

The



Half Yearly Report
December 31, 2016

CEMENT



میپل لیف



MAPLE LEAF CEMENT

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COMPANY INFORMATION

Board of Directors

Mr. Tariq Sayeed Saigol	Chairman
Mr. Sayeed Tariq Saigol	Chief Executive
Mr. Taufique Sayeed Saigol	
Mr. Waleed Tariq Saigol	
Mr. Danial Taufique Saigol	
Mr. Zamiruddin Azar	
Mr. Shafiq Ahmed Khan	
Syed Mohsin Raza Naqvi	

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
Burj 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
NIB Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited

Summit Bank Limited
The Bank of Punjab
Trust Investment Bank Limited
U Microfinance Bank Limited
United Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Adviser

Mr. Shahid Ismail
Advocate High Court

Registered Office

42-Lawrence Road, Lahore.
Phone: (00-92-42) 36278904-5
Fax: (00-92-42) 36368721
E-mail: mohsin.naqvi@kmlg.com

Factory

Iskanderabad Distt. Mianwali.
Phone: (00-92-459) 392237-8

Call Centre (24 / 7)

0800-41111

Share Registrar

Vision Consulting Ltd.
Head Office: 3-C, LDA Flats, First Floor,
Lawrence Road, Lahore
Phone: (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 245 of the Companies Ordinance, 1984, the Directors of your Company have pleasure to present financial statements for the half year ended 31st December 2016, duly reviewed by the Auditors.

The financial highlights are as follows:-

	1st Half Year (July to December)		Variance	Percentage
	2016	2015		
	(----- Rupees in thousand -----)			
Net Sales Revenue	11,970,137	10,860,042	1,110,095	10.22%
Gross Profit	5,190,532	4,412,946	777,586	17.62%
Operating Profit	3,941,558	3,349,792	591,766	17.67%
Finance Cost	103,806	316,870	(213,064)	(67.24%)
Profit Before Taxation	3,837,752	3,032,922	804,830	26.54%
Taxation	1,143,637	691,167	452,470	65.46%
Profit After Taxation	2,694,115	2,341,755	352,360	15.05%
Earnings Per Share (Rupees)	5.11	4.44	0.67	15.05%

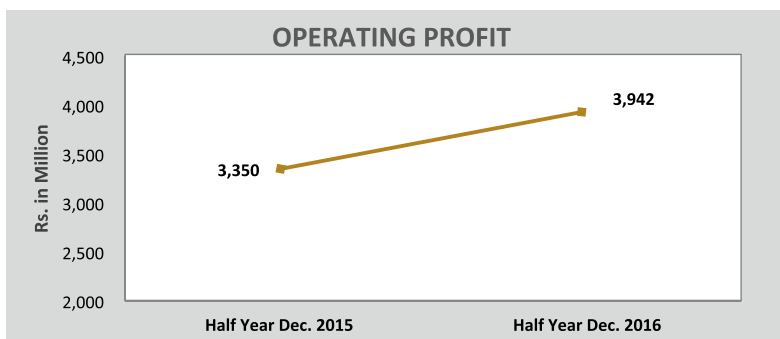
During the period, the Company recorded net sales of Rs. 11,970 million against Rs. 10,860 million in the corresponding period last year. During first half of the financial year, local dispatches increased from 1,263,008 metric tons to 1,426,842 metric tons compared to the corresponding period, depicting a healthy growth of 12.97% on the back of improved economic activity. This growth can be attributed to acceleration in private sector construction activities and partial materialization of the budgeted Public Sector Development Programme (PSDP). 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 reproduced below:-

Particulars	1st Half Year (July to December)		Variance	Percentage
	2016	2015		
	(----- M. Tons -----)			
Production:				
Clinker Production	1,605,908	1,454,275	151,633	10.43%
Cement Production	1,692,377	1,539,925	152,452	9.90%
Sales:				
Domestic	1,426,842	1,263,008	163,834	12.97%
Exports	266,223	290,747	(24,524)	(8.43%)
	1,693,065	1,553,755	139,310	8.97%

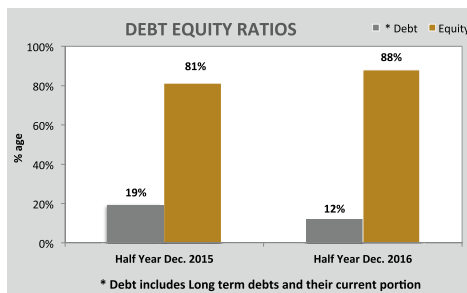
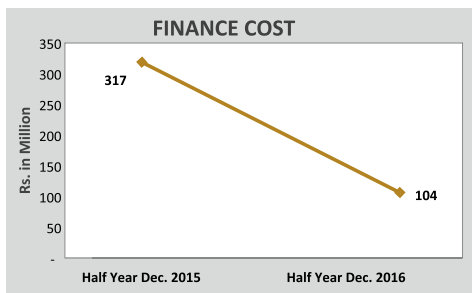
Total Sales volume of 1,693,065 tons achieved depicts an increase of 8.97% over 1,553,755 tons sold during the corresponding period last year. The domestic sales volume increased to 1,426,842 tons registering an increase of 12.97% and exports sales volume to 266,223 tons, a decrease of 8.43%.

During the first half year, coal rates in global markets increased mainly due to production cuts in coal mining in China and restricted supply from mines due to logistical difficulties resulting in increase in coal prices. However, the Company 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 in larger quantities. Oil price trend is also on increasing side resulting in higher rate of power from the HFO based engines and national grid due to lower fuel price adjustments. 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. 5,191 million in the current period as compared to Rs. 4,413 million in the corresponding period, delineating an increase of 17.63%.



This uptick in earnings performance is majorly attributable to increase in operating profit to Rs. 3,942 million during the current period, as compared to Rs. 3,350 million in the corresponding period last year, showing an increase of 17.67%.

Finance costs continue to reduce resulting in decrease of 67.24% in finance cost as the Company has reduced debt balance during the current period and debt equity ratios also improved as shown below:-



The Company recorded pre-tax profit of Rs. 3,838 million during the period against pre-tax profit of Rs. 3,033 million in the corresponding period last year showing growth of 26.54%. In the current half year the Company has fallen under the normal tax regime as compared to minimum

tax regime i.e. Alternative Corporate Tax scenario on account of availability of taxable losses in corresponding period and due to this the tax provision in the current quarter is higher as compared to corresponding quarter.

Above earnings performance impacted post-tax profits at Rs. 2,694 million for the current period against Rs. 2,342 million in the corresponding period last year showing robust growth in the bottom line by 15.03%.

Dividend

Keeping in view the profitability, the Board of Directors has recommended the first interim cash dividend at Rs. 2/- per share of Rs.10/- each (20%) for the year ending on 30 June 2017.

