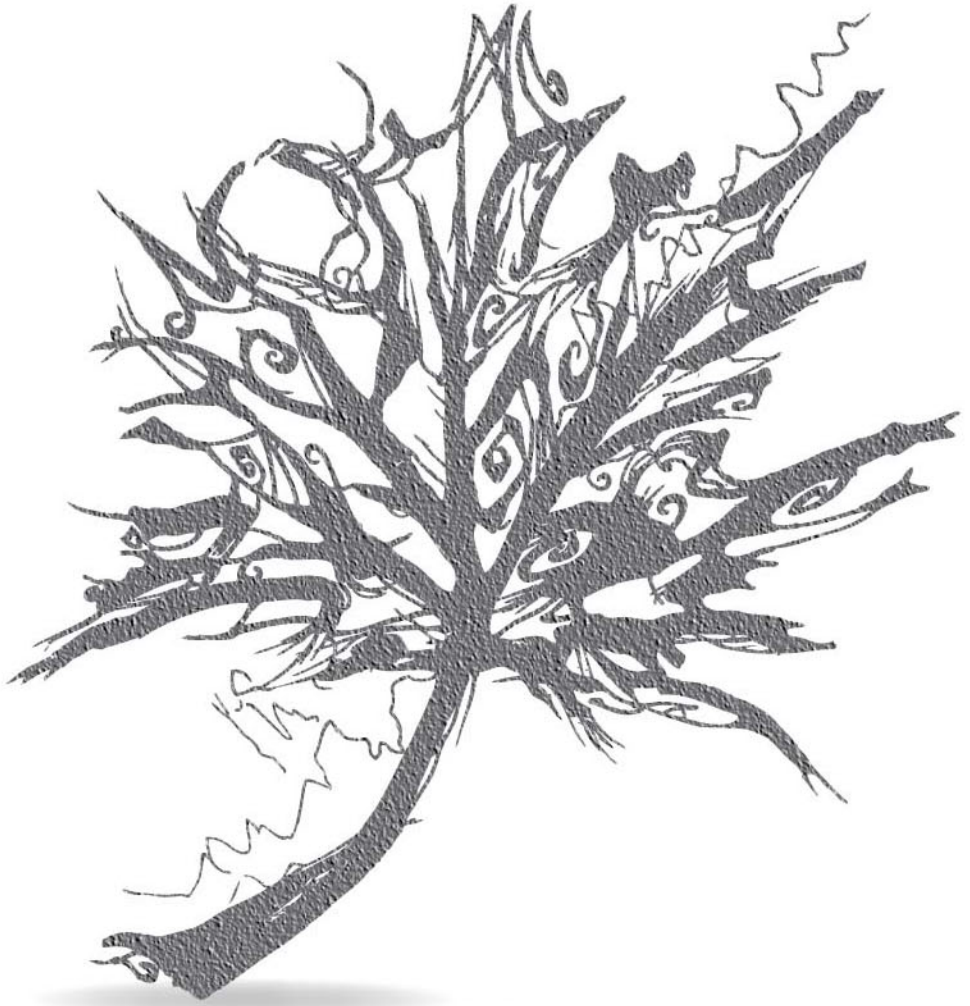


# TURNING A NEW LEAF



**MAPLE LEAF CEMENT**  
A Kohinoor Maple Leaf Group Company

**Half Yearly Report  
December 31, 2013**

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

### Human Resource & Remuneration Committee

Mr. Waleed Tariq Saigol	Chairman
Mr. Zamiruddin Azar	Member
Syed Mohsin Raza Naqvi	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  
HSBC Bank Middle East 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  
Pak Oman Investment Company Limited  
Saudi Pak Industrial & Agricultural  
Investment Co. 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 Advisors**

Raja Mohammed Akram & Co.  
Advocates and Legal Consultants,  
Lahore.

#### **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) 36375531  
Fax: (042) 36312550  
E-mail: shares@vcl.com.pk  
Website: www.vcl.com.pk

**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 the financial statements of the Company for the half year ended December 31, 2013, duly reviewed by the Auditors.

