



میپل لیف



MAPLE LEAF CEMENT

1<sup>st</sup> Quarterly Report  
September 30, 2015

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  
KASB Bank Limited  
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  
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,  
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

The Directors are pleased to present un-audited financial statements of the Company for the 1st quarter ended September 30, 2015, in compliance with Section 245 of the Companies Ordinance, 1984.

The financial highlights are as follows:-

	1st Qtr (Jul. to Sep.)		Variance	Percentage
	2015	2014		
	(..... Rupees in thousand .....)			
Net Sales Revenue	4,965,847	4,453,306	512,541	11.51%
Gross Profit	1,825,457	1,578,711	246,746	15.63%
Operating Profit	1,338,372	1,159,955	178,417	15.38%
Finance Cost	185,930	370,678	(184,748)	(49.84)%
Profit Before Taxation	1,152,442	789,277	363,165	46.01%
Taxation	305,713	243,958	61,755	25.31%
Profit After Taxation	846,729	545,319	301,410	55.27%
Earnings Per Share (Rupees)	1.60	1.03	0.57	55.27%

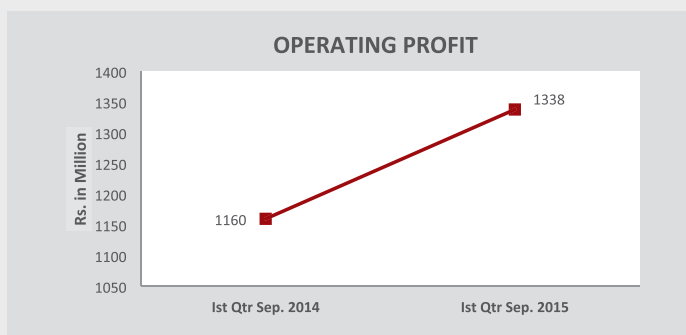
During the 1st quarter under review, net sales revenue enhanced by 11.51% as compared to the corresponding period on account of improvement in dispatches due to enhanced pace of economic activity. This development can be credited to acceleration in private sector construction activities evident from mega housing schemes and partial materialization of budgeted Public Sector Development Programme (PSDP). This encouraging growth took place despite the fact that first quarter for the cement sector is generally dull due to seasonal factors. Export quantities and prices on the other hand, did not depict a buoyant trend and quantities were diverted in-country due to lackluster demand from abroad. Volumes to Afghanistan continue to shrink because of reduced investments and increased competition from Iranian cement.

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

Particulars	(Jul. to Sep.)		Variance	Percentage
	2015	2014		
	(----- M. Tons -----)			
Production:				
Clinker Production	642,832	504,365	138,467	27.45%
Cement Production	702,684	651,646	51,038	7.83%
Sales:				
Domestic	567,821	500,297	67,524	13.50%
Exports	136,730	138,990	(2,260)	(1.63)%
	704,551	639,287	65,264	10.21%

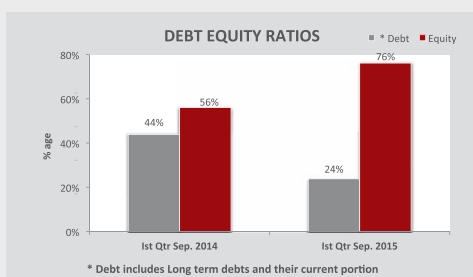
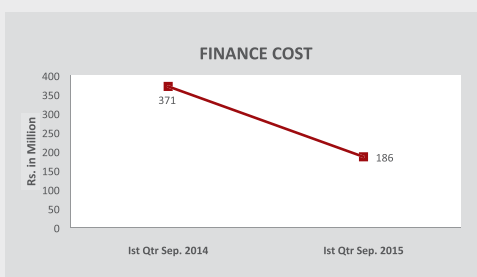
Total sales volume of 704,551 tons achieved depicts an increase of 10.21% over 639,287 tons sold during the corresponding period last year. The domestic sales volume increased to 567,821 tons registering an increase of 13.50% and exports sales volume to 136,730 tons, a decrease of 1.63%.

Continued fall in coal prices amid weaker global demand during the period resulted in lower fuel cost. Power costs also reduced due to lowering of electricity charges on the back of fuel price adjustments following declining oil prices. However, during the period under review, increase in gas tariff, PKR depreciation and packing material costs have slightly depleted margins. During the 1st quarter, the Company continued to operate its Furnace Oil based engines due to improved viability owing to low oil prices. This resulted in 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 said factors, the Company achieved gross profit of Rs.1,825 million in the current period as compared to Rs.1,579 million in the corresponding period, delineating an increase of 15.63%.



