



میپل لیف



MAPLE LEAF CEMENT

3rd Quarterly Report
March 31, 2016

CONCRETE
STEPS
TOWARD
SUCCESS

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COMPANY INFORMATION

Board of Directors

Mr. Tariq Sayeed Saigol	Chairman
Mr. Sayeed Tariq Saigol	Chief Executive
Mr. Taufique Sayeed Saigol	
Mr. Waleed Tariq Saigol	
Mr. Danial Taufique Saigol	
Syed Mohsin Raza Naqvi	
Mr. Zamiruddin Azar	
Mr. Karim Hatim	

Audit Committee

Mr. Zamiruddin Azar	Chairman
Mr. Waleed Tariq Saigol	Member
Mr. Danial Taufique Saigol	Member
Mr. Karim Hatim	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. Bilal Hussain

Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Burj Bank Limited
Bank of Khyber Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
First Dawood Islamic Bank Limited
First Women 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
NIB Bank Limited

Pak Brunei Investment Company Limited
Pak-Libya Holding Company (Pvt.) 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

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: (042) 36283096-97
Fax: (042) 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 245 of the Companies Ordinance, 1984, the Directors of your Company have pleasure to present financial statements for the nine months ended 31st March 2016. The financial highlights are as follows:-

	Nine Months (July to March)		Variance	Percentage
	2016	2015		
	(..... Rupees in thousand))			
Net Sales Revenue	16,935,246	15,063,767	1,871,479	12.42%
Gross Profit	7,013,629	5,412,396	1,601,233	29.58%
Operating Profit	5,319,041	4,028,789	1,290,252	32.03%
Finance Cost	419,911	879,782	(459,871)	(52.27)%
Profit Before Taxation	4,899,130	3,149,007	1,750,123	55.58%
Taxation	1,394,042	804,185	589,857	73.35%
Profit After Taxation	3,505,088	2,344,822	1,160,266	49.48%
Earnings Per Share (Rupees)	6.64	4.44	2.20	49.48%

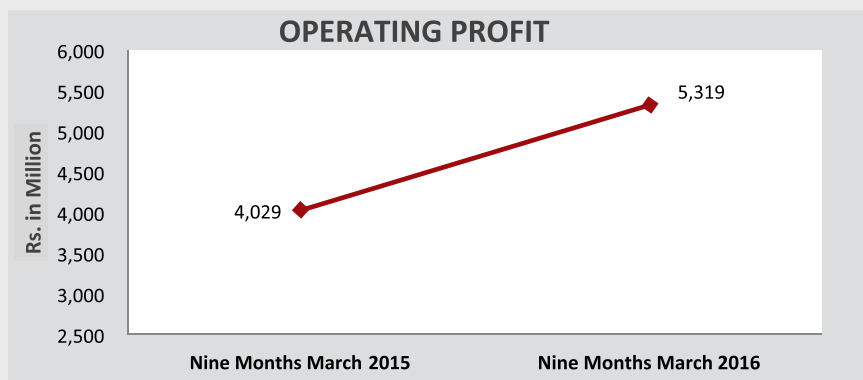
During the period, the Company recorded net sales of Rs.16,935 million against Rs.15,064 million in the corresponding period last year. During nine months of the financial year, local dispatches increased from 1,703,987 metric tons to 1,979,465 metric tons compared to the corresponding period, showing a robust growth of 16.17% on the back of economic upcycle due to improved domestic activities. This development can be credited to acceleration in private sector construction activities and partial materialization of the budgeted Public Sector Development Programme (PSDP). This growth also resulted in increased per capita cement usage, currently at 147kg vs. the global average of 527kg. Export volumes and prices however, remained stagnant due to lackluster demand from overseas. Volumes to Afghanistan, one of Pakistan's biggest export markets declined because of reduced investments and increased competition from Iranian cement.

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

Particulars	Nine Months (July to March)		Variance	Percentage
	2016	2015		
	(----- M. Tons -----))			
Production:				
Clinker Production	2,189,492	2,024,896	164,596	8.13%
Cement Production	2,420,421	2,193,499	226,922	10.35%
Sales:				
Domestic	1,979,465	1,703,987	275,478	16.17%
Exports	447,026	450,587	(3,561)	(0.79)%
	2,426,491	2,154,574	271,917	12.62%

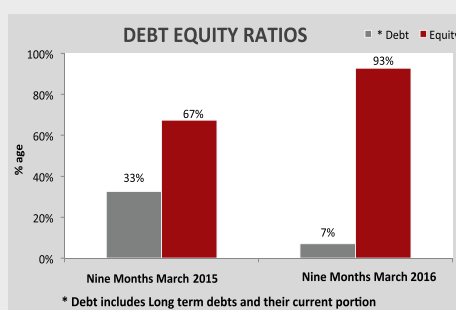
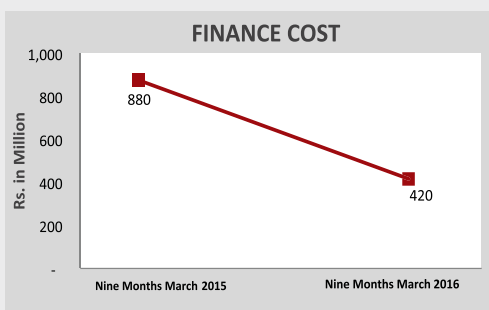
Total Sales volume of 2,426,491 tons achieved depicts an increase of 12.62% over 2,154,574 tons sold during the corresponding period last year. The domestic sales volume increased to 1,979,465 tons registering an increase of 16.17% and exports sales volume to 447,026 tons, a decrease of 0.79%.