Maple Leaf Power Limited

Major shipments of equipment relating to 40 MW imported coal-fired power plant have reached at site and installation of equipment and related civil works are also in full swing. The project is expected to be operational in the first quarter of financial year 2017-18. The purpose of this project is to add another reliable and inexpensive source of power compared to the national grid and reduce dependency on the same. It will also provide a cushion against current bullish trend in furnace oil prices and is expected to be the cheapest source of electricity after waste heat recovery plant.

Capacity Expansion Project

The Board of Directors has already approved the setting up of an additional dry process clinker production line-3 of 7,300 tpd grey clinker production for enhancing grey cement capacity upto 18,000 tons per day at the existing plant site (brown field project) with total estimated project cost of Rs.23 billion. In this regard the Company has signed a contract on January 16, 2017 with plant supplier M/s FLSmidth A/S, Vigerslev Alle 77, 2500 Valby, Denmark for the supply of said line-3. It is targeted to begin commercial operations within 26 months.

Future Outlook

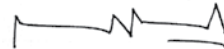
Going forward, we expect increased domestic demand for cement on account of rise in PSDP allocations together with robust construction activities in the private sector due to upbeat macroeconomic picture including lower inflation and expected growing remittances by Pakistanis abroad. Despite increased demand, cement prices are expected to remain stable. The cement industry is also keenly eyeing developments on China Pakistan Economic Corridor (CPEC) and this opportunity is expected to prove to be of great benefit for the whole nation. Speedy progress is being registered on CPEC projects due to collective measures of the political and military leadership.

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. However, the profitability of the cement sector should continue to progress as local dispatches increase.

Other 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 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: 15 February 2017



KPMG Taseer Hadi & Co.
Chartered Accountants
2nd Floor,
Servis House
2-Main Gulberg Jail Road,
Lahore Pakistan

Telephone + 92 (42) 3579 0901-6
Fax + 92 (42) 3579 0907
Internet www.kpmg.com.pk

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Maple Leaf Cement Factory Limited** ("the Company") as at 31 December 2016 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim unconsolidated financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matters

The figures of the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 December 2016, have not been reviewed as we are required to review only the cumulative figures for the half year ended 31 December 2016.

Lahore
Date: 15 February 2017

KPMG Taseer Hadi & Co.
Chartered Accountants
(M. Rehan Chughtai)

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2016

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		7,000,000	7,000,000
Issued, subscribed and paid-up share capital	5	5,277,340	5,277,340
Capital reserves		2,058,137	2,058,137
Accumulated profits		10,911,492	9,414,403
		18,246,969	16,749,880
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	6	4,431,280	4,587,255
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	7	1,915,947	927,298
Liabilities against assets subject to finance lease - secured	8	374,901	479,243
Long term deposits		8,699	6,499
Deferred taxation		4,109,278	4,124,673
Retirement benefits		112,881	119,783
		6,521,706	5,657,496
CURRENT LIABILITIES			
Current portion of :			
- Long term loans from banking companies - secured	7	19,043	-
- Liabilities against assets subject to finance lease - secured	8	230,558	167,519
Trade and other payables		3,300,546	3,193,583
Accrued profit / interest / mark-up		44,440	36,807
Provision for taxation - net		519,088	204,245
Short term borrowings		2,144,420	1,424,911
		6,258,095	5,027,065
CONTINGENCIES AND COMMITMENTS	9		
		35,458,050	32,021,696

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive Officer



Director

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	22,566,492	22,822,494
Intangible assets		22,985	-
Long term investment	11	2,905,722	790,046
Long term loans to employees - secured		6,645	5,628
Long term deposits		55,964	55,867
		<u>25,557,808</u>	<u>23,674,035</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		6,358,267	5,383,750
Stock-in-trade		863,712	872,820
Trade debts	12	767,300	576,861
Loans and advances		799,868	805,167
Short term investment	13	26,040	12,000
Short term deposits and prepayments		130,946	71,594
Accrued profit		1,692	1,582
Refunds due from Government		16,797	16,797
Other receivables	14	252,861	212,616
Cash and bank balances		682,759	394,474
		<u>9,900,242</u>	<u>8,347,661</u>
		<u><u>35,458,050</u></u>	<u><u>32,021,696</u></u>



Chief Executive Officer



Director

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016 (UN-AUDITED)

	Note	Half year ended December 31, 2016	Half year ended December 31, 2015	Quarter ended December 31, 2016	Quarter ended December 31, 2015
(..... Rupees in thousand))					
Sales - net	15	11,970,137	10,860,042	6,414,072	5,894,196
Cost of goods sold	16	(6,779,605)	(6,447,096)	(3,604,368)	(3,306,706)
Gross profit		5,190,532	4,412,946	2,809,704	2,587,490
Distribution cost		(682,248)	(647,288)	(308,767)	(344,257)
Administrative expenses		(278,468)	(239,345)	(156,690)	(126,830)
Other charges		(336,377)	(185,220)	(187,111)	(108,634)
		(1,297,093)	(1,071,853)	(652,568)	(579,721)
Other income		48,119	8,699	43,669	3,654
Profit from operations		3,941,558	3,349,792	2,200,805	2,011,423
Finance cost	17	(103,806)	(316,870)	(57,740)	(130,940)
Profit before taxation		3,837,752	3,032,922	2,143,065	1,880,483
Taxation	18	(1,143,637)	(691,167)	(672,359)	(385,454)
Profit after taxation		2,694,115	2,341,755	1,470,706	1,495,029
Earnings per share - basic and diluted	(Rupees)	5.11	4.44	2.79	2.84

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive Officer




Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016 (UN-AUDITED)

	Half year ended December 31, 2016	Half year ended December 31, 2015	Quarter ended December 31, 2016	Quarter ended December 31, 2015
	(..... Rupees in thousand)			
Profit after taxation	2,694,115	2,341,755	1,470,706	1,495,029
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	2,694,115	2,341,755	1,470,706	1,495,029