This uptick in earnings performance is majorly attributable to use in operating profit to Rs.1,338 million during the current period, as compared to Rs.1,160 million in the corresponding period last year, showing an increase of 15.38%.

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



The Company is paying off Sukuk / Syndicate and other debt obligations at an accelerated pace and is dedicated to keep current on all debt commitments backed by better cash flows and efficient cash management. Improved profit levels and healthy cash flows have enabled the Company to go for aggressive deleveraging. During the 1st quarter, the Company has further reduced its debt burden by Rs.473 million. As a result, there is a notable decline of 50% in finance cost of the Company along with substantial improvement in the debt equity ratio. The Company recorded pre-tax profit of Rs.1,152 million during the period against pre-tax profit of Rs.789 million in the corresponding period last year showing growth of 46%.

Above earnings performance impacted post-tax profits at Rs.847 million for the current period against Rs.545 million in the corresponding period last year showing robust growth in the bottom line by 55%.

### Future Outlook

Going forward, we expect increased domestic demand for cement on account of rise in PSDP allocations, investment through China Pak Economic Corridor (CPEC) alongside other key projects such as Bhasha Dam, Dasu Hydropower project, Tarbela IV Extension and Karachi-Lahore Motorway together with increased construction activities in the private sector due to upbeat macroeconomic picture including lowering inflation level and growing by Pakistanis remittances abroad. Cement prices are expected to remain stable. The Company is determined to explore new export markets to improve capacity utilization. The Afghanistan market is contracting on account of availability of inexpensive Iranian cement which is a worrying factor. However, the profitability of the cement sector should continue to progress as local dispatches command higher retention rates as compared to exports.

As oil prices are expected to remain bearish, the Company will continue to enjoy savings resulting from the usage of its Heavy Furnace Oil based standby engines to generate lower cost power with less reliance on the national grid. Fuel price adjustment relief is also expected to continue in the near term. These measures should result in reducing overall power costs and keep margins robust. Moreover, coal prices will remain subdued during the current financial year.

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. In order to further reduce the power cost and dependence on the national power grid, the Company has finalized the feasibility study for setting up a 40MW coal based power plant at the existing cement factory site and therefore, has formed a wholly owned subsidiary company namely, Maple Leaf Power Limited. Letter of Credit is expected to be established in November 2015.

CPEC is expected to prove to be a great opportunity for speeding up the country's economic development and it should increase demand for cement in the mid-term and if these agreements materialize, CPEC could be a game changer.

The Board takes this opportunity to express its deep sense of gratitude and thanks to the shareholders, employees, customers, bankers and other stakeholders for the confidence and faith they have always reposed in us.

For and on behalf of the Board



(Sayeed Tariq Saigol)  
Chief Executive

Lahore: October 19, 2015

# CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2015

	Note	Un-audited September 30, 2015 (Rupees in thousand)	Audited June 30, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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		6,496,475	5,576,181
		13,831,952	12,911,658
<b>SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX</b>	5	4,677,542	4,751,082
<b>NON - CURRENT LIABILITIES</b>			
Long term loans from banking companies - secured		9,063	38,114
Redeemable capital - secured		966,500	1,933,011
Syndicated term finance - secured		-	-
Liabilities against assets subject to finance lease - secured		603,149	628,230
Long term deposits		6,619	6,619
Deferred taxation		2,838,994	2,698,454
Retirement benefits		109,258	109,688
		4,533,583	5,414,116
<b>CURRENT LIABILITIES</b>			
Current portion of :			
- Long term loans from banking companies - secured		119,142	117,143
- Redeemable capital - secured		2,091,500	1,500,000
- Syndicated term finance - secured		363,500	433,500
- Liabilities against assets subject to finance lease - secured		173,999	128,819
Trade and other payables		3,019,317	3,163,873
Accrued profit / interest / mark-up		86,358	108,132
Provision for taxation - net		212,429	137,252
Short term borrowings		2,525,031	2,555,742
		8,591,276	8,144,461
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
		31,634,353	31,221,317

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director



	Un-audited	Audited
Note	September 30,	June 30,
	2015	2015
	(Rupees in thousand)	

## ASSETS

### NON - CURRENT ASSETS

Property, plant and equipment	7	23,374,827	23,720,541
Long term loans to employees - secured		7,929	6,513
Long term deposits		55,178	55,058
		<u>23,437,934</u>	<u>23,782,112</u>