Continued tumble in coal prices amid weaker global demand during the period resulted in lower fuel cost consumption during the quarter. Power costs also reduced due to dropping of electricity charges on the back of sustained fuel price adjustments following weakening oil prices during the quarter. During the period, the Company continued to operate its Furnace Oil based engines due to improved viability owing to low oil prices caused in lower dependence on grid and lowering the weighted average cost of power. The Company is also continuously benefitting from lower inland transportation costs through haulage via the railway network resulting in reasonable savings. Due to these factors, the Company achieved gross profit of Rs.7,014 million in the current period as compared to Rs.5,412 million in the corresponding period, delineating an increase of 29.58%.



This uptick in earnings performance is majorly attributable to increase in operating profit to Rs.5,319 million during the current period, as compared to Rs.4,029 million in the corresponding period last year, showing an increase of 32.03%.

Finance costs continue to reduce as the Company deleverages and debt equity ratios also improved as shown below:-



The Company has been successfully able to pay off much earlier its entire Sukuk loan of Rs.8 Billion in the third quarter of the current financial year against the agreed repayment schedule till December 2018 due to impressive profitability, better cash flow, cost curtailment initiatives and efficient financial management. This being a notable achievement will result in enormous saving in finance cost of the Company and maintaining upward growth trajectory in the days ahead. As a result, there is a notable decline of 52.27% in finance cost of the Company along with substantial improvement in the debt equity ratio. The Company recorded pre-tax profit of Rs.4,899 million during the period against pre-tax profit of Rs.3,149 million in the corresponding period last year showing growth of 55.58%. Taxation provision has been increased in the third quarter from Rs. 304 million to Rs. 703 million due to high profitability and full absorption of available tax losses at the end of second quarter therefore the Company falls in normal high rate tax regime in the third quarter.

Above earnings performance impacted post-tax profits at Rs.3,505 million for the current period against Rs.2,345 million in the corresponding period last year showing robust growth in the bottom line by 49.48%.

For extensive energy diversification, the Company has formed during the period its wholly owned subsidiary company, Maple Leaf Power Limited (MLPL), which has signed an agreement with plant supplier, M/s. Sinoma Energy Conservation Limited, China, for setting up a 40MW imported coal-fired power plant at its plant site i.e. Iskandarabad, District Mianwali which is based on highly efficient steam turbine generators, fuel supply and cooling systems. MLPL has also opened L/C in February 2016 through the Consortium of banks amounting to US \$27.20 million for the said power plant. The project is expected to start commercial production in the second half of calendar year 2017.

Future Outlook

Going forward, we expect local cement demand will likely continue to experience healthy growth underpinned by the PML-N's traditional focus on infrastructure development. They have a history of pushing GDP growth via infrastructure development and there has historically been a strong correlation between GDP growth and local cement dispatches. In Pakistan, government-driven PSDPs generate the bulk of cement demand. In addition, demand will also be expected to increase due to robust construction activities in the private sector on account of upbeat macroeconomic picture including lower inflation and remittances by Pakistanis abroad. Despite increased demand, cement prices are expected to remain stable.

The China Pakistan Economic Corridor (CPEC) dream is breaking new ground and is now becoming reality because many of the projects under CPEC has been started with strong political and military support for this endeavor. This opportunity is expected to be a great prospect for speeding up the country's economic development and will increase cement demand in the mid-term.

The Afghanistan market is contracting on account of availability of inexpensive Iranian cement which is a worrying factor. Owing to this development, the Company is determined to explore new export markets to improve capacity utilization. Faltering exports can be countered by local demand and therefore the profitability of the Company should continue to progress as local dispatches are increasing, having high margins as compared to exports.

Moreover, cost reduction efforts continue to be the main focus in all operational areas and the Company has adopted various strategies to reduce cost including use of alternative fuels and optimization of plant operations.

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: April 26, 2016

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2016

	Note	Un-audited March 31, 2016 (Rupees in thousand)	Audited June 30, 2015
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		7,958,016	5,576,181
		15,293,493	12,911,658
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	5	4,550,118	4,751,082
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	6	500,000	38,114
Redeemable capital - secured	7	-	1,933,011
Syndicated term finance - secured	8	-	-
Liabilities against assets subject to finance lease - secured	9	530,354	628,230
Long term deposits		6,499	6,619
Deferred taxation		3,206,999	2,698,454
Retirement benefits		103,661	109,688
		4,347,513	5,414,116
CURRENT LIABILITIES			
Current portion of :			
- Long term loans from banking companies - secured	6	-	117,143
- Redeemable capital - secured	7	-	1,500,000
- Syndicated term finance - secured	8	-	433,500
- Liabilities against assets subject to finance lease - secured	9	150,212	128,819
Trade and other payables		3,995,291	3,163,873
Accrued profit / interest / mark-up		50,809	108,132
Provision for taxation - net		689,117	137,252
Short term borrowings		2,339,812	2,555,742
		7,225,241	8,144,461
CONTINGENCIES AND COMMITMENTS	10	-	-
		31,416,365	31,221,317

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



Chief Executive Officer



Director

	Note	Un-audited March 31, 2016 (Rupees in thousand)	Audited June 30, 2015
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	11	22,806,463	23,720,541
Long term investment	12	10,000	-
Long term loans to employees - secured		6,425	6,513
Long term deposits		55,313	55,058
		22,878,201	23,782,112
CURRENT ASSETS			
Stores, spare parts and loose tools		4,873,006	4,195,714
Stock-in-trade		932,842	1,206,573
Trade debts		788,325	570,571
Loans and advances		1,148,726	974,082
Short term investment	13	10,065	10,530
Short term deposits and prepayments		176,166	88,969
Accrued profit		559	963
Refunds due from Government		16,797	16,797
Other receivables		137,677	130,606
Cash and bank balances		454,001	244,400
		8,538,164	7,439,205
		31,416,365	31,221,317