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive Officer



Director

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

Note	December 31, 2016	December 31, 2015	
	(Rupees in thousand)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations before working capital changes	19	5,190,700	4,459,734
<i>(Increase) / decrease in current assets</i>			
Stores, spare parts and loose tools		(974,517)	(815,396)
Stock-in-trade		9,108	6,127
Trade debts		(190,439)	1,062
Loans and advances		5,299	(207,405)
Short term deposits and prepayments		(59,352)	(23,201)
Other receivables		(40,245)	12,922
		(1,250,146)	(1,025,891)
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payables		(223,389)	4,165
Net cash generated from operations		3,717,165	3,438,008
Increase in long term loans to employees - secured		(1,017)	(478)
Retirements benefits paid		(10,864)	(9,152)
Taxes paid		(877,858)	(351,704)
Net cash generated from operating activities		2,827,426	3,076,674
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(845,572)	(327,992)
Purchase of intangible assets		(23,006)	-
Proceeds from disposal of property, plant and equipment		125,017	36,288
Increase in long term deposits and prepayments		(97)	(255)
Long term investment		(2,115,676)	-
Profit on bank deposits received		9,683	6,585
Net cash used in investing activities		(2,849,650)	(285,373)
CASH FLOWS FROM FINANCING ACTIVITIES			
Draw down / (repayment) of long term loans from banking companies - secured		1,007,692	(141,244)
Redemption of redeemable capital - secured		-	(750,011)
Repayment of syndicated term finances- secured		-	(433,500)
Increase / (decrease) in long term deposits		2,200	(20)
Payment of liabilities against assets subject to finance lease - net		(41,920)	(66,468)
Acquisition / (repayment) of short term borrowings		718,244	(293,744)
Finance cost paid		(95,555)	(342,752)
Redemption of preference shares		(15)	-
Dividend paid		(1,281,401)	(510,621)
Net cash generated from / (used in) financing activities		309,245	(2,538,360)
Net increase in cash and cash equivalents		287,020	252,941
Cash and cash equivalents at beginning of the period		384,767	169,012
Cash and cash equivalents at end of the period	20	671,787	421,953

The annexed notes from 1 to 24 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive Officer



Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 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 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 six months ended 31 December 2015	-	-	-	-	2,341,755	2,341,755
Other comprehensive income for the period	-	-	-	-	-	-
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,341,755	2,341,755
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	125,747	125,747
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	1,665	1,665
Transactions with owners of the Company						
Final cash dividend @Re.1 per share for the year ended 30 June 2015	-	-	-	-	(527,734)	(527,734)
Balance as at 31 December 2015 - un-audited	5,277,340	1,529,874	528,263	2,058,137	7,517,614	14,853,091
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 six months ended 31 December 2016	-	-	-	-	2,694,115	2,694,115
Other comprehensive income for the period	-	-	-	-	-	-
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,694,115	2,694,115
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	112,288	112,288
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	10,021	10,021
Transactions with owners of the Company						
Final cash dividend @Rs.2.5 per share for the year ended 30 June 2016	-	-	-	-	(1,319,335)	(1,319,335)
Balance as at 31 December 2016 - un-audited	5,277,340	1,529,874	528,263	2,058,137	10,911,492	18,246,969

The annexed notes from 1 to 24 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 HALF YEAR ENDED DECEMBER 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 Separate financial statements

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

The Company has the following long term investment:

	Un-audited December 31, 2016	Audited June 30, 2016
	(Direct holding percentage)	
Subsidiary Company		
Maple Leaf Power Limited	100	100

2.2 Basis of accounting

2.2.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 31 December 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.

2.2.2 This condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 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 have been followed.

2.2.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2016.

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

2.2.5 Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2016, whereas comparatives of condensed interim unconsolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 2015.

3. JUDGEMENTS AND ESTIMATES

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

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual unconsolidated financial statements for the year ended 30 June 2016.

4. STATEMENT OF CONSISTENCY IN 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 unconsolidated financial statements for the year ended 30 June 2016.

There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

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

- IAS 12 - Income Taxes	01 January 2017
- IAS 7 - Statement of Cash Flows	01 January 2017
- IFRS 2 - Share-based Payments	01 January 2017
- IAS 40 - Investment Property	01 January 2017
- IFRS 12 - Disclosure of Interest in Other Entities	01 January 2017
- IAS 28 - Investment in Associate and Joint Ventures	01 January 2017
- IFRIC 25 - Foreign Currency Transactions and advance Consideration	01 January 2018

5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

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

5.1 The Holding Company holds 291,410,425 ordinary shares, which represents 55.22% (30 June 2016:55.22%) of total ordinary issued, subscribed and paid-up capital of the Company.

5.2 Zimpex (Private) Limited, an associated undertaking, holds Nil (30 June 2016: 1,706) ordinary shares of the Company.

		Un-audited December 31, 2016	Audited June 30, 2016
		(Rupees in thousand)	
6. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX			
Gross Surplus			
	Balance at beginning of the period / year	5,984,429	6,345,722
	Less: Effect of disposal of fixed assets	(13,451)	(13,005)
	Transferred to accumulated profit in respect of incremental depreciation charged during the period / year	(150,720)	(348,288)
	At end of the period / year	5,820,258	5,984,429
Deferred tax liability on revaluation surplus			
	At beginning of the period / year	1,397,174	1,594,640
	Less: Transferred to accumulated profit	(3,430)	(3,238)
	Effect of disposal of fixed assets	(38,432)	(86,724)
	Incremental depreciation charged on related assets	33,666	(107,504)
	Effect of change in tax rate		
	At end of the period / year	1,388,978	1,397,174
		<u>4,431,280</u>	<u>4,587,255</u>

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
7. LONG TERM LOANS FROM BANKING COMPANIES - SECURED			
Askari Bank Limited - Term Finance		500,000	500,000
Bank of Punjab - Demand Finance	7.1	597,078	183,140
MCB Bank Limited - Demand Finance	7.2	418,956	122,079
National Bank of Pakistan - Demand Finance	7.3	418,956	122,079
		<u>1,934,990</u>	<u>927,298</u>
Less: Current maturity presented under current liabilities		(19,043)	-
At end of the period / year		<u><u>1,915,947</u></u>	<u><u>927,298</u></u>

7.1 During the period amount drawn out of this facility from Bank of Punjab was Rs. 413.938 million.

7.2 During the period amount drawn out of this facility from MCB Bank Limited was Rs. 296.877 million.

7.3 During the period drawn out of this facility from National Bank of Pakistan was Rs. 296.877 million.

8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

During the period, the Company repaid Rs. 41.920 million (30 June 2016: Rs. 132.746 million). Amounts due in next twelve months amounting to Rs. 230.558 million (30 June 2016: Rs. 167.519 million) are included in current portion presented under current liabilities.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2016.

9.2 Guarantees given by banks on behalf of the Company in favor of Sui Northern Gas Pipeline Limited and Government Institutions amounted to Rs. 469.17 million (30 June 2016: Rs. 463.32 million).

9.3 Commitments

9.3.1 In respect of:

	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
- capital expenditure	68,658	94,606
- irrevocable letters of credit for spare parts	1,218,427	1,204,256
	<u><u>1,287,085</u></u>	<u><u>1,298,862</u></u>

- 9.3.2 Subsequent to the period end, on 16 January 2017, Company has entered into an agreement of value EURO 79.49 million (PKR 8,769.56 million) with M/s FLSmidth A/S for supply of a new Cement line with an installed capacity of 7300 TPD.