### CURRENT ASSETS

Stores, spare parts and loose tools		4,396,838	4,195,714
Stock-in-trade		1,101,478	1,206,573
Trade debts	8	916,434	570,571
Loans and advances		1,019,734	974,082
Short term investment	9	12,345	10,530
Short term deposits and prepayments		135,574	88,969
Accrued profit		509	963
Refunds due from Government		16,797	16,797
Other receivables		190,594	130,606
Cash and bank balances		406,116	244,400
		<u>8,196,419</u>	<u>7,439,205</u>

31,634,353

31,221,317

  
Chief Executive Officer

  
Director



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

### FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Note	Un-audited September 30, 2015 (Rupees in thousand)	Un-audited September 30, 2014
Sales - net	10	4,965,847	4,453,306
Cost of goods sold	11	(3,140,390)	(2,874,595)
<b>Gross profit</b>		1,825,457	1,578,711
Distribution cost		(303,031)	(300,108)
Administrative expenses		(112,513)	(90,202)
Other charges		(76,586)	(44,891)
		(492,130)	(435,201)
Other income		5,045	16,445
<b>Profit from operations</b>		1,338,372	1,159,955
Finance cost	12	(185,930)	(370,678)
<b>Profit before taxation</b>		1,152,442	789,277
Taxation		(305,713)	(243,958)
<b>Profit after taxation</b>		846,729	545,319
		-----Rupees-----	
<b>Earnings per share - basic and diluted</b>		1.60	1.03

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Un-audited September 30, 2015 (Rupees in thousand)	Un-audited September 30, 2014
Profit after taxation	846,729	545,319
Other comprehensive income	-	-
Total comprehensive income for the period	846,729	545,319

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director

# CONDENSED INTERIM CASH FLOW STATEMENT


## FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Note	Un-audited September 30, 2015 (Rupees in thousand)	Un-audited September 30, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,152,442	789,277
Adjustments for:			
Depreciation		453,985	433,734
Provision for doubtful debts		10,877	-
Provision for stock-in-trade write off		3,268	-
Loss on disposal of property, plant and equipment		12,181	-
Gain on re-measurement of short term investment at fair value		(1,815)	(870)
Retirement benefits		3,425	3,112
Finance cost		185,930	370,678
Profit on bank deposits		(2,763)	(13,850)
<b>Cash generated from operations before working capital changes</b>		<b>1,817,530</b>	<b>1,582,080</b>
Effect on cash flow due to working capital changes			
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		(201,124)	(31,535)
Stock-in-trade		101,827	149,316
Trade debts		(356,740)	(3,115)
Loans and advances		(45,652)	177,439
Short term deposits and prepayments		(46,605)	(58,566)
Other receivables		(59,988)	(13,031)
		(608,282)	220,508
<b>Decrease in current liabilities</b>			
Trade and other payables		(144,136)	(693,583)
		(752,418)	(473,075)
<b>Net cash generated from operations</b>		<b>1,065,112</b>	<b>1,109,005</b>
Increase in long term loans to employees - secured		(1,416)	(2,035)
Retirements benefits paid		(3,855)	(4,140)
Taxes paid		(89,971)	(53,503)
<b>Net cash generated from operating activities</b>		<b>969,870</b>	<b>1,049,327</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(148,322)	(170,004)
Proceeds from disposal of property, plant and equipment		27,870	-
Increase in long term deposits and prepayments		(120)	-
Profit on bank deposits received		3,217	15,817
<b>Net cash used in investing activities</b>		<b>(117,355)</b>	<b>(154,187)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term loans from banking companies - secured		(27,520)	(25,163)
Redemption of redeemable capital - secured		(375,011)	(600,000)
Repayment of syndicated term finances- secured		(70,000)	(150,500)
Decrease in long term deposits		-	(150)
Payment of liabilities against assets subject to finance lease - net		-	(27,200)
Repayments of short term borrowings		(109,455)	(270,722)
Finance cost paid		(187,137)	(349,671)
Dividend paid		(420)	(1)
<b>Net cash used in financing activities</b>		<b>(769,543)</b>	<b>(1,423,407)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>82,972</b>	<b>(528,267)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>244,400</b>	<b>206,844</b>
<b>Cash and cash equivalents at the end of the period</b>	13	<b>327,372</b>	<b>(321,423)</b>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2015

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 period ended 30 September 2014  
Other comprehensive Income for the period ended 30 September 2014

-	-	-	-	545,319	545,319
-	-	-	-	-	-
-	-	-	-	545,319	545,319

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

- - - - 55,784 55,784

Reversal of revaluation surplus on disposal of fixed assets

- - - - - -

Balance as at 30 September 2014 - un-audited

5,277,340 1,529,874 528,263 2,058,137 3,015,203 10,350,680

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 period ended 30 September 2015  
Other comprehensive Income for the period ended 30 September 2015

-	-	-	-	846,729	846,729
-	-	-	-	-	-
-	-	-	-	846,729	846,729

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

- - - - 62,100 62,100

Reversal of revaluation surplus on disposal of fixed assets

- - - - 11,465 11,465

Balance as at 30 September 2015 - un-audited

5,277,340 1,529,874 528,263 2,058,137 6,496,475 13,831,952

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director

# SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

## FOR THE PERIOD ENDED SEPTEMBER 30, 2015

### 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 currently listed on all three stock exchanges of Pakistan. 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 financial information comprises the condensed interim balance sheet of the Company, as at 30 September 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.

