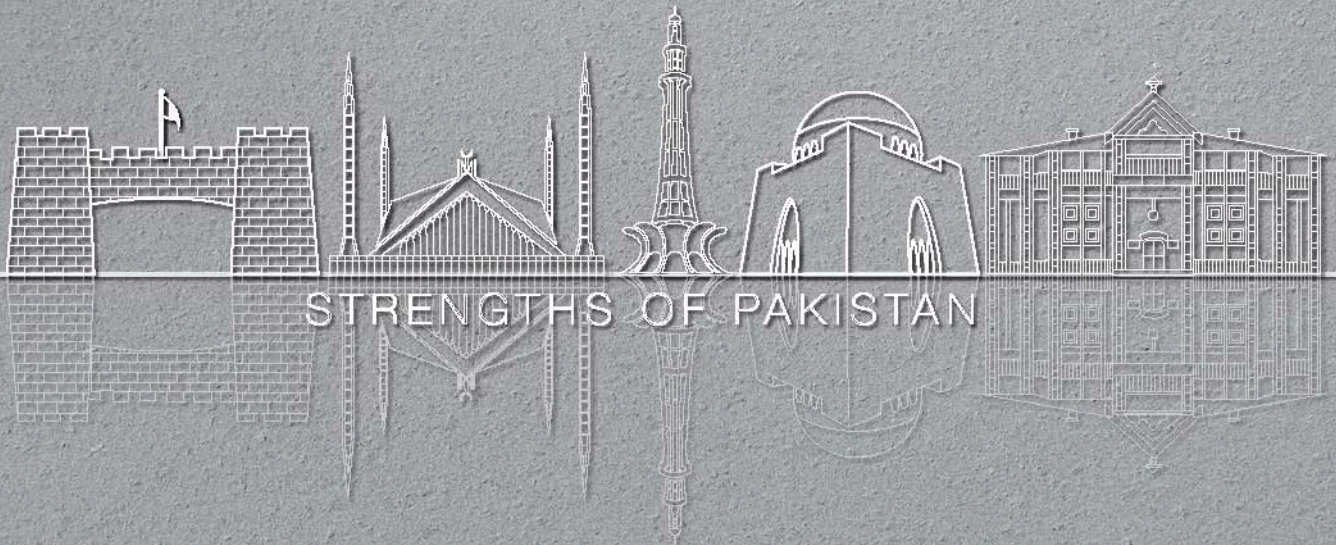


Half Yearly Report

December 31, 2017





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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	

Executive Directors

Mr. Sohail Sadiq	Finance
Mr. Amir Feroze	Plant Operations
Mr. Yahya Hamid	Marketing

Audit Committee

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

Human Resource & Remuneration Committee

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

Chief Financial Officer

Syed Mohsin Raza Naqvi

Company Secretary

Mr. Muhammad Ashraf

Chief Internal Auditor

Mr. Zeeshan Malik Bhutta



Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Albaraka Bank Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Islamic Corporation for the Development
of the Private Sector, Jeddah
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
Trust Investment Bank Limited
U Microfinance Bank Limited
United Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Adviser

Mr. Shahid Ismail
Advocate High Court

Registered Office

42-Lawrence Road, Lahore.
Phone: (0092-42) 36278904-5
Fax: (0092-42) 36368721
E-mail: mohsin.naqvi@kmlg.com

Factory

Iskanderabad Distt. Mianwali.
Phone: (0092-459) 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: (0092-42) 36283096-97
Fax: (0092-42) 36312550
E-mail: shares@vcl.com.pk

Company Website:

www.kmlg.com

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

DIRECTORS' REVIEW

In compliance with Section 237 of the Companies Act, 2017, the Directors of your Company have pleasure to present financial statements for the first half of financial year 2018, ended 31st December 2017.

Consolidated financial highlights for Maple Leaf Cement Factory Limited (the Company) and its wholly-owned subsidiary, Maple Leaf Power Limited (MLPL) are as follows: -

	1st Half year (Jul. to Dec.)		Variance	Percentage
	2017	2016		
	(----- Rupees in thousand -----)			
Net Sales Revenue	12,278,279	11,921,477	356,802	2.99%
Gross Profit	4,391,847	5,141,872	(750,025)	(14.59%)
Operating Profit	3,258,313	3,871,960	(613,647)	(15.85%)
Finance Cost	330,487	103,928	226,559	218.00%
Profit Before Taxation	2,927,826	3,768,032	(840,206)	(22.30%)
Taxation	680,138	1,143,637	(463,499)	(40.53%)
Profit After Taxation	2,247,688	2,624,395	(376,707)	(14.35%)
Earnings Per Share (Rupees)	4.12	4.97	(0.85)	(17.10%)

Standalone financial highlights of Maple Leaf Cement Factory Limited are as follows:-

	1st Half year (Jul. to Dec.)		Variance	Percentage
	2017	2016		
	(----- Rupees in thousand -----)			
Net Sales Revenue	12,289,674	11,970,137	319,537	2.67%
Gross Profit	4,108,920	5,190,532	(1,081,612)	(20.84%)
Operating Profit	2,983,752	3,941,558	(957,806)	(24.30%)
Finance Cost	330,424	103,806	226,618	218.31%
Profit Before Taxation	2,653,328	3,837,752	(1,184,424)	(30.86%)
Taxation	680,138	1,143,637	(463,499)	(40.53%)
Profit After Taxation	1,973,190	2,694,115	(720,925)	(26.76%)
Earnings Per Share (Rupees)	3.62	5.11	(1.49)	(29.16%)

Note: Above standalone financial highlights of the Company include power cost supplied by MLPL at NEPRA approved tariff of Rs. 12.92 /KWH.



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

Particulars	(Jul. to Dec.)		Variance	Percentage
	2017 (----- M. Tons -----)	2016		
Production:				
Clinker Production	1,675,289	1,605,908	69,381	4.32%
Cement Production	1,811,115	1,692,377	118,738	7.02%
Sales:				
Domestic	1,638,390	1,426,842	211,547	14.83%
Exports	158,095	266,223	(108,128)	(40.62%)
	1,796,485	1,693,065	103,420	6.11%

During the period, the Company recorded net consolidated sales of Rs.12,278 million against Rs.11,921 million in the corresponding period last year mainly due to 14.83% quantitative growth in local sales mix stemming from improved economic activity. During the first half year of current financial year 2017-18, local dispatches increased from 1,426,842 metric tons to 1,638,390 metric tons as compared to the corresponding period. This growth can be attributed to increased private sector construction activities, accelerated Public Sector Development Program (PSDP) in an election year and China Pakistan Economic Corridor (CPEC) related projects demand.

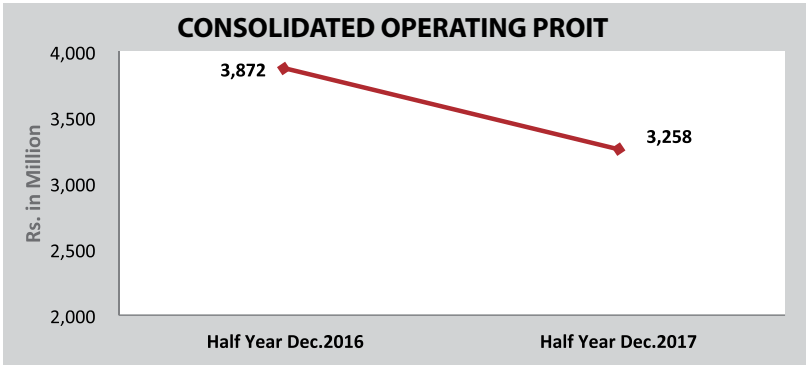
Prioritizing the need to fulfill appetite of domestic market, export sale volumes, declined by 40.62% registering reduction of 108,128 metric tons. Exports remained unattractive due to lower margins and the challenging barriers erected by countries we export to. Anti-dumping duty imposed by South Africa and non-tariff barriers in India. However, record 14.83% growth on higher margin local dispatches has somewhat dampened the adverse effects of falling exports.