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
10. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	21,940,223	22,399,800
Capital work in progress - at cost	10.2	626,269	422,694
		<u>22,566,492</u>	<u>22,822,494</u>
10.1 Operating fixed assets			
Balance at beginning of the period / year		22,399,800	23,604,525
Add: Additions during the period / year	10.1.1	641,997	799,324
		<u>23,041,797</u>	<u>24,403,849</u>
Less: Book value of operating assets disposed-off during the period / year		163,738	186,391
Depreciation charge during the period / year		937,836	1,817,658
		<u>21,940,223</u>	<u>22,399,800</u>
10.1.1 Additions during the period / year:			
- buildings on freehold land		70,473	217,969
- plant and machinery		506,711	467,222
- furniture, fixtures and equipment		29,213	64,800
- roads, bridges and railway sidings		788	1,344
- vehicles		34,812	47,989
		<u>641,997</u>	<u>799,324</u>
10.2 Capital work-in-progress - at cost			
Civil works		552,836	320,396
Plant and machinery		40,424	5,171
Advance to supplier against:			
- civil works		19,281	77,702
- furniture and fixtures		11,043	11,043
- plant and machinery		794	794
- vehicles		1,891	1,891
- others		-	5,697
		<u>626,269</u>	<u>422,694</u>

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
11. LONG TERM INVESTMENT			
Investment in Maple Leaf Power Limited - Unquoted			
Balance at beginning of the period / year		790,046	660,000
Additions during the period / year	11.1	1,900,000	-
Advance against issue of shares during the period / year		215,676	130,046
Balance at end of the period / year		2,905,722	790,046

- 11.1 During the current period the Company has made further investments of Rs. 1,900 million (30 June 2016: 660 million) in its wholly owned subsidiary company "Maple Leaf Power Limited". The Company holds 100% (30 June 2016: 100%) shares in the Maple Leaf Power Limited.

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
12. TRADE DEBTS			
Considered good			
Export - secured	12.1	16,828	46,947
Local - unsecured	12.2 & 12.3	750,472	529,914
		767,300	576,861

- 12.1 These are secured through bank by letters of credit.
- 12.2 This includes balance of Rs. 0.68 million (30 June 2016: Nil) receivable from Kohinoor Textile Mills Limited "The Holding Company" against sale of cement.
- 12.3 This includes balance of Rs. 4.91 million (30 June 2016: Rs. 11.99 million) receivable from Maple Leaf Power Limited "The Subsidiary Company" against sale of cement.

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
13. SHORT TERM INVESTMENT			
Investment at fair value through profit or loss - listed securities			
Next Capital Limited: 1,500,000 (30 June 2016: 1,500,000) ordinary shares of Rs. 10 each Market value Rs. 17.36 per share (30 June 2016: Rs. 8.00 per share)			
Cost			
As at beginning and end of the period / year		15,000	15,000
Unrealized fair value gain / (loss)			
As at beginning of the period / year		(3,000)	(4,470)
Fair value gain for the period / year		14,040	1,470
As at end of the period / year		11,040	(3,000)
Fair value at end of period / year		26,040	12,000
14. OTHER RECEIVABLES			
Due from the holding company - unsecured	14.1	29,881	21,311
Due from subsidiary company - unsecured	14.1	164,526	59,469
Others		58,454	131,836
		252,861	212,616
14.1	These carry interest at 1% (30 June 2016: 1%) in addition to the average borrowing rate of the Company.		

	Half year ended (Un-audited)	
	December 31, 2016	December 31, 2015
	(Rupees in thousand)	
15. SALES - NET		
Gross local sales	14,393,286	11,770,989
Less:		
Federal Excise Duty	(1,426,842)	(567,866)
Sales Tax	(2,308,846)	(1,919,846)
Discount	(126,650)	(60,739)
Commission	(47,565)	(74,352)
	(3,909,903)	(2,622,803)
Net local sales	10,483,383	9,148,186
Export sales	1,486,754	1,711,856
	11,970,137	10,860,042
16. COST OF GOODS SOLD		
Raw materials consumed	441,811	402,266
Packing materials consumed	666,768	703,478
Fuel	2,065,304	2,070,910
Power and associated costs	1,528,839	1,356,172
Stores, spare parts and loose tools consumed	348,146	352,285
Salaries, wages and other benefits	409,084	316,458
Rent, rates and taxes	13,119	9,784
Insurance	28,505	26,736
Repairs and maintenance	221,579	178,199
Depreciation	917,313	896,695
Vehicles running and maintenance	42,809	39,999
Provision for cement stocks written off	-	6,536
Other expenses	57,713	64,623
	6,740,991	6,424,141
Work in process:		
At beginning of the period	395,257	697,357
At end of the period	(363,038)	(702,164)
	32,219	(4,807)
Cost of goods manufactured	6,773,210	6,419,334
Finished goods:		
As at beginning of the period	270,180	328,425
As at end of the period	(263,785)	(300,663)
	6,395	27,762
Cost of goods sold	6,779,605	6,447,096

	Half year ended (Un-audited)	
	December 31, 2016 (Rupees in thousand)	December 31, 2015
17. FINANCE COST		
Profit / interest / mark up on long term loans, finances, redeemable capital and short term finances	88,738	240,760
Exchange loss - net	(2,781)	31,524
Bank and other charges	17,849	44,586
	<u>103,806</u>	<u>316,870</u>

18. The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for the tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% if its paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Director of the Company intends to distribute sufficient cash dividend for the year ended 30 June 2017 (refer to note 23) to comply with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognized in this condensed interim unconsolidated financial information for the period ended 31 December 2016.

	Half year ended (Un-audited)	
	December 31, 2016 (Rupees in thousand)	December 31, 2015
19. CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	3,837,752	3,032,922
Adjustments for:		
Depreciation	937,836	911,488
Amortization	21	-
Provision for doubtful debts	-	10,877
Provision for Worker's Profit Participation Fund	209,830	163,223
Provision for Worker's Welfare Fund	82,604	-
Provision for stock in trade write off	-	6,536
Loss on disposal of property, plant and equipment	38,722	17,947
Gain on re-measurement of short term investments at fair value	(14,040)	(405)
Retirement benefits	3,962	6,958
Finance cost	103,806	316,870
Profit on bank deposits	(9,793)	(6,682)
	<u>5,190,700</u>	<u>4,459,734</u>
20. CASH AND CASH EQUIVALENTS		
Short term running finance	(10,972)	-
Cash and bank	682,759	421,953
	<u>671,787</u>	<u>421,953</u>