**2.1.2** This condensed interim financial information of the Company for the three months period ended 30 September 2015 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 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** This condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the 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

Number of shares		Un-audited September 30, 2015 (Rupees in thousand)	Audited June 30, 2015
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 4.1	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 4.2	16,244	16,244
<u>527,733,926</u>		<u>5,277,340</u>	<u>5,277,340</u>

- 4.1 During the financial year ended 30 June 2011, Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.
- 4.2 During the financial year ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.
- 4.3 The Holding Company holds 291,410,425 (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 capital of the Company.
- 4.4 Zimpex (Private) Limited, an associated undertaking, holds 1,706 (30 June 2015: 1,706) ordinary shares of the Company.

	Un-audited September 30, 2015 (Rupees in thousand)	Audited June 30, 2015
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#### 5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

##### Gross Surplus

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	(11,465)	(9,668)
Transferred to accumulated profit in respect of incremental depreciation charged during the period / year	(87,925)	(347,769)
At end of the period / year	6,246,332	6,345,722

##### Deferred tax liability on revaluation surplus

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		
Effect of disposal of fixed assets	-	(2,867)
Incremental depreciation charged on related assets	(25,823)	(103,124)
Effect of change in tax rate	(27)	(40,682)
At end of the period / year	1,568,790	1,594,640
	<u>4,677,542</u>	<u>4,751,082</u>

## 6. CONTINGENCIES AND COMMITMENTS

### 6.1 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 2015.

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

### 6.3 Commitments

#### 6.3.1 In respect of:

- capital expenditure
- irrevocable letters of credit for spare parts

Un-audited  
September 30,  
2015  
(Rupees in thousand)

Audited  
June 30,  
2015

Note

5,312	11,373
409,287	811,809
414,599	823,182

## 7. PROPERTY, PLANT AND EQUIPMENT

- Operating fixed assets
- Capital work in progress - at cost

7.1  
7.2

23,246,624	23,604,525
128,203	116,016
23,374,827	23,720,541

### 7.1 Operating fixed assets

- At beginning of the period / year
- Add:  
Revaluation during the period / year

- Add:  
Additions during the period / year

7.1.1

23,604,525	24,661,336
-	95,013
136,132	715,114
23,740,657	25,471,463

- Less: Book value of operating assets disposed-off during the period / year
- Depreciation charge during the period / year

40,048	94,384
453,985	1,772,554
23,246,624	23,604,525



	Note	Un-audited September 30, 2015 (Rupees in thousand)	Audited June 30, 2015
<b>7.1.1 Additions during the period / year:</b>			
- freehold land		-	-
- buildings on freehold land		35,725	126,368
- plant & machinery		85,528	466,063
- furniture, fixtures and equipment		12,272	61,982
- roads, bridges and railway sidings		480	1,454
- vehicles		2,127	59,247
		136,132	715,114
<b>7.2 Capital work-in-progress - at cost</b>			
Plant and machinery		106,973	100,050
Unallocated capital expenditure		1,001	1,001
Advance to suppliers against:			
- purchase of land		2,000	2,000
- plant and machinery		10,538	9,788
- vehicles		7,691	3,177
		128,203	116,016
<b>8. TRADE DEBTS</b>			
<b>Considered good</b>			
Export - secured	8.1	76,701	67,655
Local - unsecured		839,733	502,916
		916,434	570,571
<b>Considered doubtful</b>			
Local - unsecured		14,300	3,423
		930,734	573,994
Less: provision for doubtful trade debts	8.2	(14,300)	(3,423)
		916,434	570,571
<b>8.1 These are secured through bank by letters of credit.</b>			
<b>8.2 Movement in provision for doubtful trade debts</b>			
At beginning of the period / year		3,423	8,580
Provision for the period / year		10,877	22,557
Less: provision written off		-	(27,714)
<b>At the end of the period / year</b>		<b>14,300</b>	<b>3,423</b>