Chief Executive Officer



Director

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

	Note	Nine months period ended		Three months period ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(..... Rupees in thousand)					
Sales - net	14	16,935,246	15,063,767	6,075,203	5,388,995
Cost of goods sold	15	(9,921,617)	(9,651,371)	(3,474,521)	(3,464,125)
Gross profit		7,013,629	5,412,396	2,600,682	1,924,870
Distribution cost		(982,185)	(966,740)	(334,897)	(327,928)
Administrative expenses		(367,873)	(266,191)	(128,530)	(86,519)
Other charges		(357,935)	(188,796)	(172,715)	(68,056)
		(1,707,993)	(1,421,727)	(636,142)	(482,503)
Other income		13,405	38,120	4,706	12,462
Profit from operations		5,319,041	4,028,789	1,969,246	1,454,829
Finance cost	16	(419,911)	(879,782)	(103,041)	(239,100)
Profit before taxation		4,899,130	3,149,007	1,866,205	1,215,729
Taxation		(1,394,042)	(804,185)	(702,875)	(304,462)
Profit after taxation		3,505,088	2,344,822	1,163,330	911,267
Earnings per Share - basic and diluted	(Rupees)	6.64	4.44	2.20	1.72

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


Chief Executive Officer


Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

	Nine months period ended		Three months period ended	
	March 31, 2016 <small>(..... Rupees in thousand)</small>	March 31, 2015	March 31, 2016	March 31, 2015
Profit after taxation	3,505,088	2,344,822	1,163,330	911,267
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	3,505,088	2,344,822	1,163,330	911,267

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


 Chief Executive Officer


 Director

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UN-AUDITED)

	Note	March 31, 2016 (Rupees in thousand)	March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations before working capital changes	17	6,749,860	5,337,544
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(677,292)	(87,597)
Stock-in-trade		263,927	(12,454)
Trade debts		(228,631)	(40,646)
Loans and advances		(174,644)	138,387
Short term deposits and prepayments		(87,197)	(16,098)
Other receivables		(7,071)	(53,667)
		(910,908)	(72,075)
Increase / (decrease) in current liabilities			
Trade and other payables		671,337	(499,621)
		(239,571)	(571,696)
Net cash generated from operations		6,510,289	4,765,848
Decrease / (increase) in long term loans to employees - secured		88	(2,453)
Retirements benefits paid		(16,707)	(11,771)
Taxes paid		(338,515)	(270,830)
Net cash generated from operating activities		6,155,155	4,480,794
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(541,167)	(608,134)
Proceeds from disposal of property , plant and equipment		45,770	14,301
Increase in long term deposits and prepayments		(255)	(1,003)
Investment made in subsidiary		(10,000)	0
Profit on bank deposits received		10,887	12,571
Net cash used in investing activities		(494,765)	(582,266)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayments) / Acquisition of long term loans from banking companies-net - secured		344,186	(194,878)
Redemption of redeemable capital - secured		(3,433,011)	(2,450,000)
Repayment of syndicated term finances - secured		(433,500)	(496,500)
Decrease in long term deposits		(120)	(260)
Payment of liabilities against assets subject to finance lease - net		(99,528)	(81,360)
(Repayments) / Acquisition of short term borrowings		(489,982)	83,184
Finance cost paid		(453,632)	(910,874)
Dividend paid		(1,159,254)	(5)
Net cash used in financing activities		(5,724,841)	(4,050,693)
Net decrease in cash and cash equivalents		(64,451)	(152,165)
Cash and cash equivalents at the beginning of the period		169,012	206,844
Cash and cash equivalents at the end of the period	18	104,561	54,679

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


Chief Executive Officer


Director

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UN-AUDITED)

1. REPORTING ENTITY

Maple Leaf Cement Factory Limited (“the Company”) was incorporated in Pakistan on 13 April 1960 under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a public company limited by shares. The Company is listed on Pakistan Stock Exchange Limited. 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 Basis of accounting

2.1.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 31 March 2016 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.1.2 This condensed interim unconsolidated financial information of the Company for the nine months period ended 31 March 2016 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.

2.1.3 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 2015.

2.1.4 Comparative balance sheet numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2015, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the nine months period ended 31 March 2015.

2.1.5 This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange Limited.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the financial statements for the year ended 30 June 2015.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	Un-audited March 31, 2016	Audited June 30, 2015
	(Rupees in thousand)	
Number of shares		
290,359,856 (30 June 2015: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash	2,903,599	2,903,599
35,834,100 (30 June 2015: 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 2015: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares	460,694	460,694
153,846,153 (30 June 2015: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	1,538,462	1,538,462
1,624,417 (30 June 2015: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	16,244	16,244
527,733,926	5,277,340	5,277,340

4.1 The Holding Company holds 291,410,425 (30 June 2015: 291,410,425) ordinary shares, which represents 55.22% (30 June 2015: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Company.

4.2 Zimpex (Private) Limited, an associated undertaking, holds 1,706 (30 June 2015: 1,706) ordinary shares of the Company.

	Un-audited March 31, 2016	Audited June 30, 2015
	(Rupees in thousand)	

5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

Gross Surplus

Balance at beginning of the period / year	6,345,722	6,608,146
Add: Revaluation of fixed assets during the period / year	-	95,013
Less: Effect of disposal of fixed assets	(11,591)	(9,668)
Transferred to accumulated profit in respect of incremental depreciation charged during the period / year	(262,575)	(347,769)
At end of the period / year	6,071,556	6,345,722

Deferred tax liability on revaluation surplus

Balance at beginning of the period / year	1,594,640	1,716,631
Add: Tax on surplus during the period / year	-	24,682
Less: Transferred to accumulated profit	(3,301)	(2,867)
Effect of disposal of fixed assets	(74,782)	(103,124)
Incremental depreciation charged on related assets	4,881	(40,682)
At end of the period / year	1,521,438	1,594,640
	4,550,118	4,751,082