During the first half year of financial year 2017-18, despite 14.83% volumetric increase in local sales, decrease in average sales price of domestic market has compressed net retention per ton for grey cement as compared to the corresponding period last year. This decline in retention was triggered mainly due to increase in Federal Excise Duty (FED) on local cement by 25% i.e. from Rs. 1,000 per metric ton to Rs. 1,250 per metric ton, effective 1st July 2017 vide Finance Act, 2017. Although sales volume increased there was a paradoxical reduction in net margins.

Coal prices in the global markets had an upward trend on account of increase in demand from China and India where a ban has been imposed on pet coke usage by power companies by the Indian Supreme Court. Coal demand in India increased resulting in upward trend of coal prices. Moreover, climatic changes such as cyclone and cold weather also affected global coal prices. However, the Company partially derived benefit of relatively lower coal prices throughout the current period on account of utilization of lower cost coal inventory which was built up at lower prices.

Coal Fired Power Plant (CFPP) setup under wholly-owned subsidiary, Maple Leaf Power Limited (MLPL) started its commercial operations in October 2017 adding another cost competitive advantage to the Company. After Waste Heat Recovery Power Plant, CFPP is the cheapest source of electricity for the Company. Despite increase in fuel component cost, especially aforementioned hike in coal prices and recent devaluation of Pak Rupee against US dollar, the Company was able to keep its fuel and power costs under control along with advantage derived by use of low-cost pet coke which is more productive due to higher energy content. The Company is also continuously benefitting from lower inland transportation costs through transport via the railway network resulting in reasonable savings.

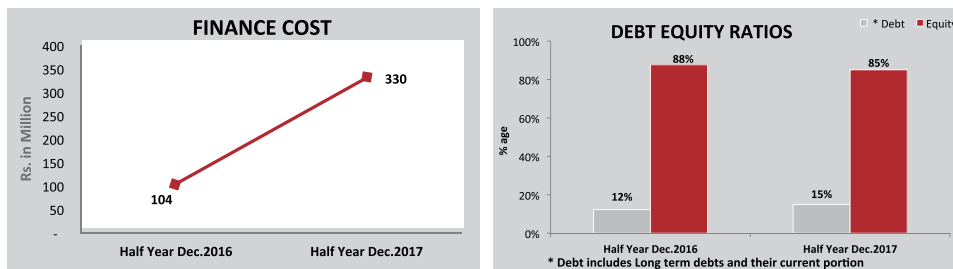
Due to these factors impacting cost of production, the Company was only able to achieve consolidated gross profit of Rs.4,392 million in the current period with a decrease of 14.59% from Rs.5,142 million in the corresponding period last year.



The decline in gross profits has impacted consolidated operational margins. Increase in marketing and distribution cost for reporting period as compared to corresponding, depicts accelerated branding and dealer engagement activities. Consolidated operating profit for the current reporting period is Rs.3,258 million, with a decrease of 15.85% as compared to Rs.3,872 million in the corresponding period last year.



Finance costs during the reporting period increased to Rs. 330 million as compared to Rs. 104 million in corresponding period. Increase in finance cost relates mainly to mark-up on debt raised to finance power project. As apparent from the graph below, debt equity mix has slightly changed from the level in the corresponding period last year, due to additional debt raised to finance power project. Moreover, keeping in view the risk of Pak Rupee devaluation, the Company has made early retirement of its entire foreign currency debt. Debt equity ratio and finance cost trend is as shown below:-



The Company recorded consolidated pre-tax profit of Rs.2,928 million during the period against consolidated pre-tax profit of Rs.3,768 million in the corresponding period last year. Consolidated tax expense for the reporting period also decreased in line with reduced pre-tax profitability. Taxation charged during the period pertains only to Maple Leaf Cement Factory Limited's standalone operations and was Rs. 680 million for the first half year of current financial year as compared to Rs. 1,144 million in corresponding period last year. The profit earned from MLPL is exempt from charge of income tax. Above earnings performance has impacted post-tax consolidated profits at Rs.2,248 million for the current period against Rs.2,624 million in the corresponding period last year, showing a decline of 14.35%.

Dividend

Keeping in view the profitability, the Board of Directors has recommended the first interim cash dividend at Rs. 1.50 per share of Rs. 10/- each (15%) for the year ending on 30 June, 2018.

Right Issue

In order to partially finance the expansion project, the Board of Directors in its meeting held on 15th August, 2017 decided to raise fresh equity through right issue. Accordingly, 12.5% right shares were offered at a price of Rs. 65/- per share (inclusive of premium of Rs. 55/- per share) and a sum of Rs. 4,288 million was raised. The Directors and Sponsors subscribed their right shares. 88.2% of public portion was subscribed by shareholders, whereas the remaining 5.3% of the total right issue was taken up by the underwriters.

Maple Leaf Power Limited

Maple Leaf Power Limited (a wholly owned subsidiary), established to install and operate 40 MW imported coal-fired captive power plant, has successfully started its commercial production from October 2017. The project is completed within budget and as per the planned timelines.

National Electric Power Regulatory Authority (NEPRA) has approved a tariff of Rs. 12.92/ KWh to be used as transfer price on sale of electricity to the company, Maple Leaf Cement Factory Limited. The profits derived by MLPL are exempt from tax under clause 132 of second schedule of Income Tax Ordinance. This has resulted in tax free net profit of Rs. 288 million in MLPL. With the successful power plant commencement, decent savings in power cost on account of reduced electricity unit cost are reflected in the consolidated accounts. Moreover, self-generation of power, will considerably reduce our reliance on the national grid.

Capacity Expansion Project

Owing to an order issued by the Environmental Protection Agency (EPA), construction work on capacity enhancement of new line of 7,300 tons per day was put on hold w.e.f. 3rd December 2017. However, on a petition filed by the Company on the plea that this order is unlawful as the Company had obtained approval as per applicable laws, the Honorable Lahore High Court, Lahore (LHC) has set aside the notice issued by EPA and has ruled that the Environmental Impact Assessment (EIA) filed by the Company was deemed approved. Moreover, the Honorable Supreme Court of Pakistan in its hearing dated 30th January, 2018 has also withdrawn ban on the Company's cement plant expansion.

Future Outlook

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



On the macro economic front, disorder in balance of payments, declining foreign exchange reserves, risk of further devaluation of Pak Rupee and political turbulence could cause disturbance.

On account of imbalance in demand and supply in domestic market, sale prices are expected to remain under pressure. Gross margins are also expected to contract owing to rising coal and fuel prices. Cost reduction efforts continue to be the focus in all operational areas and the Company has adopted various strategies to reduce cost including use of alternative fuels and optimized operations of the plant despite the recent rise in oil prices and increasing prices of coal.

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

For and on behalf of the Board

(Sayeed Tariq Saigol)
Chief Executive

Lahore: February 15, 2018



KPMG Taseer Hadi & Co.

Chartered Accountants
2nd Floor,
Servis House
2-Main Gulberg Jail Road,
Lahore Pakistan

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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 2017 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 2017, have not been reviewed and we do not express a conclusion on them.

