869,499
9.2	Capital work-in-progress - at cost			
	Civil Works		1,290,621	1,462,228
	Land		668,300	550,918
	Plant and machinery		2,482,073	2,470,483
	Mechanical works		584,035	442,293
	Electrical works		295,594	174,030
	Un-allocated capital expenditure		509,533	414,916
	Advances to supplier against:			
	- civil works		461,329	101,584
	- mechanical items		57,726	7,642
	- electrical items		1,493	3,502
	- plant and machinery		856,704	310,770
	- vehicles		18,756	2,822
	- others		5,617	3,621
			7,231,781	5,944,809

9.3 Major spare parts and stand-by equipment

These represent major spare parts and stand-by equipment for on going expansion project.

	Note	Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees in thousand)	
10. TRADE DEBTS			
Considered good			
Export - secured	10.1	6,733	34,849
Local - unsecured		1,199,990	646,444
		1,206,723	681,293

10.1 These are secured through bank by letters of credit.

11. SHORT TERM INVESTMENT			
Investment at fair value through profit or loss - listed securities			
Next Capital Limited:			
Number of shares			
1,500,000	(30 June 2017: 1,500,000) ordinary shares of Rs. 10 each fully paid in cash	15,000	15,000
1,875,000	(30 June 2017: 1,875,000) right shares of Rs. 8 each issued as fully paid in cash	15,000	15,000
Market value Rs. 16.42 per share (30 June 2017: Rs. 23.01 per share)			
3,375,000		30,000	30,000
Unrealized fair value gain / (loss)			
As at beginning of the period / year		47,659	(3,000)
Fair value (loss) / gain for the period / year		(22,242)	50,659
As at end of the period / year		25,417	47,659
Fair value at end of period / year		55,417	77,659

12. OTHER RECEIVABLES		
Due from the Holding Company - unsecured	33,739	32,437
Others	53,023	60,680
	86,762	93,117

	Three months ended (Un-audited) September 30, 2017	September 30, 2016
	(Rupees in thousand)	
13. SALES - NET		
Gross local sales	7,556,396	6,377,395
Less:		
Federal Excise Duty	(922,513)	(632,202)
Sales Tax	(1,224,021)	(1,023,878)
Discount	(76,400)	(57,937)
Commission	(30,999)	(23,106)
	(2,253,933)	(1,737,123)
Net local sales	5,302,463	4,640,272
Export sales	498,031	886,234
	5,800,494	5,526,506
14. COST OF GOODS SOLD		
Raw materials consumed	246,325	201,451
Packing materials consumed	314,943	315,446
Fuel	1,245,672	920,287
Power and associated costs	820,613	748,415
Stores, spare parts and loose tools consumed	169,173	153,474
Salaries, wages and other benefits	220,824	182,391
Rent, rates and taxes	6,102	6,768
Insurance	14,197	14,391
Repairs and maintenance	92,927	65,016
Depreciation	490,382	454,079
Vehicles running and maintenance	30,560	25,307
Other expenses	31,882	26,975
	3,683,600	3,114,000
Work in process:		
As at beginning of the period	819,354	395,257
As at end of the period	(814,207)	(472,473)
	5,147	(77,216)
Cost of goods manufactured	3,688,747	3,036,784
Finished goods:		
As at beginning of the period	207,747	270,180
As at end of the period	(247,550)	(131,727)
	(39,803)	138,452
Cost of goods sold	3,648,944	3,175,237

	Three months ended (Un-audited) September 30, 2017	September 30, 2016
	(Rupees in thousand)	
15. FINANCE COST		
Profit / interest / mark up on long term loans, lease finances and short term finances	128,154	30,138
Exchange loss - net	9,024	3,381
Bank and other charges	6,898	19,150
	144,076	52,669
16. CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	1,481,125	1,656,465
Adjustments for:		
Depreciation	500,982	461,426
Amortization	2,116	-
Provision for Workers' Profit Participation Fund	77,912	89,908
Provision for Workers' Welfare Fund	23,179	42,554
Gain (loss) on disposal of property, plant and equipment	(3,537)	15,739
Loss / (gain) on re-measurement of short term investments at fair value	22,242	(1,485)
Retirement benefits	4,697	3,962
Profit on bank deposits	(3,529)	(2,779)
Finance cost	144,076	52,669
	2,249,263	2,318,458
17. CASH AND CASH EQUIVALENTS		
Short term running finance	(736,663)	(187,948)
Cash and bank balances	522,002	722,427
	(214,661)	534,479

18. TRANSACTIONS WITH RELATED PARTIES

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

Details of transactions with related parties are as follows:

	Three months ended (Un-audited) September 30, 2017	September 30, 2016
	(Rupees in thousand)	
18.1 Transactions with related parties		
18.1.1 Holding Company (Kohinoor Textile Mills Limited)		
Sale of goods and services	5,916	6,865
18.1.2 Wholly owned subsidiary company (Maple Leaf Power Limited)		
Sale of goods and services	-	39,191
18.1.3 Key management personnel		
Remuneration and other benefits	165,899	85,662
18.1.4 Post employment benefit plans		
Contributions to Provident Fund Trust	42,196	23,271
Payments to MLCF Employees Gratuity Fund Trust	10,025	2,540

Transactions in relation to sales, purchases and technical services with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method except for allocation of expenses such as electricity, gas, water, repairs and maintenance relating to the head office, shared with the Holding Company / Associates, which are on the actual basis.

19. CORRESPONDING FIGURES

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

20. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 24 October 2017 by the Board of Directors of the Company.

21. GENERAL

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

Chief Executive Officer | Chief Financial Officer | Director

MAPLE LEAF CEMENT

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