		Un-audited March 31, 2016	Audited June 30, 2015
		(Rupees in thousand)	
6. LONG TERM LOANS FROM BANKING COMPANIES - SECURED			
Balance at beginning of the period / year		155,257	657,003
Add: Addition during the period / year	6.1	500,000	-
Less: Payments made during the period / year		(155,814)	(397,744)
		<hr/> 499,443	<hr/> 259,259
Less: Transfer to redeemable capital Sukuk		-	(104,725)
Exchange loss during the period / year		557	723
		<hr/> 500,000	<hr/> 155,257
Less: Current maturity presented under current liabilities		-	(117,143)
At end of the period / year		<hr/> <hr/> 500,000	<hr/> <hr/> 38,114

- 6.1 During current financial year, the Company entered into Term Finance Agreement with Askari Bank Limited for Rs. 500 million. As per terms of the agreement, the tenor or loan is Seven (7) years including 2 years Grace Period.

The principal shall be repaid in Twenty (20) equal, consecutive, quarterly installments of Rs. 25 million from 04 June 2018 to 04 March 2023 after the grace period with 1st instalment becoming due at the end of 27th month from 1st Draw Down date, and then every three months thereafter.

This facility carries mark-up rate at 3 month KIBOR+125 bps to be paid quarterly in arrears from 1st Draw Down.

This facility is secured against 1st joint Pari Passu Hypothecation charge and equitable Mortgage charge of (Rs. 667 million) over all present and future plant & machinery and land & building respectively of cement unit-II. Disbursement to be allowed in tranches against ranking charge on all present and future plant & machinery of company that shall be upgraded / replaced by aforesaid charge within 180 days from 1st draw down.

Personal Guarantees of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors) duly supported by Net Worth Statements.

	Un-audited March 31, 2016	Audited June 30, 2015
	(Rupees in thousand)	
7. REDEEMABLE CAPITAL - SECURED		
Islamic Sukuk Certificates under Musharika agreement		
Balance at beginning of the period / year	3,433,011	6,183,000
Add: Transferred from HSBC Bank Middle East Limited - medium term loan	-	104,725
Less: Sukuk certificates repaid during the period / year	(3,433,011)	(2,854,714)
	-	3,433,011
Less: Current maturity presented under current liabilities	-	(1,500,000)
At end of the period / year	-	1,933,011
8. SYNDICATED TERM FINANCE - SECURED		
Balance at beginning of the period / year	433,500	1,196,000
Less: payment made during the period / year	(433,500)	(762,500)
	-	433,500
Less: current maturity presented under current liabilities	-	(433,500)
At end of the period / year	-	-

9. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

During the period, the Company repaid Rs. 99.528 million (30 June 2015: Rs. 108.574 million). Amounts due in next twelve months amounting to Rs. 158.945 million (30 June 2015: Rs. 128.819 million) are included in current portion presented under current liabilities.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is 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 2015 except for the following:

Through ONO No.18/2009 dated 24 December 2009, the tax department finalized the adjudication proceeding in respect of audit conducted by the department auditors and raised a demand of principal sales tax and FED aggregating to Rs. 336.74 million along with applicable default surcharges and penalties. The Company preferred appeal against such ONO under the applicable provisions of Sales Tax Act, 1990 and Federal Excise Act, 2005 before the Commissioner of Inland Revenue (appeals), which was disposed of by CIR (A) through order dated October 29, 2015. The Order-In-Original has further been assailed before ATIR.

The Company had also filed a writ petition with the Honorable Lahore High Court against the above referred Order-In-Original demand, and stay has been granted by the Honorable Court in favour of the Company. The management is confident of a favourable outcome based on the opinion of the legal counsel.

- 10.2 Guarantees given by banks on behalf of the Company are of Rs. 448.45 million (30 June 2015: Rs. 412.75 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

		Un-audited March 31, 2016	Audited June 30, 2015
		(Rupees in thousand)	
10.3 Commitments			
10.3.1 In respect of:			
	- capital expenditure	141,933	11,373
	- irrevocable letters of credit for spare parts	1,013,031	811,809
		<u>1,154,964</u>	<u>823,182</u>
11. PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	22,595,170	23,604,525
	Capital work in progress - at cost	211,293	116,016
		<u>22,806,463</u>	<u>23,720,541</u>
11.1 Operating fixed assets			
	Balance at beginning of the period / year	23,604,525	24,661,336
	Add: Surplus on revaluation during the period / year	-	95,013
	Add: Additions during the period / year	445,888	715,114
		<u>24,050,413</u>	<u>25,471,463</u>
	Less: Book value of operating assets disposed-off during the period / year	92,808	94,384
	Depreciation charge during the period / year	1,362,435	1,772,554
		<u>22,595,170</u>	<u>23,604,525</u>
11.1.1 Additions during the period / year:			
	Buildings on freehold land	121,956	126,368
	Plant and machinery	243,286	466,063
	Furnitures, fixtures and equipment	39,939	61,982
	Roads, bridges and railway sidings	1,344	1,454
	Vehicles	39,364	59,247
		<u>445,888</u>	<u>715,114</u>

		Un-audited March 31, 2016 (Rupees in thousand)	Audited June 30, 2015
12. LONG TERM INVESTMENT			
Wholly owned subsidiary company			
Maple Leaf Power Limited - Unquoted	12.1	10,000	-
		<u>10,000</u>	<u>-</u>

- 12.1 During the period company has formulated a wholly owned subsidiary company “Maple Leaf Power Limited”, a public unlisted company. The principal objects of subsidiary company are electricity generation and supply to the holding company.

The Company holds 99.99 % (30 June 2015: NIL) shares in the wholly owned subsidiary company.