21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

	Carrying Amount			Fair Value			
	Fair Value through Income Statement	Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
Note	----- (Rupees in thousand) -----						
On - Balance sheet financial instruments							
31 December 2016 (Un-audited)							
Financial assets measured at fair value							
Short term investment	26,040	-	-	26,040	26,040	-	-
	<u>26,040</u>	<u>-</u>	<u>-</u>	<u>26,040</u>	<u>26,040</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value							
Cash and bank balances	-	682,759	-	682,759	-	-	-
Long term loans to employees	-	11,490	-	11,490	-	-	-
Short term deposits	-	82,132	-	82,132	-	-	-
Other receivables	-	206,281	-	206,281	-	-	-
Accrued profit	-	1,692	-	1,692	-	-	-
Long term deposits	-	55,964	-	55,964	-	-	-
Trade debts - unsecured, considered good	-	767,300	-	767,300	-	-	-
21.1	<u>-</u>	<u>1,807,618</u>	<u>-</u>	<u>1,807,618</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value							
	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Long term finances	-	-	1,934,990	1,934,990	-	-	-
Liabilities against assets subject to finance lease	-	-	605,459	605,459	-	-	-
Trade and other payables	-	-	1,561,884	1,561,884	-	-	-
Short term borrowing	-	-	2,144,420	2,144,420	-	-	-
Long term deposits	-	-	8,699	8,699	-	-	-
Accrued mark up	-	-	44,440	44,440	-	-	-
21.1	<u>-</u>	<u>-</u>	<u>6,299,892</u>	<u>6,299,892</u>	<u>-</u>	<u>-</u>	<u>-</u>
On - Balance sheet financial instruments							
30 June 2016 (Audited)							
Financial assets measured at fair value							
Short term investment	12,000	-	-	12,000	12,000	-	-
	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value							
Cash and bank balances	-	394,474	-	394,474	-	-	-
Long term loans to employees	-	9,791	-	9,791	-	-	-
Short term deposits	-	69,704	-	69,704	-	-	-
Other receivables	-	262,061	-	262,061	-	-	-
Accrued profit	-	1,582	-	1,582	-	-	-
Long term deposits	-	55,867	-	55,867	-	-	-
Trade debts - unsecured, considered good	-	576,861	-	576,861	-	-	-
21.1	<u>-</u>	<u>1,370,340</u>	<u>-</u>	<u>1,370,340</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value							
	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Long term finances	-	-	927,298	927,298	-	-	-
Liabilities against assets subject to finance lease	-	-	646,762	646,762	-	-	-
Trade and other payables	-	-	1,437,321	1,437,321	-	-	-
Short term borrowing	-	-	1,424,911	1,424,911	-	-	-
Long term deposits	-	-	6,499	6,499	-	-	-
Accrued mark up	-	-	36,807	36,807	-	-	-
21.1	<u>-</u>	<u>-</u>	<u>4,479,598</u>	<u>4,479,598</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. For revaluation of freehold land fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. In case of buildings on freehold land, roads, bridges and railway sidings, construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value. For revaluation of plant and machinery, suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these condensed interim unconsolidated financial information.

22. 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.

Balances are disclosed elsewhere in the condensed interim unconsolidated financial information. Details of transactions with related parties are as follows:

	<u>Half year ended (Un-audited)</u>	
	December 31, 2016 (Rupees in thousand)	December 31, 2015
22.1 Transactions with related parties		
22.1.1 Holding Company (Kohinoor Textile Mills Limited)		
Sale of goods and services	27,758	8,792
22.1.2 Wholly owned subsidiary company (Maple Leaf Power Limited)		
Sale of goods and services	64,546	-
Shares issued during the period	1,900,000	-
Payments against expenses made on behalf of subsidiary company	105,057	-
Advance against issue of shares during the period	215,676	-

	Half year ended (Un-audited)	
	December 31, 2016	December 31, 2015
	(Rupees in thousand)	
22.1.3 Dividend paid		
Holding Company (Kohinoor Textile Mills Limited)	728,526	291,410
Other related parties	4,738	1,895
22.1.4 Key management personnel		
Remuneration and other benefits	168,802	121,498
22.1.5 Post employment benefit plans		
Contributions to Provident Fund Trust	50,912	44,235
Payments to MLCF Employees Gratuity Fund Trust	10,447	6,442

23. DATE OF AUTHORIZATION FOR ISSUE AND DIVIDEND DECLARATION

These condensed interim unconsolidated financial information were authorized for issue on 15 February 2017 by the Board of Directors of the Company. Further, the Board of Directors has approved interim dividend of Rs. 2/- per share in their meeting held on 15 February 2017.

24. GENERAL

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



Chief Executive Officer



Director



Consolidated
Financial Statements
For the Half Year Ended December 31, 2016

DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim consolidated financial statements of Maple Leaf Cement Factory Limited (the Holding Company) and its wholly owned subsidiary company Maple Leaf Power Limited (collectively referred to as group) for the half-year ended 31 December 2016.

GROUP RESULTS

The Group has earned gross profit of Rupees 5,142 million during the period under review. The Group made after tax profit of Rupees 2,624 million. The comparative period results depict the results of only Holding Company as subsidiary was incorporated on 15 October 2015.

The overall group financial results are as follows:

	December 31, 2016	December 31, 2015
	(Rupees in million)	
Sales	11,921	10,860
Gross Profit	5,142	4,413
Profit from operations	3,872	3,350
Financial charges	104	317
Net Profit after tax	2,624	2,342
	(-----Rupees-----)	
Earnings per share – basic and diluted	4.97	4.44

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: 15 February 2017

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2016

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		7,000,000	7,000,000
Issued, subscribed and paid-up share capital	5	5,277,340	5,277,340
Capital reserves		2,058,137	2,058,137
Accumulated profits		10,799,986	9,372,617
		18,135,463	16,708,094
SURPLUS ON REVALUATION OF FIXED ASSETS			
- NET OF TAX	6	4,431,280	4,587,255
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	7	1,915,947	927,298
Liabilities against assets subject to finance lease - secured	8	374,901	479,243
Long term deposits		8,699	6,499
Deferred taxation		4,109,278	4,124,673
Retirement benefits		112,881	119,783
		6,521,706	5,657,496
CURRENT LIABILITIES			
Current portion of :			
- Long term loans from banking companies - secured	7	19,043	-
- Liabilities against assets subject to finance lease - secured	8	230,558	167,519
Trade and other payables		3,238,246	3,218,749
Accrued profit / interest / mark-up		44,440	36,807
Provision for taxation - net		442,631	203,316
Short term borrowings		2,144,420	1,424,911
		6,119,338	5,051,302
CONTINGENCIES AND COMMITMENTS	9		
		35,207,787	32,004,147

The annexed notes from 1 to 23 form an integral part of this condensed interim consolidated financial information.