Lahore
Date: February 15, 2018

KPMG Taseer Hadi
KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

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, 2017

	Note	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		7,000,000	7,000,000
Issued, subscribed and paid-up share capital	5	5,937,007	5,277,340
Capital reserves		5,640,300	2,058,137
Accumulated profits		13,209,440	12,048,675
		24,786,747	19,384,152
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	6	4,181,009	4,323,909
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	7	3,821,335	2,890,226
Liabilities against assets subject to finance lease - secured	8	-	270,615
Long term deposits		8,764	8,699
Deferred taxation		4,041,432	4,024,363
Retirement benefits		144,600	150,778
		8,016,131	7,344,681
CURRENT LIABILITIES			
Current portion of :			
- Long term loans from banking companies - secured	7	561,710	213,534
- Liabilities against assets subject to finance lease - secured	8	-	210,000
Trade and other payables	9	5,583,937	3,680,346
Accrued profit / interest / mark-up		110,336	101,465
Provision for taxation - net		267,655	420,527
Short term borrowings		3,764,620	3,138,159
		10,288,258	7,764,031
CONTINGENCIES AND COMMITMENTS	10	47,272,145	38,816,773

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial information.


Chief Executive Officer


Chief Financial Officer


Director



	Note	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	11	31,279,161	23,647,663
Intangible assets		20,974	25,206
Long term investment	12	5,020,000	4,670,000
Long term loans to employees - secured		8,900	5,799
Long term deposits		56,554	56,474
		36,385,589	28,405,142
CURRENT ASSETS			
Stores, spare parts and loose tools		6,855,516	6,750,586
Stock-in-trade		1,137,458	1,301,235
Trade debts	13	1,099,941	682,526
Loans and advances		1,106,644	818,116
Short term investment	14	29,970	77,659
Short term deposits and prepayments		111,144	75,867
Accrued profit		1,289	1,356
Refunds due from Government		16,797	16,797
Other receivables	15	54,169	273,531
Cash and bank balances		473,628	413,958
		10,886,556	10,411,631
		47,272,145	38,816,773


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Note	Half year ended December 31, 2017	Half year ended December 31, 2016	Quarter ended December 31, 2017	Quarter ended December 31, 2016
(..... Rupees in thousand)					
Sales - net	16	12,289,674	11,970,137	6,479,595	6,414,072
Cost of goods sold	17	(8,180,754)	(6,779,605)	(4,497,677)	(3,604,368)
Gross profit		4,108,920	5,190,532	1,981,918	2,809,704
Distribution cost		(609,109)	(682,248)	(342,959)	(308,767)
Administrative expenses		(302,144)	(278,468)	(152,544)	(156,690)
Other charges		(252,896)	(336,377)	(128,703)	(187,111)
		(1,164,149)	(1,297,093)	(624,206)	(652,568)
Other income		38,981	48,119	24,859	43,669
Profit from operations		2,983,752	3,941,558	1,382,571	2,200,805
Finance cost	18	(330,424)	(103,806)	(186,387)	(57,740)
Profit before taxation		2,653,328	3,837,752	1,196,184	2,143,065
Taxation	19	(680,138)	(1,143,637)	(272,435)	(672,359)
Profit after taxation		1,973,190	2,694,115	923,749	1,470,706
Earnings per share - basic and diluted	(Rupees)	3.62	5.11	1.63	2.79

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial information.


Chief Executive Officer


Chief Financial Officer


Director



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Half year ended December 31, 2017	Half year ended December 31, 2016	Quarter ended December 31, 2017	Quarter ended December 31, 2016
	(..... Rupees in thousand)			
Profit after taxation	1,973,190	2,694,115	923,749	1,470,706
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,973,190	2,694,115	923,749	1,470,706

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial information.


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	December 31, 2017 (Rupees in thousand)	December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,653,328	3,837,752
Adjustments for:		
Depreciation	1,023,336	937,836
Amortization	4,232	21
Provision for Workers' Profit Participation Fund	142,450	209,830
Provision for Workers' Welfare Fund	53,229	82,604
Loss on disposal of property, plant and equipment	3,325	38,722
Loss / (gain) on re-measurement of short term investments at fair value	47,689	(14,040)
Retirement benefits	4,697	3,962
Finance cost	330,424	103,806
Profit on bank deposits	(6,703)	(9,793)
Cash generated from operations before working capital changes	4,256,007	5,190,700
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(104,930)	(974,517)
Stock-in-trade	163,777	9,108
Trade debts	(417,415)	(190,439)
Loans and advances	(288,528)	5,299
Short term deposits and prepayments	(35,277)	(59,352)
Other receivables	219,362	(40,245)
	(463,011)	(1,250,146)
Increase / (decrease) in current liabilities:		
Trade and other payables	1,405,716	(223,389)
Net cash generated from operations	5,198,712	3,717,165
Increase in long term loans to employees - secured	(3,101)	(1,017)
Retirement benefits paid	(10,875)	(10,864)
Workers' Profit Participation Fund paid	(88,772)	-
Workers' Welfare Fund paid	(135,635)	-
Taxes paid	(847,730)	(877,858)
Net cash generated from operating activities	4,112,599	2,827,426



	Note	Un-audited December 31, 2017 (Rupees in thousand)	Un-audited December 31, 2016
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(8,670,129)	(845,572)
Purchase of intangible assets		-	(23,006)
Proceeds from disposal of property, plant and equipment		11,970	125,017
Increase in long term deposits and prepayments		(80)	(97)
Long term investment		(350,000)	(2,115,676)
Profit on bank deposits received		6,770	9,683
Net cash used in investing activities		(9,001,469)	(2,849,651)
CASH FLOWS FROM FINANCING ACTIVITIES			
Draw down of long term loans from banking companies - secured		1,279,285	1,007,692
Proceeds from issuance of right shares including share premium		4,241,830	-
Increase in long term deposits		65	2,200
Payment of liabilities against assets subject to finance lease - net		(480,615)	(41,920)
Acquisition of short term borrowings		156,143	718,244
Finance cost paid		(321,553)	(95,555)
Redemption of preference shares		(15)	(15)
Dividend paid		(396,918)	(1,281,401)
Net cash generated from financing activities		4,478,222	309,245
Net (decrease) / increase in cash and cash equivalents		(410,648)	287,020
Cash and cash equivalents at beginning of the period		158,068	384,767
Cash and cash equivalents at end of the period	20	(252,580)	671,787

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial information.


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (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 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	-	-	-	-	-	-
	-	-	-	-	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
Total comprehensive Income						
Profit for the six months ended 30 June 2017	-	-	-	-	2,082,966	2,082,966
Other comprehensive Income for the period	-	-	-	-	(14,517)	(14,517)
	-	-	-	-	2,068,449	2,068,449
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	110,804	110,804
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	13,398	13,398
Transactions with owners of the Company						
Interim cash dividend @ Rs. 2 per share for the year ended 30 June 2017	-	-	-	-	(1,055,468)	(1,055,468)
Balance as at 30 June 2017 - audited	5,277,340	1,529,874	528,263	2,058,137	12,048,675	19,384,152
Total comprehensive Income						
Profit for the six months ended 31 December 2017	-	-	-	-	1,973,190	1,973,190
Other comprehensive Income for the period	-	-	-	-	-	-
	-	-	-	-	1,973,190	1,973,190



Share Capital	Capital Reserves			Revenue Reserves	Total Equity
	Share premium	Capital redemption reserve	Sub- Total	Accumulated profits	

..... (Rupees in thousand)

Issuance of shares	659,667	3,628,171	-	3,628,171	-	4,287,838
Shares issue cost	-	(46,008)	-	(46,008)	-	(46,008)
	659,667	3,582,163	-	3,582,163	-	4,241,830
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	111,103	111,103
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	8	8
Transactions with owners of the Company						
Final cash dividend @ Rs. 1.75 per share for the year ended 30 June 2017	-	-	-	-	(923,536)	(923,536)
Balance as at 31 December 2017 - un-audited	5,937,007	5,112,037	528,263	5,640,300	13,209,440	24,786,747

The annexed notes from 1 to 25 form an integral part of this condensed interim unconsolidated financial information.