13. SHORT TERM INVESTMENT

This represents investment at fair value through profit or loss in Next Capital Limited of 1,500,000 (30 June 2015: 1,500,000) ordinary shares of Rs. 10 each, carried at market value of Rs. 6.71 per share (30 June 2015: Rs. 7.02 per share).

	Nine months ended (Un-audited)	
	March 31, 2016 (Rupees in thousand)	March 31, 2015
14. SALES - NET		
Gross local sales	18,293,882	15,842,013
Less:		
Federal Excise Duty	(863,011)	(679,330)
Sales Tax	(2,998,631)	(2,607,089)
Commission	(95,703)	(106,632)
	<u>(3,957,345)</u>	<u>(3,393,051)</u>
Net local sales	14,336,537	12,448,962
Export sales	2,598,709	2,614,805
	<u>16,935,246</u>	<u>15,063,767</u>

Nine months ended (Un-audited)

	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
15. COST OF GOODS SOLD		
Raw materials consumed	599,983	561,051
Packing materials consumed	1,080,887	990,029
Fuel	2,997,381	3,322,336
Power	1,995,826	1,956,642
Stores, spare parts and loose tools consumed	637,766	634,239
Salaries, wages and other benefits	503,834	402,491
Rent, rates and taxes	16,410	15,311
Insurance	39,953	41,969
Repairs and maintenance	276,639	281,544
Depreciation	1,338,706	1,296,110
Vehicles running and maintenance	60,304	64,106
Provision for cement stocks written off	9,804	-
Other expenses	89,382	110,166
	9,646,875	9,675,994
Work in process:		
As at beginning of the period	697,357	697,455
As at end of the period	(344,084)	(549,168)
	353,273	148,287
Cost of goods manufactured	10,000,148	9,824,281
Finished goods:		
As at beginning of the period	328,425	284,566
As at end of the period	(406,956)	(457,476)
	(78,531)	(172,910)
Cost of goods sold	9,921,617	9,651,371
16. FINANCE COST		
Profit / interest / mark up on long term loans, finances, redeemable capital and short term finances	330,853	805,923
Exchange loss - net	29,251	47,630
Bank guarantee commission	4,600	-
Bank and other charges	55,207	26,229
	419,911	879,782

Nine months ended (Un-audited)

	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
17. CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	4,899,130	3,149,007
Adjustments for:		
Depreciation	1,362,435	1,317,322
Provision for doubtful debts	10,877	1,420
Provision for Stock in trade write off	9,804	-
Loss / (Gain) on disposal of property, plant and equipment	47,041	(8,590)
Loss / (Gain) on re-measurement of short term investment at fair value	465	(60)
Retirement benefits	10,681	9,627
Finance cost	419,911	879,782
Profit on bank deposits	(10,484)	(10,964)
	6,749,860	5,337,544
18. CASH AND CASH EQUIVALENTS		
Short term running finance	(349,440)	(156,167)
Cash and bank balances	454,001	210,846
	104,561	54,679

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Details of transactions with related parties are as follows:

Nine months ended (Un-audited)

	March 31, 2016 (Rupees in thousand)	March 31, 2015
19.1 Transactions with related parties		
19.1.1 Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	19,346	22,644
Dividend Paid	728,526	-
19.1.2 Other related parties		
Dividend Paid	4,382	-
19.1.3 Key management personnel		
Remuneration and other benefits	196,969	140,487
19.1.4 Post employment benefit plans		
Contributions to Provident Fund Trust	67,076	47,339
Payments to MLCF Employees Gratuity Fund Trust	10,958	5,496

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 26 April 2016 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


Director



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION**

**FOR THE PERIOD ENDED
MARCH 31, 2016**

DIRECTORS' REVIEW

The Directors are pleased to present their report together with un-audited condensed interim consolidated financial information of Maple Leaf Cement Factory Limited (MLCF) and its subsidiary, Maple Leaf Power Limited for the nine months ended 31 March 2016.

The Group has earned gross profit of Rupees 7,014 million during period under review. The Group made after tax profit of Rupees 3,504 million. Earnings per share of the Group are Rupees 6.64.

Subsidiary Company

Maple Leaf Power Limited

MLCF has formed a subsidiary company namely "Maple Leaf Power Limited (MLPL)." MLPL was incorporated in Pakistan on 15 October 2015 under the Companies Ordinance, 1984 as public limited company. The principal objects of MLPL are electricity generation and supply to the Holding Company.

For and on behalf of the Board



(Sayeed Tariq Saigol)
Chief Executive

Lahore: April 26, 2016

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2016

	Note	Un-audited March 31, 2016 (Rupees in thousand)	Audited June 30, 2015
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		7,957,398	5,576,181
		15,292,875	12,911,658
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	5	4,550,118	4,751,082
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	6	500,000	38,114
Redeemable capital - secured	7	-	1,933,011
Syndicated term finance - secured	8	-	-
Liabilities against assets subject to finance lease - secured	9	530,354	628,230
Long term deposits		6,499	6,619
Deferred taxation		3,206,999	2,698,454
Retirement benefits		103,661	109,688
		4,347,513	5,414,116
CURRENT LIABILITIES			
Current portion of :			
- Long term loans from banking companies - secured	6	-	117,143
- Redeemable capital - secured	7	-	1,500,000
- Syndicated term finance - secured	8	-	433,500
- Liabilities against assets subject to finance lease - secured	9	150,212	128,819
Trade and other payables		4,076,553	3,163,873
Accrued profit / interest / mark-up		50,809	108,132
Provision for taxation - net		689,098	137,252
Short term borrowings		2,339,812	2,555,742
		7,306,484	8,144,461
CONTINGENCIES AND COMMITMENTS	10	-	-
		31,496,990	31,221,317