The Company recorded improved net sales of Rs.8,844 million during the first half year against net sales of Rs.8,175 million in the corresponding period. Sales revenue improved by 8% resulting in growth in gross profit mainly due to higher local prices on account of increased input costs due to power tariff hike and rise in international prices of coal. Local dispatches improved in the second quarter as compared to first quarter of the current year on account of increase in construction activity in the private, as well as, public sector due to higher utilization of funds released for Public Sector Development Programme. Export quantities and retention on the other hand, reflected a flat trend during the first half of the year due to lower demand in export markets. Coal prices (Richards Bay) increased by 25% from low of US\$ 87/ton (C&F) seen in September 2013 to US\$ 109/ton (C&F) in November 2013 on the back of Columbian mines strike, improved demand for the commodity due to winter season and speculative future coal transactions. However, your Company has already somewhat secured itself by early purchase of low priced coal. Gross profit increased to Rs. 2,996 million in current period as compared to gross profit of Rs. 2,745 million in the corresponding year.

Operating profit for the period was Rs. 2,333 million as compared to operating profit of Rs. 2,208 million in corresponding period. Operating earnings growth emanated mainly from better cement prices and efficient running of Waste Heat Recovery Plant along with other cost reduction measures adopted by the Company. There is a decline of 8% in financial charges despite Pak Rupee devaluation due to reduction in interest rates, deleveraging and improved cash management. The Company is continuing to repay Sukuk / Syndicate and other debt obligations and is dedicated to keep current on all debt commitments backed by better cash flows and efficient cash management.

Due to above factors, Company has shown profit after tax of Rs.1,482 million during first half year as compared to profit after tax of Rs.1,350 million in the corresponding period.

### Future Outlook

Going forward, we have hopes for expanded pace in spending on public sector infrastructure projects in the second half of the current fiscal year, where the government should be enthusiastic to record some milestones before concluding its first year in office. Upbeat demand is expected to keep cement prices stable and should result in good profitability. The Company has adopted efficient marketing techniques to discover new export markets to achieve better capacity utilization. Afghanistan export market is declining on account of availability of low cost Iranian cement which is a worrying factor. Exports to India have also declined. 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. Coal prices seem to be recovering after touching low levels during the current period on account of oversupply. The revival of the Gas Development Infrastructure Cess (GIDC) is particularly worrisome for the Company as the government has revised GIDC rates on CPPs from Rs. 50 per mmbtu to Rs.100. It is probable that SBP discount rates will rise, however improved cash inflows will further facilitate the Company in deleveraging its balance sheet in the coming few years along with substantial savings in financial charges.

### Acknowledgment

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

For and on behalf of the Board

(Sayeed Tariq Saigol)  
Chief Executive

Lahore: February 24, 2014

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

## Introduction

We have reviewed the accompanying condensed interim balance sheet of **Maple Leaf Cement Factory Limited** ("the Company") as at 31 December 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after referred as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim 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 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 interim 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 financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the three months period ended 31 December 2013, in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.  
Chartered Accountants  
(Kamran Iqbal Yousafi)

Lahore:  
Date: February 24, 2014



# CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2013

	Note	Un-audited December 31, 2013 (Rupees in thousand)	Audited June 30, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital		7,000,000	7,000,000
Issued, subscribed and paid-up capital	5	5,277,340	5,277,340
Reserves		2,058,137	2,058,137
Accumulated profit / (loss)		1,055,124	(564,564)
		8,390,601	6,770,913
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX</b>	6	4,927,252	5,051,836
<b>NON-CURRENT LIABILITIES</b>			
Long term loans from banking companies - secured	7	1,024,216	1,590,544
Redeemable capital - secured		5,983,000	6,383,000
Syndicated term finances - secured		1,121,375	1,196,625
Liabilities against assets subject to finance lease		809,209	840,847
Long term deposits		6,979	7,029
Deferred taxation	8	1,853,849	1,904,860
Retirement benefits		42,975	58,885
		10,841,603	11,981,790
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,686,857	3,026,311
Accrued profit / interest / mark-up		256,328	361,834
Short term borrowings	9	3,465,844	3,277,666
Current portion of:			
- Long term loans from banking company - secured		578,673	740,318
- Redeemable capital - secured		829,407	832,869
- Syndicated term finance - secured		173,875	182,500
- Liabilities against assets subject to finance lease		169,991	147,053
		8,160,975	8,568,551
<b>CONTINGENCIES AND COMMITMENTS</b>	10	32,320,431	32,373,090