Chief Executive Officer



Director

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	10	25,243,052	23,618,926
Intangible assets		22,985	-
Long term loans to employees - secured		6,645	5,628
Long term deposits		55,964	55,867
		<u>25,328,646</u>	<u>23,680,421</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		6,358,267	5,383,750
Stock-in-trade		863,712	872,820
Trade debts	11	762,387	564,866
Loans and advances		799,869	805,167
Short term investment	12	26,040	12,000
Short term deposits and prepayments		133,054	71,594
Accrued profit		1,712	1,857
Refunds due from Government		16,797	16,797
Other receivables	13	88,335	153,147
Cash and bank balances		828,968	441,728
		<u>9,879,141</u>	<u>8,323,726</u>
		<u><u>35,207,787</u></u>	<u><u>32,004,147</u></u>



Chief Executive Officer



Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016 (UN-AUDITED)

	Note	Half year ended December 31, 2016	Half year ended December 31, 2015	Quarter ended December 31, 2016	Quarter ended December 31, 2015
(..... Rupees in thousand))					
Sales - net	14	11,921,477	10,860,042	6,394,972	5,894,196
Cost of goods sold	15	(6,779,605)	(6,447,096)	(3,604,369)	(3,306,706)
Gross profit		5,141,872	4,412,946	2,790,603	2,587,490
Distribution cost		(682,248)	(647,288)	(308,767)	(344,257)
Administrative expenses		(282,603)	(239,345)	(158,194)	(126,830)
Other charges		(336,377)	(185,220)	(187,111)	(108,634)
		(1,301,228)	(1,071,853)	(654,072)	(579,721)
Other income		31,316	8,699	26,295	3,654
Profit from operations		3,871,960	3,349,792	2,162,826	2,011,423
Finance cost	16	(103,928)	(316,870)	(51,259)	(130,940)
Profit before taxation		3,768,032	3,032,922	2,111,567	1,880,483
Taxation	17	(1,143,637)	(691,167)	(672,359)	(385,454)
Profit after taxation		2,624,395	2,341,755	1,439,208	1,495,029
Earnings per share - basic and diluted	(Rupees)	4.97	4.44	2.73	2.84

The annexed notes from 1 to 23 form an integral part of this condensed interim consolidated financial information.



Chief Executive Officer



Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016 (UN-AUDITED)

	Half year ended December 31, 2016	Half year ended December 31, 2015	Quarter ended December 31, 2016	Quarter ended December 31, 2015
	(..... Rupees in thousand)			
Profit after taxation	2,624,395	2,341,755	1,439,208	1,495,029
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	2,624,395	2,341,755	1,439,208	1,495,029

The annexed notes from 1 to 23 form an integral part of this condensed interim consolidated financial information.



Chief Executive Officer



Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

Note	December 31, 2016	December 31, 2015	
	(Rupees in thousand)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations before working capital changes	18	5,120,798	4,459,734
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(974,517)	(815,396)
Stock-in-trade		9,108	6,127
Trade debts		(197,521)	1,062
Loans and advances		5,299	(207,405)
Short term deposits and prepayments		(61,460)	(23,201)
Other receivables		(68,714)	12,922
		(1,287,805)	(1,025,891)
Increase / (decrease) in current liabilities			
Trade and other payables		(177,329)	4,165
Net cash generated from operations		3,655,664	3,438,008
Increase in long term loans to employees - secured		(1,017)	(478)
Retirements benefits paid		(10,864)	(9,152)
Taxes paid		(953,385)	(351,704)
Net cash generated from operating activities		2,690,398	3,076,674
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(2,725,701)	(327,992)
Purchase of intangible assets		(23,006)	-
Proceeds from disposal of property, plant and equipment		125,017	36,288
Increase in long term deposits and prepayments		(97)	(255)
Long term investment		-	-
Profit on bank deposits received		10,242	6,585
Net cash used in investing activities		(2,613,545)	(285,373)
CASH FLOWS FROM FINANCING ACTIVITIES			
Draw down / (repayment) of long term loans from banking companies - secured		1,007,692	(141,244)
Redemption of redeemable capital - secured		-	(750,011)
Repayment of syndicated term finances- secured		-	(433,500)
Increase / (decrease) in long term deposits		2,200	(20)
Payment of liabilities against assets subject to finance lease - net		(41,920)	(66,468)
Acquisition / (repayment) of short term borrowings		718,244	(293,744)
Finance cost paid		(95,677)	(342,752)
Redemption of preference shares		(15)	-
Dividend paid		(1,281,402)	(510,621)
Net cash generated / (used in) financing activities		309,122	(2,538,360)
Net increase in cash and cash equivalents		385,975	252,941
Cash and cash equivalents at beginning of the period		432,021	169,012
Cash and cash equivalents at end of the period	19	817,996	421,953

The annexed notes from 1 to 23 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 HALF YEAR AND QUARTER ENDED DECEMBER 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 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 six months ended 31 December 2015	-	-	-	-	2,341,755	2,341,755
Other comprehensive income for the period	-	-	-	-	-	-
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,341,755	2,341,755
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	125,747	125,747
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	1,665	1,665
Transactions with owners of the Company						
Final cash dividend @Re.1 per share for the year ended 30 June 2015	-	-	-	-	(527,734)	(527,734)
Balance as at 31 December 2015 - un-audited	5,277,340	1,529,874	528,263	2,058,137	7,517,614	14,853,091
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 six months ended 31 December 2016	-	-	-	-	2,624,395	2,624,395
Other comprehensive income for the period	-	-	-	-	-	-
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,624,395	2,624,395
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	112,288	112,288
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	10,021	10,021
Transactions with owners of the Company						
Final cash dividend @Rs.2.5 per share for the year ended 30 June 2016	-	-	-	-	(1,319,335)	(1,319,335)
Balance as at 31 December 2016 - un-audited	5,277,340	1,529,874	528,263	2,058,137	10,799,986	18,135,463

The annexed notes from 1 to 23 form an integral part of this condensed interim consolidated financial information.


Chief Executive Officer


Director

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2016 (UN-AUDITED)

1. LEGAL STATUS & NATURE OF BUSINESS

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

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

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

Maple Leaf Power Limited ("the Subsidiary Company") was incorporated in Pakistan on 15 October 2015 as a public limited company under the Companies Ordinance, 1984. The Subsidiary Company has been established to set up and operate a 40 megawatt power generation plant at Iskanderabad, District Mianwali for generation of electricity. The Subsidiary Company's registered office is located at 42 - Lawrence Road, Lahore. The principal objective of the Subsidiary Company is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity to the Holding Company.

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

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 December 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 six months period ended 31 December 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 have 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 2016.

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

- 2.1.5 Comparative consolidated balance sheet numbers are extracted from the annual audited consolidated financial statements of the Company for the year ended 30 June 2016, whereas comparatives of condensed interim 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 six months period ended 31 December 2015.

3. JUDGEMENTS AND ESTIMATES

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

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual consolidated financial statements for the year ended 30 June 2016.

4. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements for the year ended 30 June 2016.

There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

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

- IAS 12 - Income Taxes	01 January 2017
- IAS 7 - Statement of Cash Flows	01 January 2017
- IFRS 2 - Share-based Payments	01 January 2017
- IAS 40 - Investment Property	01 January 2017
- IFRS 12 - Disclosure of Interest in Other Entities	01 January 2017
- IAS 28 - Investment in Associate and Joint Ventures	01 January 2017
- IFRIC 25 - Foreign Currency Transactions and advance Consideration	01 January 2018

5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

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

5.1 The Holding Company holds 291,410,425 ordinary shares, which represents 55.22% (30 June 2016: 55.22%) of total ordinary issued, subscribed and paid-up capital of the Group.