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



Chief Executive Officer



Director

	Note	Un-audited March 31, 2016 (Rupees in thousand)	Audited June 30, 2015
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	11	22,852,829	23,720,541
Long term loans to employees - secured		6,425	6,513
Long term deposits		55,313	55,058
		22,914,567	23,782,112
CURRENT ASSETS			
Stores, spare parts and loose tools		4,873,006	4,195,714
Stock-in-trade		932,842	1,206,573
Trade debts		788,325	570,571
Loans and advances		1,148,776	974,082
Short term investment	12	10,065	10,530
Short term deposits and prepayments		176,166	88,969
Accrued profit		559	963
Refunds due from Government		16,797	16,797
Other receivables		137,677	130,606
Cash and bank balances		498,210	244,400
		8,582,423	7,439,205
		31,496,990	31,221,317



Chief Executive Officer



Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

	Note	Nine months period ended		Three months period ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(..... Rupees in thousand))					
Sales - net	13	16,935,246	15,063,767	6,075,203	5,388,995
Cost of goods sold	14	(9,921,617)	(9,651,371)	(3,474,521)	(3,464,125)
Gross profit		7,013,629	5,412,396	2,600,682	1,924,870
Distribution cost		(982,185)	(966,740)	(334,897)	(327,928)
Administrative expenses		(367,873)	(266,191)	(128,530)	(86,519)
Other charges		(357,935)	(188,796)	(172,715)	(68,056)
Other income		(1,707,993) 13,405	(1,421,727) 38,120	(636,142) 4,706	(482,503) 12,462
Profit from operations		5,319,041	4,028,789	1,969,246	1,454,829
Finance cost	15	(420,529)	(879,782)	(103,041)	(239,100)
Profit before taxation		4,898,512	3,149,007	1,866,205	1,215,729
Taxation		(1,394,042)	(804,185)	(702,875)	(304,462)
Profit after taxation		3,504,470	2,344,822	1,163,330	911,267
Earnings per Share - basic and diluted	(Rupees)	6.64	4.44	2.20	1.72

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


Chief Executive Officer


Director

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME**
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

	Nine months period ended		Three months period ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(..... Rupees in thousand)			
Profit after taxation	3,504,470	2,344,822	1,163,330	911,267
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	3,504,470	2,344,822	1,163,330	911,267

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


Chief Executive Officer


Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UN-AUDITED)

	Note	March 31, 2016 (Rupees in thousand)	March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations before working capital changes	16	6,749,860	5,337,544
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(677,292)	(87,597)
Stock-in-trade		263,927	(12,454)
Trade debts		(228,631)	(40,646)
Loans and advances		(174,694)	138,387
Short term deposits and prepayments		(87,197)	(16,098)
Other receivables		(7,071)	(53,667)
		(910,958)	(72,075)
Increase / (decrease) in current liabilities			
Trade and other payables		752,599	(499,621)
		(158,359)	(571,696)
Net cash generated from operations		6,591,501	4,765,848
Decrease / (increase) in long term loans to employees - secured		88	(2,453)
Retirements benefits paid		(16,707)	(11,771)
Taxes paid		(338,534)	(270,830)
Net cash generated from operating activities		6,236,348	4,480,794
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(587,533)	(608,134)
Proceeds from disposal of property, plant and equipment		45,770	14,301
Increase in long term deposits and prepayments		(255)	(1,003)
Profit on bank deposits received		10,887	12,571
Net cash used in investing activities		(531,131)	(582,266)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayments) / Acquisition of long term loans from banking companies-net - secured		344,186	(194,878)
Redemption of redeemable capital - secured		(3,433,011)	(2,450,000)
Repayment of syndicated term finances - secured		(433,500)	(496,500)
Decrease in long term deposits		(120)	(260)
Payment of liabilities against assets subject to finance lease - net		(99,528)	(81,360)
(Repayments) / Acquisition of short term borrowings		(489,982)	83,184
Finance cost paid		(454,250)	(910,874)
Dividend paid		(1,159,254)	(5)
Net cash used in financing activities		(5,725,459)	(4,050,693)
Net decrease in cash and cash equivalents		(20,242)	(152,165)
Cash and cash equivalents at the beginning of the period		169,012	206,844
Cash and cash equivalents at the end of the period	17	148,770	54,679

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


Chief Executive Officer


Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UN-AUDITED)

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 2014 - audited	5,277,340	1,529,874	528,263	2,058,137	2,414,100	9,749,577
Total comprehensive Income						
Profit for the nine months period ended 31 March 2015	-	-	-	-	2,344,822	2,344,822
Other comprehensive Income for the nine months period ended 31 March 2015	-	-	-	-	-	-
	-	-	-	-	2,344,822	2,344,822
1st Interim cash dividend for the year 2014-15 @ 10%	-	-	-	-	(527,734)	(527,734)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	187,785	187,785
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	113	113
Balance as at 31 March 2015 - un-audited	5,277,340	1,529,874	528,263	2,058,137	4,419,086	11,754,563
Balance as at 30 June 2015 - audited	5,277,340	1,529,874	528,263	2,058,137	5,576,181	12,911,658
Total comprehensive Income						
Profit for the nine months period ended 31 March 2016	-	-	-	-	3,504,470	3,504,470
Other comprehensive Income for the nine months period ended 31 March 2016	-	-	-	-	-	-
	-	-	-	-	3,504,470	3,504,470
Final cash dividend @ Re. 1 per share for the year ended 30 June 2015	-	-	-	-	(527,734)	(527,734)
1st interim cash dividend @ Rs. 1.5 per share for the year 2015-16	-	-	-	-	(791,601)	(791,601)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	187,794	187,794
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	8,288	8,288
Balance as at 31 March 2016 - un-audited	5,277,340	1,529,874	528,263	2,058,137	7,957,398	15,292,875

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



Chief Executive Officer



Director

SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UN-AUDITED)

1. THE GROUP AND ITS OPERATIONS

1.1 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 Ordinance, 1984) as a public company limited by shares. The Company is listed on Pakistan Stock Exchange Limited. 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”).