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director

	Note	Un-audited December 31, 2013 (Rupees in thousand)	Audited June 30, 2013
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	25,146,209	25,630,205
Long term investments		1,625	1,625
Long term loans to employees - secured		5,085	3,608
Deposits and prepayments		52,158	54,746
		25,205,077	25,690,184
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,948,308	3,751,386
Stock-in-trade		892,438	938,899
Trade debts	12	788,291	757,944
Loans and advances		224,497	161,704
Short term investments	13	7,500	7,350
Short term deposits and prepayments		124,950	74,808
Accrued profit on bank accounts		485	346
Refunds due from government		16,797	16,797
Other receivables		183,399	166,583
Income tax - net		333,040	283,549
Cash and bank balances		595,649	523,540
		7,115,354	6,682,906
		32,320,431	32,373,090

  
Chief Executive Officer

  
Director





# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2013 (UN-AUDITED)

	Note	Half year ended December 31, 2013	Half year ended December 31, 2012	Quarter ended December 31, 2013	Quarter ended December 31, 2012
(..... Rupees in thousand .....)					
Sales - net	14	8,843,887	8,175,038	4,651,939	4,367,232
Cost of sales		(5,847,988)	(5,430,350)	(3,010,570)	(2,750,115)
<b>Gross profit</b>		2,995,899	2,744,688	1,641,369	1,617,117
Distribution cost		(477,165)	(383,514)	(245,428)	(197,340)
Administrative expenses		(139,535)	(115,300)	(72,772)	(62,136)
Other operating expenses		(92,087)	(56,408)	(67,917)	(55,688)
Other operating income		(708,787) 45,537	(555,222) 18,221	(386,117) 28,819	(315,164) 13,333
<b>Profit from operations</b>		2,332,649	2,207,687	1,284,071	1,315,286
Finance cost	15	(852,495)	(929,046)	(377,755)	(415,051)
<b>Profit before taxation</b>		1,480,154	1,278,641	906,316	900,235
Taxation	16	2,303	71,323	19,902	65,320
<b>Profit after taxation</b>		1,482,457	1,349,964	926,218	965,555
<b>Earnings per share - basic and diluted</b>	(Rupees)	2.81	2.56	1.76	1.86

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED DECEMBER 31, 2013 (UN-AUDITED)

	Half year ended December 31, 2013	Half year ended December 31, 2012	Quarter ended December 31, 2013	Quarter ended December 31, 2012
	(..... Rupees in thousand .....)			
<b>Profit after taxation</b>	1,482,457	1,349,964	926,218	965,555
<b>Other comprehensive income for the period</b>	12,647	-	12,647	-
<b>Total comprehensive income for the period</b>	<u>1,495,104</u>	<u>1,349,964</u>	<u>938,865</u>	<u>965,555</u>