Chief Executive Officer


Chief Financial Officer


Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (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 Act, 2017) 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, 2017 (Direct holding percentage)	Audited June 30, 2017
Subsidiary Company		
Maple Leaf Power Limited	100	100

2.2 Statement of compliance

2.2.1

This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and is un-audited but subject to limited scope review by external auditors as required by the Act and Code of Corporate Governance.

During the previous year, the Companies Act 2017 ("the Act") was enacted on 30 May 2017 and replaced and repealed the Companies Ordinance, 1984 ("the repealed Ordinance"). However, the Securities and Exchange Commission of Pakistan vide its Circular No. 17 and Circular No. 23 dated 20 July 2017 and 04 October 2017 respectively and Institute of Chartered Accountants of Pakistan vide its Circular No. 17 dated 06 October 2017, have advised and clarified that the Annual Financial Statements of the Companies whose financial year closes on or before 31 December 2017 and interim financial statements of the Companies for the period ended on or before 31 December 2017, shall be prepared in accordance with the repealed Ordinance.



- 2.2.2 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 31 December 2017 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.
- 2.2.3 This condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 2017 has been prepared in accordance with the requirement of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984 ("the repealed Ordinance"). In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 ("the repealed Ordinance") have been followed.
- 2.2.4 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2017.
- 2.2.5 Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2017, 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 2016.

3. JUDGMENTS 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 audited unconsolidated financial statements for the year ended 30 June 2017.

4. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the unconsolidated annual financial statements for the year ended 30 June 2017 except that pursuant to the requirements of IAS-7 "Statement of cash flows" a disclosure of reconciliation of movements of liabilities to cash flows arising from financing activities has been given in note 22 to unconsolidated interim financial information.

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:

- IFRS 2 - Share-based Payment	01 January 2018
- IAS 40 - Investment Property	01 January 2018
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
- Annual Improvements to IFRS Standards 2014–2016 Cycle	01 January 2018
- IFRS 15 - Revenue from contracts with customers	01 July 2018
- IFRS 9 - Financial Instrument	01 July 2018
- IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
- Amendment to IFRS 9 - Financial Instrument	01 January 2019
- Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019

In addition, the Companies Act, 2017 applicable from 1 January 2018 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 – Property, plant and equipment. This amendment will result in reclassification of surplus on revaluation of fixed assets as part of shareholders' equity.

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

		Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
Number of shares			
356,326,596	(30 June 2017: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash	3,563,266	2,903,599
35,834,100	(30 June 2017: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	358,341	358,341
46,069,400	(30 June 2017: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares	460,694	460,694
153,846,153	(30 June 2017: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	1,538,462	1,538,462
1,624,417	(30 June 2017: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	16,244	16,244
<u>593,700,666</u>		<u>5,937,007</u>	<u>5,277,340</u>



- 5.1 The Holding Company holds 327,836,727 ordinary shares, which represents 55.22% (30 June 2017:55.22%) of total ordinary issued, subscribed and paid-up capital of the Company.
- 5.2 During the period ended 31 December 2017, the Company issued 65,966,740 right shares at Rs. 65 per share at a premium of Rs. 55 per share.

Un-audited
December 31,
2017
(Rupees in thousand)

Audited
June 30,
2017

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

Gross Surplus

Balance at beginning of the period / year	5,659,065	5,984,429
Less: Effect of disposal of fixed assets	(11)	(27,113)
Transferred to accumulated profit in respect of incremental depreciation charged during the period / year	(149,735)	(298,251)
At end of the period / year	5,509,319	5,659,065

Deferred tax liability on revaluation surplus

At beginning of the period / year	1,335,156	1,397,174
Less: Transferred to accumulated profit		
Effect of disposal of fixed assets	(3)	(3,694)
Incremental depreciation charged on related assets	(38,632)	(75,159)
Effect of change in tax rate	31,789	16,835
At end of the period / year	1,328,310	1,335,156
	4,181,009	4,323,909

		Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
7. LONG TERM LOANS FROM BANKING COMPANIES - SECURED			
Askari Bank Limited - Term Finance		500,000	500,000
Bank of Punjab - Demand Finance		1,252,580	1,252,580
MCB Bank Limited - Demand Finance	7.1	814,640	675,590
National Bank of Pakistan - Demand Finance	7.2	865,825	675,590
MCB Bank Limited - Diminishing Musharika	7.3	500,000	-
Askari Bank Limited - Term Finance	7.4	450,000	-
		4,383,045	3,103,760
Less: Current maturity presented under current liabilities		(561,710)	(213,534)
At end of the period / year		3,821,335	2,890,226
7.1 During the current period additional loan of Rs. 139.05 million is draw down from MCB Bank Limited - Demand Finance			
7.2 During the current period additional loan of Rs. 190.24 million is draw down from National Bank of Pakistan - Demand Finance			
7.3 During the current period, the Company entered into Diminishing Musharika agreement with MCB Islamic Bank Limited for Rs. 500 million. The tenor of loan is 7 years including grace period of 12 months. The facility carries mark up rate at 3 Month KIBOR+70 bps per annum to be paid quarterly in arrears. The principal shall be repaid in 24 quarterly rentals starting from December 2018. The facility is secured against joint pari passu charge over fixed assets of the Company. Personal guarantees also provided by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (Directors of the Company).			
7.4 During the current period, the Company entered into Term Finance agreement with Askari Bank Limited for Rs. 1,000 million. The tenor of loan is 9 years from first drawdown including grace period of 24 months. The facility carries mark up rate at 3 Month KIBOR+75 bps per annum to be paid quarterly in arrears. The principal shall be repaid in 28 equal quarterly installments starting from 28 March 2020. This facility is secured against joint pari passu charge over fixed assets of cement unit II and all present and future plant and machinery of the Company.			



8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

During the current period, the Company has made early repayment of six outstanding quarterly repayments amounting to Rs. 480.62 million (US\$ 4.57 million) that was originally due to be repaid by December 2018.

	Note	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
9. TRADE AND OTHER PAYABLES			
Trade creditors		1,233,837	690,865
Bills payable - secured		501,970	3,955
Due to related party	9.1	233,900	-
Accrued liabilities		651,231	593,777
Advances from customers		193,759	253,779
Security deposits repayable on demand		56,515	55,976
Contractors' retention money		146,437	97,309
Royalty and Excise Duty payable		30,935	33,569
Payable to Provident Fund Trust		10,622	10,485
Other Taxes payable		62,868	97,876
Sales Tax payable - net		319,082	234,507
Excise Duty payable		239,440	203,091
Unclaimed dividend		627,042	100,424
Payable to Workers' Profit Participation Fund		1,194,151	1,140,473
Payable to Workers' Welfare Fund		74,804	157,210
Other payables		7,344	7,050
		5,583,937	3,680,346
9.1 Due to related party			
Due to the Holding Company		171,493	-
Due to the Subsidiary Company		62,407	-
		233,900	-

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

- 10.1.1** Environmental Protection Agency (EPA), in its order dated 03 December 2017 directed the Company to halt expansion of its current facilities since no written environmental approval has been granted by the EPA under section 12 (4) of the Pakistan Environmental Protection Act ("Act"). The Company had filed writ petition before Honorable Lahore High Court against the impugned order as the management believes that Environmental Impact Assessment (EIA) report filed by the Company is deemed to have been approved since no objection was raised by EPA during the prescribed time mentioned in the Act.