The Holding Company holds 99.99% (30 June 2015: Nil) shares of Maple Leaf Power Limited.

1.2 Subsidiary Company

MAPLE LEAF POWER LIMITED (MLPL)

Maple Leaf Power Limited was incorporated in Pakistan on 15 October 2015 under the Companies Ordinance, 1984 as a public company. The registered office of MLPL is situated at 42-Lawrence Road, Lahore. The principal objects of MLPL are electricity generation and supply to the Holding Company.

2. BASIS OF PREPARATION

2.1 Basis of accounting

- 2.1.1 This condensed interim consolidated financial information comprises the condensed interim consolidated balance sheet of the Company, as at 31 March 2016 and the related condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity together with the notes forming part thereof.
- 2.1.2 This condensed interim consolidated financial information of the Company for the nine months period ended 31 March 2016 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.
- 2.1.3 This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2015.
- 2.1.4 Comparative balance sheet numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2015, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the nine months period ended 31 March 2015.
- 2.1.5 This condensed interim consolidated financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange Limited.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are same as those applied in the preparation of the financial statements for the year ended 30 June 2015.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	Un-audited March 31, 2016	Audited June 30, 2015
	(Rupees in thousand)	
Number of shares		
290,359,856 (30 June 2015: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash	2,903,599	2,903,599
35,834,100 (30 June 2015: 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 2015: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares	460,694	460,694
153,846,153 (30 June 2015: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	1,538,462	1,538,462
1,624,417 (30 June 2015: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	16,244	16,244
527,733,926	5,277,340	5,277,340

4.1 The Holding Company holds 291,410,425 (30 June 2015: 291,410,425) ordinary shares, which represents 55.22% (30 June 2015: 55.22%) of total ordinary issued, subscribed and paid-up share capital of the Company.

4.2 Zimpex (Private) Limited, an associated undertaking, holds 1,706 (30 June 2015: 1,706) ordinary shares of the Company.

	Un-audited March 31, 2016	Audited June 30, 2015
	(Rupees in thousand)	

5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

Gross Surplus

Balance at beginning of the period / year	6,345,722	6,608,146
Add: Revaluation of fixed assets during the period / year	-	95,013
Less: Effect of disposal of fixed assets	(11,591)	(9,668)
Transferred to accumulated profit in respect of incremental depreciation charged during the period / year	(262,575)	(347,769)
At end of the period / year	6,071,556	6,345,722

Deferred tax liability on revaluation surplus

Balance at beginning of the period / year	1,594,640	1,716,631
Add: Tax on surplus during the period / year	-	24,682
Less: Transferred to accumulated profit	(3,301)	(2,867)
Effect of disposal of fixed assets	(74,782)	(103,124)
Incremental depreciation charged on related assets	4,881	(40,682)
At end of the period / year	1,521,438	1,594,640
	4,550,118	4,751,082

	Note	Un-audited March 31, 2016 (Rupees in thousand)	Audited June 30, 2015
6. LONG TERM LOANS FROM BANKING COMPANIES - SECURED			
Balance at beginning of the period / year		155,257	657,003
Add: Addition during the period / year	6.1	500,000	-
Less: Payments made during the period / year		(155,814)	(397,744)
		499,443	259,259
Less: Transfer to redeemable capital Sukuk		-	(104,725)
Exchange loss during the period / year		557	723
		500,000	155,257
Less: Current maturity presented under current liabilities		-	(117,143)
At end of the period / year		500,000	38,114

- 6.1 During current financial year, the Company entered into Term Finance Agreement with Askari Bank Limited for Rs. 500 million. As per terms of the agreement, the tenor or loan is Seven (7) years including 2 years Grace Period.

The principal shall be repaid in Twenty (20) equal, consecutive, quarterly installments of Rs. 25 million from 04 June 2018 to 04 March 2023 after the grace period with 1st instalment becoming due at the end of 27th month from 1st Draw Down date, and then every three months thereafter.

This facility carries mark-up rate at 3 month KIBOR+125 bps to be paid quarterly in arrears 1st Draw Down.

This facility is secured against 1st joint Pari Passu Hypothecation charge and equitable Mortgage charge of (Rs. 667 million) over all present and future plant & machinery and land & building respectively of cement unit-II. Disbursement to be allowed in tranches against ranking charge on all present and future plant & machinery of company that shall be upgraded / replaced by aforesaid charge within 180 days from 1st draw down.

Personal Guarantees of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors) duly supported by Net Worth Statements.

	Un-audited March 31, 2016	Audited June 30, 2015
	(Rupees in thousand)	
7. REDEEMABLE CAPITAL - SECURED		
Islamic Sukuk Certificates under Musharika agreement		
Balance at beginning of the period / year	3,433,011	6,183,000
Add: Transferred from HSBC Bank Middle East Limited - medium term loan	-	104,725
Less: Sukuk certificates repaid during the period / year	(3,433,011)	(2,854,714)
	-	3,433,011
Less: Current maturity presented under current liabilities	-	(1,500,000)
At end of the period / year	-	1,933,011
8. SYNDICATED TERM FINANCE - SECURED		
Balance at beginning of the period / year	433,500	1,196,000
Less: payment made during the period / year	(433,500)	(762,500)
	-	433,500
Less: current maturity presented under current liabilities	-	(433,500)
At end of the period / year	-	-

9. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

During the period, the Company repaid Rs. 99.528 million (30 June 2015: Rs. 108.574 million). Amounts due in next twelve months amounting to Rs. 158.945 million (30 June 2015: Rs. 128.819 million) are included in current portion presented under current liabilities.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is 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 2015 except for the following:

Through ONO No.18/2009 dated 24 December 2009, the tax department finalized the adjudication proceeding in respect of audit conducted by the department auditors and raised a demand of principal sales tax and FED aggregating to Rs. 336.74 million along with applicable default surcharges and penalties. The Company preferred appeal against such ONO under the applicable provisions of Sales Tax Act, 1990 and Federal Excise Act, 2005 before the Commissioner of Inland Revenue (appeals), which was disposed of by CIR (A) through order dated October 29, 2015. The Order-In-Original has further been assailed before ATIR.