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director



# CONDENSED INTERIM CASH FLOW STATEMENT

## FOR THE HALF YEAR ENDED DECEMBER 31, 2013 (UN-AUDITED)

	Note	December 31, 2013 (Rupees in thousand)	December 31, 2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations before working capital changes	17	3,170,864	3,039,781
(Increase) / decrease in current assets			
Stores, spares and loose tools		(196,922)	(200,558)
Stock-in-trade		46,461	(68,353)
Trade debts		(31,363)	(11,207)
Loans and advances		(62,793)	22,570
Short term investments		-	14,724
Short term deposits and prepayments		(50,142)	27,845
Other receivables		(16,813)	7,150
Decrease in current liabilities			
Trade and other payables		(175,728)	(616,930)
		(487,300)	(824,759)
<b>Cash generated from operations</b>		<b>2,683,564</b>	<b>2,215,022</b>
(Increase) / decrease in long term loans to employees - secured		(1,477)	213
Retirement benefits paid		(9,255)	(11,189)
Taxes paid		(98,199)	(26,187)
<b>Net cash generated from operating activities</b>		<b>2,574,633</b>	<b>2,177,859</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(360,281)	(70,518)
Proceeds from disposal of property, plant and equipment		6,372	1,055
Increase in long term deposits and prepayments		2,588	(335)
Profit on bank deposits received		6,405	10,053
<b>Net cash used in investing activities</b>		<b>(344,916)</b>	<b>(59,745)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of long term loans from banking companies - secured		(730,008)	(323,653)
Acquisition of long term loans from banking companies - secured		-	40,496
Repayment of redeemable capital - secured		(403,462)	(565,422)
Repayment of syndicated term finances - secured		(83,875)	(46,375)
(Decrease) / increase in long term deposits		(50)	830
Payment of liabilities against assets subject to finance lease - net		(70,528)	(82,043)
Increase in short term borrowings		188,178	560,269
Finance cost paid		(894,138)	(1,249,638)
Redemption of preference shares		(163,720)	(156,786)
Dividend paid		(5)	(176,624)
<b>Net cash used in financing activities</b>		<b>(2,157,608)</b>	<b>(1,998,946)</b>
<b>Net increase in cash and cash equivalents</b>		<b>72,109</b>	<b>119,168</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>523,540</b>	<b>463,226</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>595,649</b>	<b>582,394</b>

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2013 (UN-AUDITED)

Share Capital	Capital Reserves			Revenue Reserves			Total Equity
	Share premium	Capital redemption reserve	Sub- Total	General reserve	Accumulated Profit / (loss)	Sub- Total	

..... Rupees in thousand .....

**Balance as at 30 June 2012** 5,805,603 1,529,874 368,541 1,898,415 1,400,000 (5,275,157) (3,875,157) 3,828,861

## Total comprehensive income

Profit for the six months period ended 31 December 2012	-	-	-	-	-	1,349,964	1,349,964	1,349,964
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Surplus on revaluation of property, plant and equipment realized through incremental depreciation (net of tax)	-	-	-	-	-	125,413	125,413	125,413

## Transactions with owners, recorded directly in equity

Redemption of preference shares	(528,263)	-	-	-	-	-	-	(528,263)
Dividend on preference shares for the six months period ended 31 December 2012	-	-	-	-	-	(1,353)	(1,353)	(1,353)
	(528,263)	-	-	-	-	(1,353)	(1,353)	(529,616)

**Balance as at 31 December 2012** 5,277,340 1,529,874 368,541 1,898,415 1,400,000 (3,801,133) (2,401,133) 4,774,622

## Total comprehensive income

Profit for the six months period ended 30 June 2013	-	-	-	-	-	1,874,731	1,874,731	1,874,731
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Surplus on revaluation of property, plant and equipment realized through incremental depreciation (net of tax)	-	-	-	-	-	121,560	121,560	121,560

## Transactions with owners, recorded directly in equity

Transfer to capital redemption reserve	-	-	159,722	159,722	-	(159,722)	(159,722)	-
Transfer from general reserve	-	-	-	-	(1,400,000)	1,400,000	-	-
	-	-	159,722	159,722	(1,400,000)	1,240,278	(159,722)	-

**Balance as at 30 June 2013** 5,277,340 1,529,874 528,263 2,058,137 - (564,564) (564,564) 6,770,913

## Total comprehensive income

Profit for the six months period ended 31 December 2013	-	-	-	-	-	1,482,457	1,482,457	1,482,457
Other comprehensive income for the period	-	-	-	-	-	12,647	12,647	12,647
Surplus on revaluation of property, plant and equipment realized through incremental depreciation (net of tax)	-	-	-	-	-	124,584	124,584	124,584

**Balance as at 31 December 2013** 5,277,340 1,529,874 528,263 2,058,137 - 1,055,124 1,055,124 8,390,601

The annexed notes from 1 to 20 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 HALF YEAR ENDED DECEMBER 31, 2013 (UN-AUDITED)

## 1. LEGAL STATUS AND NATURE OF BUSINESS

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.

## 2. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance 1984.

## 3. BASIS OF PREPARATION

The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the annual financial statements as at and for the year ended 30 June 2013.

## 4. 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 2013, except for the amendment in IAS 19 - "Employee Benefits". Under IAS 19, the Company determines the net interest expense (income) for the period on the net defined benefit liability (asset) by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) at the beginning of the annual period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. All the changes in the present value of defined benefit obligation are now recognized in statement of comprehensive income and the past service costs are recognized in profit and loss account, immediately in the period they occur. The change in accounting policy has been applied prospectively, being considered immaterial.