	Un-audited September 30, 2015 (Rupees in thousand)	Audited June 30, 2015
<b>9. SHORT TERM INVESTMENT</b>		
Investment at fair value through profit or loss - listed securities		
Next Capital Limited: 1,500,000 (30 June 2015: 1,500,000) ordinary shares of Rs. 10 each Market value Rs. 8.23 per share (30 June 2015: Rs. 7.02 per share)		
Cost		
At beginning and end of the period / year	15,000	15,000
Unrealized fair value loss		
At beginning of the period / year	4,470	8,220
Fair value gain for the period / year	(1,815)	(3,750)
At end of the period / year	2,655	4,470
Fair value at end of period / year	12,345	10,530
	Three months ended (Un-audited) September 30, 2015      September 30, 2014 (Rupees in thousand)	
<b>10. SALES - NET</b>		
Gross local sales	5,278,414	4,658,768
Less:		
Federal Excise Duty	(224,329)	(201,271)
Sales Tax	(865,847)	(768,385)
Commission	(37,215)	(31,288)
	(1,127,391)	(1,000,944)
Net local sales	4,151,023	3,657,824
Export sales	814,824	795,482
	4,965,847	4,453,306

Three months ended (Un-audited)  
September 30, September 30,  
2015 2014  
(Rupees in thousand)

11. COST OF GOODS SOLD

Raw materials consumed	187,020	140,031
Packing materials consumed	324,167	286,067
Fuel	947,554	873,314
Power	682,852	550,806
Stores, spare parts and loose tools consumed	165,622	161,481
Salaries, wages and other benefits	157,513	124,997
Rent, rates and taxes	5,015	5,267
Insurance	13,375	14,001
Repairs and maintenance	91,556	75,768
Depreciation	446,787	427,354
Vehicles running and maintenance	20,180	23,656
Provision for Cement stocks written off	3,268	-
Other expenses	34,280	44,723

	3,079,189	2,727,465
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Work in process:

At beginning of the period	697,357	697,455
At end of the period	(623,729)	(394,247)

	73,628	303,208
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Cost of goods manufactured

	3,152,817	3,030,673
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Finished goods:

At beginning of the period	328,425	284,566
At end of the period	(340,852)	(440,645)

	(12,427)	(156,079)
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Cost of goods sold

	3,140,390	2,874,594
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12. FINANCE COST

Profit / interest / mark up on long term loans, finances, redeemable capital and short term finances	134,995	304,965
Exchange loss - net	26,353	59,922
Bank and other charges	24,582	5,791
	185,930	370,678

	Un-audited September 30, 2015 (Rupees in thousand)	Un-audited September 30, 2014
<b>13. CASH AND CASH EQUIVALENTS</b>		
Short term running finance	(78,744)	(447,869)
Cash and bank	406,116	126,446
	<u>327,372</u>	<u>(321,423)</u>

#### 14. TRANSACTIONS 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.

Details of transactions with related parties are as follows:

	Three months ended (Un-audited) September 30, 2015	September 30, 2014 (Rupees in thousand)
<b>Holding company (Kohinoor Textile Mills Limited)</b>		
Sale of goods and services	5,078	6,404
<b>Key management personnel</b>		
Remuneration and other benefits	53,072	48,553
<b>Post employment benefit plans</b>		
Contributions to Provident Fund Trust	(18,360)	(14,990)
Payments to MLCF Employees Gratuity Fund Trust	(2,321)	(1,929)

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.

#### 15. OPERATING SEGMENT

##### 15.1 Information about operating segment

These financial statements have been prepared on the basis of single reportable segment.

- 15.2 Revenue from sale of cement represents 100.00% (30 September 2014: 100.00%) of gross sales of the Company. Sale comprises 92.41% (30 September 2014: 92.33%) sale of grey cement and 7.59% (30 September 2014: 7.67%) from white cement.

### 15.3 Geographical information

The Company operates in two principal geographical areas, Asia and Africa and revenue from continuing operations from external customers based on geographical areas is as follows:

Geographical area	Three months ended (Un-audited)	
	September 30, 2015	September 30, 2014
	(Percentage)	
Asia	97.55%	96.67%
Africa	2.45%	3.33%
	100.00%	100.00%

- 15.4 All assets of the Company as at 30 September 2015 are located in Pakistan.

### 16. CORRESPONDING FIGURES

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

### 17. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 19 October 2015 by the Board of Directors of the Company.

### 18. GENERAL

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

  
Chief Executive Officer

  
Director

## NOTE



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**MAPLE LEAF CEMENT**

A Kohinoor Maple Leaf Group Company

42-Lawrence Road, Lahore, Pakistan