The Company had also filed a writ petition with the Honorable Lahore High Court against the above referred Order-In-Original demand, and stay has been granted by the Honorable Court in favour of the Company. The management is confident of a favourable outcome based on the opinion of the legal counsel.

- 10.2 Guarantees given by banks on behalf of the Company are of Rs. 448.45 million (30 June 2015: Rs. 412.75 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

	Note	Un-audited March 31, 2016 (Rupees in thousand)	Audited June 30, 2015
10.3 Commitments			
10.3.1 In respect of:			
- capital expenditure		141,933	11,373
- irrevocable letters of credit for spare parts		1,013,031	811,809
		<u>1,154,964</u>	<u>823,182</u>
11. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	11.1	22,595,320	23,604,525
Capital work in progress - at cost		257,509	116,016
		<u>22,852,829</u>	<u>23,720,541</u>
11.1 Operating fixed assets			
Balance at beginning of the period / year		23,604,525	24,661,336
Add: Surplus on revaluation during the period / year		-	95,013
Add: Additions during the period / year	11.1.1	446,038	715,114
		<u>24,050,563</u>	<u>25,471,463</u>
Less: Book value of operating assets disposed-off during the period / year		92,808	94,384
Depreciation charge during the period / year		1,362,435	1,772,554
		<u>22,595,320</u>	<u>23,604,525</u>
11.1.1 Additions during the period / year:			
Buildings on freehold land		121,956	126,368
Plant and machinery		243,286	466,063
Furnitures, fixtures and equipment		40,088	61,982
Roads, bridges and railway sidings		1,344	1,454
Vehicles		39,364	59,247
		<u>446,038</u>	<u>715,114</u>

12. SHORT TERM INVESTMENT

This represents investment at fair value through profit or loss in Next Capital Limited of 1,500,000 (30 June 2015: 1,500,000) ordinary shares of Rs. 10 each, carried at market value of Rs. 6.71 per share (30 June 2015: Rs. 7.02 per share).

	Nine months ended (Un-audited)	
	March 31, 2016 (Rupees in thousand)	March 31, 2015
13. SALES - NET		
Gross local sales	18,293,882	15,842,013
Less:		
Federal Excise Duty	(863,011)	(679,330)
Sales Tax	(2,998,631)	(2,607,089)
Commission	(95,703)	(106,632)
	(3,957,345)	(3,393,051)
Net local sales	14,336,537	12,448,962
Export sales	2,598,709	2,614,805
	16,935,246	15,063,767
14. COST OF GOODS SOLD		
Raw materials consumed	599,983	561,051
Packing materials consumed	1,080,887	990,029
Fuel	2,997,381	3,322,336
Power	1,995,826	1,956,642
Stores, spare parts and loose tools consumed	637,766	634,239
Salaries, wages and other benefits	503,834	402,491
Rent, rates and taxes	16,410	15,311
Insurance	39,953	41,969
Repairs and maintenance	276,639	281,544
Depreciation	1,338,706	1,296,110
Vehicles running and maintenance	60,304	64,106
Provision for cement stocks written off	9,804	-
Other expenses	89,382	110,166
	9,646,875	9,675,994
Work in process:		
As at beginning of the period	697,357	697,455
As at end of the period	(344,084)	(549,168)
	353,273	148,287
Cost of goods manufactured	10,000,148	9,824,281

	Nine months ended (Un-audited)	
	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
Finished goods:		
As at beginning of the period	328,425	284,566
As at end of the period	(406,956)	(457,476)
	(78,531)	(172,910)
Cost of goods sold	9,921,617	9,651,371
15. FINANCE COST		
Profit / interest / mark up on long term loans, finances, redeemable capital and short term finances	331,471	805,923
Exchange loss - net	29,251	47,630
Bank guarantee commission	4,600	-
Bank and other charges	55,207	26,229
	420,529	879,782
16. CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	4,898,512	3,149,007
Adjustments for:		
Depreciation	1,362,435	1,317,322
Provision for doubtful debts	10,877	1,420
Provision for Stock in trade write off	9,804	-
Loss / (Gain) on disposal of property, plant and equipment	47,041	(8,590)
Loss / (Gain) on re-measurement of short term investments at fair value	465	(60)
Retirement benefits	10,681	9,627
Finance cost	420,529	879,782
Profit on bank deposits	(10,484)	(10,964)
	6,749,860	5,337,544

Nine months ended (Un-audited)

	March 31, 2016	March 31, 2015
(Rupees in thousand)		
17. CASH AND CASH EQUIVALENTS		
Short term running finance	(349,440)	(156,167)
Cash and bank balances	498,210	210,846
	148,770	54,679

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Details of transactions with related parties are as follows:

	March 31, 2016	March 31, 2015
(Rupees in thousand)		
18.1 Transactions with related parties		
18.1.1 Holding company (Kohinoor Textile Mills Limited)		
Sale of goods and services	19,346	22,644
Dividend Paid	728,526	-
18.1.2 Other related parties		
Dividend Paid	4,382	-
18.1.3 Key management personnel		
Remuneration and other benefits	196,969	140,487
18.1.4 Post employment benefit plans		
Contributions to Provident Fund Trust	67,076	47,339
Payments to MLCF Employees Gratuity Fund Trust	10,958	5,496

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 26 April 2016 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



Director



مپل لیف



MAPLE LEAF CEMENT

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