## 5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

		Un-audited December 31, 2013 (Rupees in thousand)	Audited June 30, 2013
<b>Ordinary shares:</b>			
<b>Number of shares</b>			
290,359,856	(30 June 2013: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash	2,903,599	2,903,599
35,834,100	(30 June 2013: 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 2013: 46,069,400) ordinary shares of Rs.10 each issued as fully paid bonus shares	460,694	460,694
153,846,153	(30 June 2013: 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 2013: 603,420) 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>

	Un-audited December 31, 2013 (Rupees in thousand)	Audited June 30, 2013
<b>6. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX</b>		
<b>Gross surplus</b>		
Balance at beginning of the period / year	6,956,696	7,307,876
Less: Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(175,595)	(351,180)
	6,781,101	6,956,696
<b>Less: deferred tax liability on:</b>		
Opening balance of revaluation	1,904,860	2,009,067
Incremental depreciation charged on related assets	(51,011)	(104,207)
	1,853,849	1,904,860
	4,927,252	5,051,836
<b>7. LONG TERM LOANS FROM BANKING COMPANIES - SECURED</b>		
Habib Bank Limited - long term finance facility (LTFF)	-	23,391
Habib Bank Limited - term loan facility	440,319	495,359
Allied Bank Limited - deferred mark-up loan	466,751	933,503
HSBC Bank Middle East Limited - medium term loan	95,228	114,276
ICD deferred mark-up loan	21,918	24,015
	1,024,216	1,590,544
<b>8. DEFERRED TAXATION</b>		
<b>Deferred tax liability on taxable temporary differences arising in respect of:</b>		
- accelerated tax depreciation on property, plant and equipment	3,185,520	3,679,247
- surplus on revaluation of property, plant and equipment	1,853,849	1,904,860
	5,039,369	5,584,107
<b>Deferred tax asset on deductible temporary differences arising in respect of:</b>		
- unused tax losses	(2,754,931)	(3,258,025)
- lease finances	(81,217)	(80,171)
- employees' compensated absences	(16,158)	(17,473)
- provision for doubtful debts	(295)	(2,467)
- minimum tax recoverable against normal tax charge in future years	(332,919)	(321,111)
	(3,185,520)	(3,679,247)
	1,853,849	1,904,860



	Note	Un-audited December 31, 2013 (Rupees in thousand)	Audited June 30, 2013
<b>9. SHORT TERM BORROWINGS</b>			
Cash and running finances - secured		3,260,038	3,117,777
Temporary bank overdraft - unsecured		205,806	159,889
		<u>3,465,844</u>	<u>3,277,666</u>
<b>10. CONTINGENCIES AND COMMITMENTS</b>			
<b>10.1 Contingencies</b>			
There has been no significant change in the status of contingencies as reported in the preceding published annual financial statement of the Company for the year ended 30 June 2013.			
<b>10.2 Commitments</b>			
<b>10.2.1</b> Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies		457,352	437,200
<b>10.2.2</b> Commitments against capital expenditures		3,785	21,594
<b>10.2.3</b> Commitments against irrevocable letters of credit:			
- spare parts		118,144	188,497
		<u>579,281</u>	<u>647,291</u>
<b>11. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	11.1	25,027,183	25,542,553
Capital work in progress - at cost	11.1.2	119,026	87,652
		<u>25,146,209</u>	<u>25,630,205</u>
<b>11.1 Operating fixed assets</b>			
Balance at beginning of the period / year		25,542,553	26,713,389
Add: Additions during the period / year	11.1.1	328,905	470,060
		<u>25,871,458</u>	<u>27,183,449</u>
Less: Book value of operating fixed assets disposed-off during the period / year		1,876	2,145
Depreciation charge during the period / year		842,399	1,638,751
		<u>25,027,183</u>	<u>25,542,553</u>