5.2 Zimpex (Private) Limited, an associated undertaking, holds Nil (30 June 2016: 1,706) ordinary shares of the Group.

		Un-audited December 31, 2016	Audited June 30, 2016
		(Rupees in thousand)	
6. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX			
Gross Surplus			
Balance at beginning of the period / year		5,984,429	6,345,722
Less: Effect of disposal of fixed assets		(13,451)	(13,005)
Transferred to accumulated profit in respect of incremental depreciation charged during the period / year		(150,720)	(348,288)
At end of the period / year		5,820,258	5,984,429
Deferred tax liability on revaluation surplus			
At beginning of the period / year		1,397,174	1,594,640
Less: Transferred to accumulated profit		(3,430)	(3,238)
Effect of disposal of fixed assets		(38,432)	(86,724)
Incremental depreciation charged on related assets		33,666	(107,504)
Effect of change in tax rate			
At end of the period / year		1,388,978	1,397,174
		<u>4,431,280</u>	<u>4,587,255</u>

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
7. LONG TERM LOANS FROM BANKING COMPANIES - SECURED			
Askari Bank Limited - Term Finance		500,000	500,000
Bank of Punjab - Demand Finance	7.1	597,078	183,140
MCB Bank Limited - Demand Finance	7.2	418,956	122,079
National Bank of Pakistan - Demand Finance	7.3	418,956	122,079
		<u>1,934,990</u>	<u>927,298</u>
Less: Current maturity presented under current liabilities		(19,043)	-
At end of the period / year		<u><u>1,915,947</u></u>	<u><u>927,298</u></u>

7.1 During the period amount drawn out of this facility from Bank of Punjab was Rs. 413.938 million.

7.2 During the period amount drawn out of this facility from MCB Bank Limited was Rs. 296.877 million.

7.3 During the period drawn out of this facility from National Bank of Pakistan was Rs. 296.877 million.

8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

During the period, the Group repaid Rs. 41.920 million (30 June 2016: Rs. 132.746 million). Amounts due in next twelve months amounting to Rs. 230.558 million (30 June 2016: Rs. 167.519 million) are included in current portion presented under current liabilities.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2016.

9.2 Guarantees given by banks on behalf of the Company in favor of Sui Northern Gas Pipeline Limited and Government Institutions amounted to Rs. 469.17 million (30 June 2016: Rs. 463.32 million).

		Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
9.3 Commitments			
9.3.1 In respect of:			
- capital expenditure		1,883,261	3,561,571
- irrevocable letters of credit for spare parts		1,218,427	1,204,256
		<u>3,101,688</u>	<u>4,765,827</u>

9.3.2 Subsequent to the period end, on 16 January 2017, Group has entered into an agreement of value EURO 79.49 million (PKR 8,769.56 million) with M/s FLSmidth A/S for supply of a new Cement line with an installed capacity of 7300 TPD.

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
10. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10.1	21,949,591	22,409,641
Capital work in progress - at cost	10.2	3,185,876	1,201,848
Stores held for capitalization		107,585	7,437
		<u>25,243,052</u>	<u>23,618,926</u>
10.1 Operating fixed assets			
Balance at beginning of the period / year		22,409,641	23,604,525
Add: Additions during the period / year	10.1.1	642,029	809,310
		<u>23,051,670</u>	<u>24,413,835</u>
Less: Book value of operating assets disposed-off during the period / year		163,738	186,391
Depreciation charge during the period / year		938,341	1,817,803
		<u>21,949,591</u>	<u>22,409,641</u>
10.1.1 Additions during the period / year:			
- buildings on freehold land		70,473	217,969
- plant and machinery		506,742	471,254
- furniture, fixtures and equipment		29,213	70,754
- roads, bridges and railway sidings		788	1,344
- vehicles		34,813	47,989
		<u>642,029</u>	<u>809,310</u>
10.2 Capital work-in-progress - at cost			
Civil works		1,175,995	509,042
Plant and machinery		40,424	5,171
Mechanical Works		85,526	6,453
Electrical Works		124,113	4,284
Other directly attributable costs:			
- security charges		3,904	613
- salaries and wages		42,032	19,123
- consultancy		26,774	11,249
- depreciation		650	145
- others		38,790	4,272
Advance to supplier against:			
- civil works		107,357	144,544
- furniture and fixtures		11,043	11,043
- electrical items		4,467	33,929
- plant and machinery		1,522,094	441,832
- vehicles		1,891	1,891
- others		818	8,257
		<u>3,185,876</u>	<u>1,201,848</u>

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
11. TRADE DEBTS			
Considered good			
Export - secured	11.1	16,827	46,947
Local - unsecured	11.2	745,560	517,919
		<u>762,387</u>	<u>564,866</u>

11.1 These are secured through bank by letters of credit.

11.2 This includes balance of Rs. 0.68 million (30 June 2016: Nil) receivable from Kohinoor Textile Mills Limited "The Holding Company" against sale of cement.

	Note	Un-audited December 31, 2016 (Rupees in thousand)	Audited June 30, 2016
12. SHORT TERM INVESTMENT			
Investment at fair value through profit or loss - listed securities			
Next Capital Limited: 1,500,000 (30 June 2016: 1,500,000) ordinary shares of Rs. 10 each Market value Rs. 17.36 per share (30 June 2016: Rs. 8.00 per share)			
Cost			
As at beginning and end of the period / year		15,000	15,000
Unrealized fair value gain / (loss)			
As at beginning of the period / year		(3,000)	(4,470)
Fair value gain for the period / year		14,040	1,470
As at end of the period / year		11,040	(3,000)
Fair value at end of period / year		<u>26,040</u>	<u>12,000</u>
13. OTHER RECEIVABLES			
Due from the holding company - unsecured	13.1	29,881	21,311
Others		58,454	131,836
		<u>88,335</u>	<u>153,147</u>

13.1 These carry interest at 1% (30 June 2016: 1%) in addition to the average borrowing rate of the Company.

	Half year ended (Un-audited)	
	December 31, 2016 (Rupees in thousand)	December 31, 2015
14. SALES - NET		
Gross local sales	14,344,626	11,770,989
Less:		
Federal Excise Duty	(1,426,842)	(567,866)
Sales Tax	(2,308,846)	(1,919,846)
Discount	(126,650)	(60,739)
Commission	(47,565)	(74,352)
	(3,909,903)	(2,622,803)
Net local sales	10,434,723	9,148,186
Export sales	1,486,754	1,711,856
	11,921,477	10,860,042
15. COST OF GOODS SOLD		
Raw materials consumed	441,811	402,266
Packing materials consumed	666,768	703,478
Fuel	2,065,304	2,070,910
Power and associated costs	1,528,839	1,356,172
Stores, spare parts and loose tools consumed	348,146	352,285
Salaries, wages and other benefits	409,084	316,458
Rent, rates and taxes	13,119	9,784
Insurance	28,505	26,736
Repairs and maintenance	221,579	178,199
Depreciation	917,313	896,695
Vehicles running and maintenance	42,809	39,999
Provision for cement stocks written off	-	6,536
Other expenses	57,713	64,623
	6,740,991	6,424,141
Work in process:		
At beginning of the period	395,257	697,357
At end of the period	(363,038)	(702,164)
	32,219	(4,807)
Cost of goods manufactured	6,773,210	6,419,334
Finished goods:		
As at beginning of the period	270,180	328,425
As at end of the period	(263,785)	(300,663)
	6,395	27,762
Cost of goods sold	6,779,605	6,447,096