In another case before Honorable Supreme Court of Pakistan, the Honorable court in its order dated 30 January 2018 has allowed at their own cost and risk cement Companies to resume work on their expansion projects and has directed the Mines and Minerals Department to submit a detailed survey on environmental impact of cement companies operating near Katas Raj lake. However, the expansion project of cement Companies including the Company shall not be made operational without specific approval of the Honorable Supreme Court.

The Honorable Lahore High Court in its order decided the petition in favor of the Company but also directed the company to maintain status quo till the survey report is shared with the EPA by Mines and Mineral Department. The Company's management believes that since the Company's plant site is situated approximately 250Km away from the Katas Raj Lake, the matter before the Supreme court will not have any impact on the company's expansion project and the ultimate outcome of this case will be in favor of the Company.

- 10.2** Guarantees given by banks on behalf of the Company in favor of Sui Northern Gas Pipeline Limited and Government Institutions amounted to Rs. 499.42 million (30 June 2017: Rs. 483.38 million).



	Note	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
10.3 Commitments			
10.3.1 In respect of:			
- capital expenditure		11,717,984	14,954,991
- irrevocable letters of credit for stores & spare parts		1,072,966	847,495
		<u>12,790,950</u>	<u>15,802,486</u>
11. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	11.1	22,159,029	22,168,016
Capital work in progress - at cost	11.2	8,364,919	1,479,647
Major spare parts and stand-by equipment	11.3	755,213	-
		<u>31,279,161</u>	<u>23,647,663</u>
11.1 Operating fixed assets			
Balance at beginning of the period / year		22,168,016	22,399,800
Add: Additions during the period / year	11.1.1	1,029,644	1,860,359
		<u>23,197,660</u>	<u>24,260,159</u>
Less: Book value of operating assets disposed - off during the period / year		15,295	198,038
Depreciation charge during the period / year		1,023,336	1,894,105
		<u>22,159,029</u>	<u>22,168,016</u>

	Note	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
11.1.1 Additions during the period / year:			
- buildings on freehold land		184,963	435,709
- plant and machinery		515,265	1,300,293
- furniture, fixtures and equipment		33,651	68,718
- roads, bridges and railway sidings		257,684	3,026
- vehicles		38,081	52,613
		<u>1,029,644</u>	<u>1,860,359</u>
11.2 Capital work-in-progress - at cost			
Civil works		1,506,507	469,109
Land		711,944	550,918
Plant and machinery		20,730	8,951
Roads and bridges		716	-
Un-allocated capital expenditure		215,007	97,988
Advance to supplier against:			
- civil works		1,143,202	39,089
- furniture and fixtures		188	-
- plant and machinery		4,738,196	310,770
- vehicles		25,821	2,822
- others		2,608	-
		<u>8,364,919</u>	<u>1,479,647</u>

11.3 Major spare parts and stand-by equipment

This represents major spare parts and stand-by equipment for on going expansion project.

12. LONG TERM INVESTMENT

Investment in Maple Leaf Power Limited - Unquoted	12.1	<u>5,020,000</u>	<u>4,670,000</u>
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12.1 During the current period the Company has made further investments of Rs. 350 million (30 June 2017: 4,670 million) in its wholly owned subsidiary company, Maple Leaf Power Limited. The Company holds 100% (30 June 2017: 100%) shares in the Maple Leaf Power Limited.



	Note	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
13. TRADE DEBTS			
Considered good			
Export - secured	13.1	3,539	34,849
Local - unsecured	13.2 & 13.3	1,096,402	647,677
		<u>1,099,941</u>	<u>682,526</u>
13.1	These are secured through bank by letters of credit.		
13.2	This includes balance of Rs. 0.20 million (30 June 2017: Nil) receivable from Kohinoor Textile Mills Limited, the Holding Company against sale of cement.		
13.3	This includes balance of Rs. 2.94 million (30 June 2017: Rs. 1.23 million) receivable from Maple Leaf Power Limited, the Subsidiary Company against sale of cement.		
14. SHORT TERM INVESTMENT			
14.1 Investment at fair value through profit or loss			
- listed securities			
14.1.1 Next Capital Limited:			
3,375,000 (30 June 2017: 3,375,000) ordinary shares of Rs. 10 each Market value Rs. 8.88 per share (30 June 2017: Rs. 23.01 per share)		29,970	77,659
15. OTHER RECEIVABLES			
Due from the Holding Company - unsecured		-	32,437
Due from the Subsidiary Company - unsecured		-	180,414
Others		54,169	60,680
		<u>54,169</u>	<u>273,531</u>

Half year ended (Un-audited)
December 31, 2017 December 31, 2016
(Rupees in thousand)

16. SALES - NET

Gross local sales	16,314,867	14,393,286
Less:		
Federal Excise Duty	(2,047,987)	(1,426,842)
Sales Tax	(2,678,559)	(2,308,846)
Discount	(158,779)	(126,650)
Commission	(65,420)	(47,565)
	(4,950,745)	(3,909,903)
Net local sales	11,364,122	10,483,383
Export sales	925,552	1,486,754
	12,289,674	11,970,137

17. COST OF GOODS SOLD

Raw materials consumed	513,743	441,811
Packing materials consumed	682,948	666,768
Fuel	2,822,507	2,065,304
Power and associated costs	1,894,843	1,528,839
Stores, spare parts and loose tools consumed	374,488	348,146
Salaries, wages and other benefits	448,645	409,084
Rent, rates and taxes	12,482	13,119
Insurance	25,733	28,505
Repairs and maintenance	200,941	221,579
Depreciation	994,576	917,313
Vehicles running and maintenance	59,705	42,809
Other expenses	70,335	57,714
	8,100,946	6,740,991
Work in process:		
At beginning of the period	819,354	395,257
At end of the period	(647,777)	(363,038)
	171,577	32,219
Cost of goods manufactured	8,272,523	6,773,210
Finished goods:		
As at beginning of the period	207,747	270,180
As at end of the period	(299,516)	(263,785)
	(91,769)	6,395
Cost of goods sold	8,180,754	6,779,605



Half year ended (Un-audited)
December 31, December 31,
2017 2016
(Rupees in thousand)

18. FINANCE COST

Profit / interest / mark up on long term loans, finances, and short term finances	268,600	88,738
Exchange loss / (gain) - net	44,869	(2,781)
Bank and other charges	16,955	17,849
	<u>330,424</u>	<u>103,806</u>

19. TAXATION

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, with effect from tax year 2018 this tax on undistributed reserves is not applicable to a public Company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash dividend or bonus shares.

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ended 30 June 2018 (refer to note 24) 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 2017.