	Un-audited December 31, 2013 (Rupees in thousand)	Audited June 30, 2013
<b>11.1.1 Additions during the period / year:</b>		
Freehold land	3,100	-
Buildings on freehold land	13,459	19,713
Plant and machinery	258,984	402,518
Furniture, fixtures and equipment	48,674	15,432
Roads, bridges and railway sidings	-	495
Quarry equipment	1,879	-
Vehicles	2,809	31,902
	<b>328,905</b>	<b>470,060</b>
<b>11.1.2 Capital work in progress - at cost</b>		
Plant and machinery	90,686	52,909
Unallocated capital expenditures	1,001	1,001
<b>Advances to suppliers against:</b>		
- Purchase of land	2,000	2,000
- Furniture and fixtures	-	19,136
- Plant and machinery	23,117	11,601
- Vehicles	2,222	1,005
	<b>119,026</b>	<b>87,652</b>
<b>12. TRADE DEBTS</b>		
Considered good		
Export - secured	43,051	53,762
Local - unsecured	745,240	704,182
	<b>788,291</b>	<b>757,944</b>
Considered doubtful		
Local - unsecured	9,003	8,314
Less: Provision for doubtful trade debts	5,743	7,987
Less : Trade debts written off	3,260	327
	<b>788,291</b>	<b>757,944</b>
<b>13. SHORT TERM INVESTMENTS</b>		
<b>At fair value through profit or loss - quoted</b>		
<b>Next Capital Limited</b>		
1,500,000 (30 June 2013: 1,500,000) ordinary shares of Rs 10 each	15,000	15,000
Less: adjustment arising from remeasurement to fair value	(7,500)	(7,650)
	<b>7,500</b>	<b>7,350</b>





		Half year ended (Un-audited)	
		December 31, 2013	December 31, 2012
	Note	(Rupees in thousand)	
14. SALES - NET			
Gross local sales		9,189,944	8,056,382
Less:			
Excise duty		386,818	388,636
Sales tax		1,532,517	1,078,031
Commission		60,694	63,617
		1,980,029	1,530,284
Net local sales		7,209,915	6,526,098
Export sales		1,633,972	1,648,940
		8,843,887	8,175,038
15. FINANCE COST			
Profit / interest / mark-up on long term loans, finances, redeemable capital and short term finances		689,966	835,682
Exchange loss		141,222	60,130
Realized loss on derivative cross currency interest rate swap agreement		2,243	3,525
Bank charges		19,064	29,709
		852,495	929,046
16. TAXATION			
Current tax			
- for the period	16.1	88,960	41,151
- prior years		(40,252)	(60,854)
		48,708	(19,703)
Deferred tax		(51,011)	(51,620)
		(2,303)	(71,323)

**16.1** Provision for current tax represents minimum tax on turnover due under section 113 of the Income Tax Ordinance, 2001.

**Half year ended (Un-audited)**  
**December 31, 2013    December 31, 2012**  
**(Rupees in thousand)**

**17. CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES**

Profit before taxation	1,480,154	1,278,641
Adjustments for:		
Depreciation	842,399	818,413
Amortization	-	3,990
Provision for doubtful debts	1,016	5,300
Gain on disposal of property, plant and equipment - net	(4,496)	(814)
(Gain) / loss on short term investments		
- through profit or loss	(150)	4,105
Retirement benefits	5,990	10,649
Finance cost	852,495	929,046
Profit on bank deposits	(6,544)	(9,549)
	<b>3,170,864</b>	<b>3,039,781</b>

**18. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of the shareholders, associated companies, directors, key management personnel and employee benefits funds. The Company in the normal course of business carries-out transactions with various related parties. Amounts due from holding company is shown under other receivables. Other significant transactions with related parties are as follows:

**Half year ended (Un-audited)**  
**December 31, 2013    December 31, 2012**  
**(Rupees in thousand)**

<b>Relationship with the company</b>	<b>Nature of transaction</b>		
<b>Holding Company</b>	- Sale of goods and services	393	172
	- Sale of fixed assets	54	-
<b>Key Management Personnel</b>	- Remuneration and other benefits	56,376	56,151

**19. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on 24 February 2014.

**20. GENERAL**

Figures have been rounded off to the nearest thousand of rupee except stated otherwise.

  
Chief Executive Officer

  
Director





**MAPLE LEAF CEMENT**

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Lawrence  
Road, Lahore