	Half year ended (Un-audited)	
	December 31, 2016	December 31, 2015
	(Rupees in thousand)	
16. FINANCE COST		
Profit / interest / mark up on long term loans, finances, redeemable capital and short term finances	88,738	240,760
Exchange loss - net	(2,781)	31,524
Bank and other charges	17,971	44,586
	<u>103,928</u>	<u>316,870</u>

17. The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for the tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% if its paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Director of the Group intends to distribute sufficient cash dividend for the year ended 30 June 2017 (refer to note 22) to comply with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognized in this condensed interim consolidated financial information for the period ended 31 December 2016.

	Half year ended (Un-audited)	
	December 31, 2016	December 31, 2015
	(Rupees in thousand)	
18. CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES		
Profit before taxation	3,768,032	3,032,922
Adjustments for:		
Depreciation	937,836	911,488
Amortization	21	-
Provision for doubtful debts	-	10,877
Provision for Worker's Profit Participation Fund	209,830	163,223
Provision for Worker's Welfare Fund	82,604	-
Provision for stock in trade write off	-	6,536
Loss on disposal of property, plant and equipment	38,722	17,947
Gain on re-measurement of short term investments at fair value	(14,040)	(405)
Retirement benefits	3,962	6,958
Finance cost	103,928	316,870
Profit on bank deposits	(10,097)	(6,682)
	<u>5,120,798</u>	<u>4,459,734</u>
19. CASH AND CASH EQUIVALENTS		
Short term running finance	(10,972)	-
Cash and bank	828,968	421,953
	<u>817,996</u>	<u>421,953</u>

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

	Carrying Amount				Fair Value		
	Fair Value through Income Statement	Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
Note	----- (Rupees in thousand) -----						
On - Balance sheet financial instruments							
31 December 2016 (Un-audited)							
Financial assets measured at fair value							
Short term investment	26,040	-	-	26,040	26,040	-	-
	<u>26,040</u>	<u>-</u>	<u>-</u>	<u>26,040</u>	<u>26,040</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value							
Cash and bank balances	-	828,968	-	828,968	-	-	-
Long term loans to employees	-	11,490	-	11,490	-	-	-
Short term deposits	-	84,240	-	84,240	-	-	-
Other receivables	-	41,755	-	41,755	-	-	-
Accrued profit	-	1,712	-	1,712	-	-	-
Long term deposits	-	55,964	-	55,964	-	-	-
Trade debts - unsecured, considered good	-	762,387	-	762,387	-	-	-
20.1	<u>-</u>	<u>1,786,517</u>	<u>-</u>	<u>1,786,517</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value							
	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Long term finances	-	-	1,934,990	1,934,990	-	-	-
Liabilities against assets subject to finance lease	-	-	605,460	605,460	-	-	-
Trade and other payables	-	-	1,561,884	1,561,884	-	-	-
Short term borrowing	-	-	2,144,420	2,144,420	-	-	-
Long term deposits	-	-	8,699	8,699	-	-	-
Accrued mark up	-	-	44,440	44,440	-	-	-
20.1	<u>-</u>	<u>-</u>	<u>6,299,892</u>	<u>6,299,892</u>	<u>-</u>	<u>-</u>	<u>-</u>
On - Balance sheet financial instruments							
30 June 2016 (Audited)							
Financial assets measured at fair value							
Short term investment	12,000	-	-	12,000	12,000	-	-
	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value							
Cash and bank balances	-	441,728	-	441,728	-	-	-
Long term loans to employees	-	9,791	-	9,791	-	-	-
Short term deposits	-	69,704	-	69,704	-	-	-
Other receivables	-	72,546	-	72,546	-	-	-
Accrued profit	-	1,857	-	1,857	-	-	-
Long term deposits	-	55,867	-	55,867	-	-	-
Trade debts - unsecured, considered good	-	564,866	-	564,866	-	-	-
20.1	<u>-</u>	<u>1,216,359</u>	<u>-</u>	<u>1,216,359</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value							
	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Long term finances	-	-	927,298	927,298	-	-	-
Liabilities against assets subject to finance lease	-	-	646,762	646,762	-	-	-
Trade and other payables	-	-	1,466,943	1,466,943	-	-	-
Short term borrowing	-	-	1,424,911	1,424,911	-	-	-
Long term deposits	-	-	6,499	6,499	-	-	-
Accrued mark up	-	-	36,807	36,807	-	-	-
20.1	<u>-</u>	<u>-</u>	<u>4,509,220</u>	<u>4,509,220</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Freehold land, buildings on freehold land, roads, bridges and railway sidings, plant and machinery have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Company. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. For revaluation of freehold land fair market value was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well. In case of buildings on freehold land, roads, bridges and railway sidings, construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value. For revaluation of plant and machinery, suppliers and different cement plant consultants in Pakistan and abroad were contacted to collect information regarding current prices of comparable cement plant to determine current replacement value. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these condensed interim Consolidated financial information.

21. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Balances are disclosed elsewhere in the condensed interim consolidated financial information. Details of transactions with related parties are as follows:

	Half year ended (Un-audited)	
	December 31, 2016	December 31, 2015
	(Rupees in thousand)	
21.1 Transactions with related parties		
21.1.1 Holding Company (Kohinoor Textile Mills Limited)		
Sale of goods and services	27,758	8,792
21.1.2 Dividend paid		
Holding Company (Kohinoor Textile Mills Limited)	728,526	291,410
Other related parties	4,738	1,895

	Half year ended (Un-audited)	
	December 31, 2016 (Rupees in thousand)	December 31, 2015
21.1.3 Key management personnel		
Remuneration and other benefits	168,802	121,498
21.1.4 Post employment benefit plans		
Contributions to Provident Fund Trust	50,912	44,235
Payments to MLCF Employees Gratuity Fund Trust	10,447	6,442

22. DATE OF AUTHORIZATION FOR ISSUE AND DIVIDEND DECLARATION

These condensed interim consolidated financial information were authorized for issue on 15 February 2017 by the Board of Directors of the Group. Further, the Board of Directors has approved interim dividend of Rs. 2/- per share in their meeting held on 15 February 2017.

23. GENERAL

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



Chief Executive Officer



Director