Half year ended (Un-audited)
December 31, December 31,
2017 2016
(Rupees in thousand)

20. CASH AND CASH EQUIVALENTS

Short term running finance	(726,208)	(10,972)
Cash and bank balances	473,628	682,759
	<u>(252,580)</u>	<u>671,787</u>

21. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

		31 December 2017						
		Carrying Amount (Un-audited)				Fair Value (Un-audited)		
		Fair Value through profit and loss	Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
	Note	----- (Rupees in thousand) -----						
On - Balance sheet financial instruments								
Financial assets measured at fair value								
Short term investment		29,970	-	-	29,970	29,970	-	-
		<u>29,970</u>	<u>-</u>	<u>-</u>	<u>29,970</u>	<u>29,970</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value								
Cash and bank balances		-	473,628	-	473,628	-	-	-
Long term loans to employees		-	14,229	-	14,229	-	-	-
Short term deposits		-	65,244	-	65,244	-	-	-
Accrued profit		-	1,289	-	1,289	-	-	-
Long term deposits		-	56,554	-	56,554	-	-	-
Trade debts - unsecured, considered good		-	1,099,941	-	1,099,941	-	-	-
21.1		<u>-</u>	<u>1,710,885</u>	<u>-</u>	<u>1,710,885</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>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value								
Long term finances		-	-	4,383,045	4,383,045	-	-	-
Trade and other payables		-	-	3,468,887	3,468,887	-	-	-
Short term borrowing		-	-	3,764,620	3,764,620	-	-	-
Long term deposits		-	-	8,764	8,764	-	-	-
Accrued mark up		-	-	110,336	110,336	-	-	-
21.1		<u>-</u>	<u>-</u>	<u>11,735,652</u>	<u>11,735,652</u>	<u>-</u>	<u>-</u>	<u>-</u>



30 June 2017							
	Carrying Amount (Audited)				Fair Value (Audited)		
	Fair Value through profit and loss	Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
Note	----- (Rupees in thousand) -----						
On - Balance sheet financial instruments							
Financial assets measured at fair value							
Short term investment	77,659	-	-	77,659	77,659	-	-
	<u>77,659</u>	<u>-</u>	<u>-</u>	<u>77,659</u>	<u>77,659</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value							
Cash and bank balances	-	413,958	-	413,958	-	-	-
Long term loans to employees	-	10,293	-	10,293	-	-	-
Short term deposits	-	75,867	-	75,867	-	-	-
Other receivables	-	212,851	-	212,851	-	-	-
Accrued profit	-	1,356	-	1,356	-	-	-
Long term deposits	-	56,474	-	56,474	-	-	-
Trade debts - unsecured, considered good	-	682,526	-	682,526	-	-	-
21.1	<u>-</u>	<u>1,453,325</u>	<u>-</u>	<u>1,453,325</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>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Long term finances	-	-	3,103,760	3,103,760	-	-	-
Liabilities against assets subject to finance lease	-	-	480,615	480,615	-	-	-
Trade and other payables	-	-	1,559,841	1,559,841	-	-	-
Short term borrowing	-	-	3,138,159	3,138,159	-	-	-
Long term deposits	-	-	8,699	8,699	-	-	-
Accrued mark up	-	-	101,465	101,465	-	-	-
21.1	<u>-</u>	<u>-</u>	<u>8,392,539</u>	<u>8,392,539</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 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 unconsolidated financial information.

22. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2017							
	Issued, subscribed and paid-up capital	Share premium	Dividend Payable	Long term financing	Liabilities against assets subject to finance lease - secured	Short term borrowing	Accrued markup	Total
	----- (Rupees in thousand) -----							
As at 30 June 2017	5,277,340	1,529,874	101,219	3,103,760	480,615	3,138,159	101,465	13,732,432
Changes from financing cash flows								
Proceeds from issuance of shares	659,667	3,628,171	-	-	-	-	-	4,287,838
Dividend paid	-	-	(396,918)	-	-	-	-	(396,918)
Share issuance cost	-	(46,008)	-	-	-	-	-	(46,008)
Financial charges paid	-	-	-	-	-	-	(321,553)	(321,553)
Proceeds from long term financing	-	-	-	1,279,285	-	-	-	1,279,285
Payment of finance lease liabilities	-	-	-	-	(480,615)	-	-	(480,615)
Total changes from financing cash flows	659,667	3,582,163	(396,918)	1,279,285	(480,615)	-	(321,553)	4,322,029
Other changes								
Final cash dividend	-	-	923,536	-	-	-	-	923,536
Change in borrowings	-	-	-	-	-	626,461	-	626,461
Interest expense	-	-	-	-	-	-	330,424	330,424
Total liability related other changes	-	-	923,536	-	-	626,461	330,424	1,880,421
As at 31 December 2017	5,937,007	5,112,037	627,837	4,383,045	-	3,764,620	110,336	19,934,882



23. TRANSACTIONS WITH RELATED PARTIES

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

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

	Half year ended (Un-audited) December 31, December 31, 2017 2016 (Rupees in thousand)	
23.1 Transactions with related parties		
23.1.1 Holding Company (Kohinoor Textile Mills Limited)		
Sale of goods and services	9,480	27,758
Sale of fixed assets	1,785	-
23.1.2 Wholly owned subsidiary company (Maple Leaf Power Limited)		
Sale of goods and services	15,579	64,546
Shares issued during the period	350,000	1,900,000
Purchase of goods and services	1,071,819	-
23.1.3 Dividend Paid		
Holding Company (Kohinoor Textile Mills Limited)	-	728,526
Other related parties	-	4,738
23.1.4 Key management personnel		
Remuneration and other benefits	329,859	168,802
23.1.5 Post employment benefit plans		
Contributions to Provident Fund Trust	63,693	50,912
Payments to MLCF Employees Gratuity Fund Trust	11,624	10,447

24. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial information were authorized for issue on 15 February 2018 by the Board of Directors of the Company. Further, the Board of Directors has approved interim dividend of Rs. 1.50 per share in their meeting held on 15 February 2018.



25. GENERAL

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


Chief Executive Officer


Chief Financial Officer


Director



Consolidated Financial Statements

For The Half Year Ended December 31, 2017



DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim consolidated financial statements of Maple Leaf Cement Factory Limited (the Holding Company) and its wholly owned subsidiary company Maple Leaf Power Limited (collectively referred to as group) for the half-year ended 31 December 2017.

GROUP RESULTS

The Group has earned gross profit of Rupees 4,392 million during the period under review as compared to Rupees 5,142 million of corresponding period. The Group made after tax profit of Rupees 2,248 million during this period as compared to Rupees 2,624 million during the corresponding period.

The overall group financial results are as follows:

	December 31, 2017	December 31, 2016
	(Rupees in million)	
Net Sales Revenue	12,278	11,921
Gross Profit	4,392	5,142
Profit From Operations	3,258	3,872
Financial Charges	330	104
Net Profit After Tax	2,248	2,624
	-----Rupees-----	
Earnings Per Share – basic and diluted	4.12	4.97

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 (now the Companies Act, 2017) 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 electric power 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: February 15, 2018

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2017

	Note	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		7,000,000	7,000,000
Issued, subscribed and paid-up share capital	5	5,937,007	5,277,340
Capital reserves		5,640,300	2,058,137
Accumulated profits		13,441,383	12,006,120
		25,018,690	19,341,597
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	6	4,181,009	4,323,909
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	7	3,821,335	2,890,226
Liabilities against assets subject to finance lease - secured	8	-	270,615
Long term deposits		8,764	8,699
Deferred taxation		4,041,432	4,024,363
Retirement benefits		144,600	150,778
		8,016,131	7,344,681
CURRENT LIABILITIES			
Current portion of :			
- Long term loans from banking companies - secured	7	561,710	213,534
- Liabilities against assets subject to finance lease - secured	8	-	210,000
Trade and other payables	9	6,290,203	3,968,719
Accrued profit / interest / mark-up		110,336	101,465
Provision for taxation - net		267,655	420,527
Short term borrowings		3,764,620	3,138,159
		10,994,524	8,052,404
CONTINGENCIES AND COMMITMENTS	10	48,210,354	39,062,591

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


Chief Executive Officer


Chief Financial Officer


Director



	Note	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	11	36,604,315	28,296,283
Intangible assets		20,974	25,206
Long term loans to employees - secured		8,900	5,799
Long term deposits		56,554	56,474
		<u>36,690,743</u>	<u>28,383,762</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		7,125,456	6,750,586
Stock-in-trade		1,137,458	1,301,235
Trade debts	12	1,097,446	681,293
Loans and advances		1,112,777	818,116
Short term investment	13	29,970	77,659
Short term deposits and prepayments		125,430	87,565
Accrued profit		1,289	2,628
Refunds due from Government		321,554	417,148
Other receivables	14	54,169	93,117
Cash and bank balances		514,062	449,482
		<u>11,519,611</u>	<u>10,678,829</u>
		<u><u>48,210,354</u></u>	<u><u>39,062,591</u></u>


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2017 (UN-AUDITED)

		Half year ended December 31, 2017	Half year ended December 31, 2016	Quarter ended December 31, 2017	Quarter ended December 31, 2016
	Note				
	 (Rupees in thousand)			
Sales - net	15	12,278,279	11,921,477	6,477,785	6,394,972
Cost of goods sold	16	(7,886,432)	(6,779,605)	(4,237,488)	(3,604,369)
Gross profit		4,391,847	5,141,872	2,240,297	2,790,603
Distribution cost		(609,109)	(682,248)	(342,959)	(308,767)
Administrative expenses		(304,061)	(282,603)	(151,249)	(158,194)
Other charges		(268,075)	(336,377)	(143,882)	(187,111)
		(1,181,245)	(1,301,228)	(638,090)	(654,072)
Other income		47,711	31,316	30,905	26,295
Profit from operations		3,258,313	3,871,960	1,633,112	2,162,826
Finance cost	17	(330,487)	(103,928)	(186,411)	(51,259)
Profit before taxation		2,927,826	3,768,032	1,446,701	2,111,567
Taxation	18	(680,138)	(1,143,637)	(272,435)	(672,359)
Profit after taxation		2,247,688	2,624,395	1,174,266	1,439,208
Earnings per share - basic and diluted	(Rupees)	4.12	4.97	2.09	2.72

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


Chief Executive Officer


Chief Financial Officer


Director



CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Half year ended December 31, 2017	Half year ended December 31, 2016	Quarter ended December 31, 2017	Quarter ended December 31, 2016
 (Rupees in thousand)			
Profit after taxation	2,247,688	2,624,395	1,174,266	1,439,208
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	2,247,688	2,624,395	1,174,266	1,439,208

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


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	December 31, 2017 (Rupees in thousand)	December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,927,826	3,768,032
Adjustments for:		
Depreciation	1,085,274	937,836
Amortization	4,232	21
Provision for Workers' Profit Participation Fund	157,629	209,830
Provision for Workers' Welfare Fund	53,229	82,604
Loss on disposal of property, plant and equipment	3,325	38,722
Loss / (gain) on re-measurement of short term investments at fair value	47,689	(14,040)
Retirement benefits	4,697	3,962
Finance cost	330,487	103,928
Profit on bank deposits	(7,277)	(10,097)
Cash generated from operations before working capital changes	4,607,111	5,120,798
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(374,870)	(974,517)
Stock-in-trade	163,777	9,108
Trade debts	(416,153)	(197,521)
Loans and advances	(294,661)	5,299
Short term deposits and prepayments	(37,865)	(61,460)
Other receivables	134,905	(68,714)
	(824,867)	(1,287,805)
Increase / (decrease) in current liabilities:		
Trade and other payables	1,808,430	(177,329)
Net cash generated from operations	5,590,674	3,655,664
Increase in long term loans to employees - secured	(3,101)	(1,017)
Retirement benefits paid	(10,875)	(10,864)
Workers' Profit Participation Fund paid	(88,772)	-
Workers' Welfare Fund paid	(135,635)	-
Taxes paid	(848,093)	(953,385)
Net cash generated from operating activities	4,504,198	2,690,398



	Note	Un-audited December 31, 2017 (Rupees in thousand)	Un-audited December 31, 2016
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(9,408,600)	(2,725,701)
Purchase of intangible assets		-	(23,006)
Proceeds from disposal of property, plant and equipment		11,970	125,017
Increase in long term deposits and prepayments		(80)	(97)
Profit on bank deposits received		8,615	10,242
Net cash used in investing activities		(9,388,095)	(2,613,545)
CASH FLOWS FROM FINANCING ACTIVITIES			
Draw down of long term loans from banking companies - secured		1,279,285	1,007,692
Proceeds from issuance of right shares		4,241,830	-
Increase in long term deposits		65	2,200
Payment of liabilities against assets subject to finance lease - net		(480,615)	(41,920)
Acquisition of short term borrowings		156,143	718,244
Finance cost paid		(321,616)	(95,677)
Redemption of preference shares		(15)	(15)
Dividend paid		(396,918)	(1,281,402)
Net cash generated from financing activities		4,478,159	309,122
Net (decrease) / increase in cash and cash equivalents		(405,738)	385,975
Cash and cash equivalents at beginning of the period		193,592	432,021
Cash and cash equivalents at end of the period	19	(212,146)	817,996

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


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (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 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
Total comprehensive Income						
Profit for the six months ended 30 June 2017	-	-	-	-	2,151,917	2,151,917
Other comprehensive Income for the period	-	-	-	-	(14,517)	(14,517)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,137,400	2,137,400
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	110,804	110,804
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	13,398	13,398
Transactions with owners of the Company						
Interim cash dividend @ Rs. 2 per share for the year ended 30 June 2017	-	-	-	-	(1,055,468)	(1,055,468)
Balance as at 30 June 2017 - audited	5,277,340	1,529,874	528,263	2,058,137	12,006,120	19,341,597
Total comprehensive Income						
Profit for the six months ended 31 December 2017	-	-	-	-	2,247,688	2,247,688
Other comprehensive Income for the period	-	-	-	-	-	-
	-	-	-	-	2,247,688	2,247,688



Share Capital	Capital Reserves			Revenue Reserves	Total Equity
	Share premium	Capital redemption reserve	Sub-Total	Accumulated profits	

..... (Rupees in thousand)

Issuance of shares	659,667	3,628,171	-	3,628,171	-	4,287,838
Shares issue cost	-	(46,008)	-	(46,008)	-	(46,008)
	659,667	3,582,163	-	3,582,163	-	4,241,830
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	-	111,103	111,103
Reversal of revaluation surplus on disposal of fixed assets - net of tax	-	-	-	-	8	8
Transactions with owners of the Company						
Final cash dividend @ Rs. 1.75 per share for the year ended 30 June 2017	-	-	-	-	(923,536)	(923,536)
Balance as at 31 December 2017 - un-audited	5,937,007	5,112,037	528,263	5,640,300	13,441,383	25,018,690

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


Chief Executive Officer


Chief Financial Officer


Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

1. LEGAL STATUS AND 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 Act, 2017) 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 Holding 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 (now the Companies Act, 2017). 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 consolidated financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim consolidated financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and is un-audited but subject to limited scope review by external auditors as required by the Act and Code of Corporate Governance.



During the previous year, the Companies Act 2017 (“the Act”) was enacted on 30 May 2017 and replaced and repealed the Companies Ordinance, 1984 (“the repealed Ordinance”). However, the Securities and Exchange Commission of Pakistan vide its Circular No. 17 and Circular No. 23 dated 20 July 2017 and 04 October 2017 respectively and Institute of Chartered Accountants of Pakistan vide its Circular No. 17 dated 06 October 2017, have advised and clarified that the Annual Financial Statements of the Companies whose financial year closes on or before 31 December 2017 and interim financial statements of the Companies for the period ended on or before 31 December 2017, shall be prepared in accordance with the repealed Ordinance.

- 2.1.2 This condensed interim consolidated financial information comprises the condensed interim consolidated balance sheet of the Company, as at 31 December 2017 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.
- 2.1.3 This condensed interim consolidated financial information of the Company for the six months period ended 31 December 2017 has been prepared in accordance with the requirement of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984 (“the repealed Ordinance”). In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 (“the repealed Ordinance”) have been followed.
- 2.1.4 This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 30 June 2017.
- 2.1.5 Comparative consolidated balance sheet numbers are extracted from the annual audited consolidated financial statements of the Company for the year ended 30 June 2017, whereas comparatives of condensed interim consolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim consolidated financial information of the Company for the six months period ended 31 December 2016.

3. JUDGMENTS 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 audited consolidated financial statements for the year ended 30 June 2017.

4. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are same as those applied in the preparation of the consolidated annual financial statements for the year ended 30 June 2017 except that pursuant to the requirements of IAS-7 "Statement of cash flows" a disclosure of reconciliation of movements of liabilities to cash flows arising from financing activities has been given in note 21 to consolidated interim financial information.

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:.

- IFRS 2 - Share-based Payment	01 January 2018
- IAS 40 - Investment Property	01 January 2018
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
- Annual Improvements to IFRS Standards 2014–2016 Cycle	01 January 2018
- IFRS 15 - Revenue from contracts with customers	01 July 2018
- IFRS 9 - Financial Instrument	01 July 2018
- IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
- Amendment to IFRS 9 - Financial Instrument	01 January 2019
- Annual Improvements to IFRS Standards 2015–2017 Cycle	01 January 2019



In addition, the Companies Act, 2017 applicable from 1 January 2018 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 – Property, plant and equipment. This amendment will result in reclassification of surplus on revaluation of fixed assets as part of shareholders' equity.

5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

		Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
Number of shares			
356,326,596	(30 June 2017: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash	3,563,266	2,903,599
35,834,100	(30 June 2017: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	358,341	358,341
46,069,400	(30 June 2017: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares	460,694	460,694
153,846,153	(30 June 2017: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	1,538,462	1,538,462
1,624,417	(30 June 2017: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	16,244	16,244
<u>593,700,666</u>		<u>5,937,007</u>	<u>5,277,340</u>

5.1 The Holding Company holds 327,836,727 ordinary shares, which represents 55.22% (30 June 2017:55.22%) of total ordinary issued, subscribed and paid-up capital of the Holding Company.

5.2 During the period ended 31 December 2017, the Holding Company issued 65,966,740 right shares at Rs. 65 per share at a premium of Rs. 55 per share.

Un-audited
December 31,
2017
(Rupees in thousand)

Audited
June 30,
2017

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

Gross Surplus

Balance at beginning of the period / year	5,659,065	5,984,429
Less: Effect of disposal of fixed assets	(11)	(27,113)
Transferred to accumulated profit in respect of incremental depreciation charged during the period / year	(149,735)	(298,251)
At end of the period / year	5,509,319	5,659,065

Deferred tax liability on revaluation surplus

At beginning of the period / year	1,335,156	1,397,174
Less: Transferred to accumulated profit		
Effect of disposal of fixed assets	(3)	(3,694)
Incremental depreciation charged on related assets	(38,632)	(75,159)
Effect of change in tax rate	31,789	16,835
At end of the period / year	1,328,310	1,335,156
	4,181,009	4,323,909



		Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
7. LONG TERM LOANS FROM BANKING COMPANIES - SECURED			
Askari Bank Limited - Term Finance		500,000	500,000
Bank of Punjab - Demand Finance		1,252,580	1,252,580
MCB Bank Limited - Demand Finance	7.1	814,640	675,590
National Bank of Pakistan - Demand Finance	7.2	865,825	675,590
MCB Bank Limited - Diminishing Musharika	7.3	500,000	-
Askari Bank Limited - Term Finance	7.4	450,000	-
		4,383,045	3,103,760
Less: Current maturity presented under current liabilities		(561,710)	(213,534)
At end of the period / year		3,821,335	2,890,226

- 7.1** During the current period additional loan of Rs. 139.05 million is draw down from MCB Bank Limited - Demand Finance
- 7.2** During the current period additional loan of Rs. 190.24 million is draw down from National Bank of Pakistan - Demand Finance
- 7.3** During the current period, the Holding Company entered into Diminishing Musharika agreement with MCB Islamic Bank Limited for Rs. 500 million. The tenor of loan is 7 years including grace period of 12 months. The facility carries mark up rate at 3 Month KIBOR+70 bps per annum to be paid quarterly in arrears. The principal shall be repaid in 24 quarterly rentals starting from December 2018. The facility is secured against joint pari passu charge over fixed assets of the Holding Company. Personal guarantees also provided by Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (Directors of the Company).
- 7.4** During the current period, the Holding Company entered into Term Finance agreement with Askari Bank Limited for Rs. 1,000 million. The tenor of loan is 9 years from first drawdown including grace period of 24 months. The facility carries mark up rate at 3 Month KIBOR+75 bps per annum to be paid quarterly in arrears. The principal shall be repaid in 28 equal quarterly installments starting from 28 March 2020. This facility is secured against joint pari passu charge over fixed assets of cement unit II and all present and future plant and machinery of the Holding Company.

8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

During the current period, the Holding Company has made early repayment of six outstanding quarterly repayments amounting to Rs. 480.62 million (US\$ 4.57 million) that was originally due to be repaid by December 2018.

	Note	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
9. TRADE AND OTHER PAYABLES			
Trade creditors		1,936,435	932,981
Bills payable - secured		501,970	3,955
Due to related party	9.1	171,493	-
Accrued liabilities		663,011	594,077
Advances from customers		193,759	253,779
Security deposits repayable on demand		56,515	55,976
Contractors' retention money		182,621	133,524
Royalty and Excise Duty payable		30,935	33,569
Payable to Provident Fund Trust		10,622	10,485
Other Taxes payable		65,800	107,618
Sales Tax payable - net		319,082	234,507
Excise Duty payable		239,440	203,091
Unclaimed dividend		627,042	100,424
Payable to Workers' Profit Participation Fund		1,209,330	1,140,473
Payable to Workers' Welfare Fund		74,804	157,210
Other payables		7,344	7,050
		<u>6,290,203</u>	<u>3,968,719</u>
9.1 Due to related party			
Due to the Holding Company		171,493	-
		<u>171,493</u>	<u>-</u>



10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

- 10.1.1** Environmental Protection Agency (EPA), in its order dated 03 December 2017 directed the Holding Company to halt expansion of its current facilities since no written environmental approval has been granted by the EPA under section 12 (4) of the Pakistan Environmental Protection Act ("Act"). The Holding Company had filed writ petition before Honorable Lahore High Court against the impugned order as the management believes that Environmental Impact Assessment (EIA) report filed by the Holding Company is deemed to have been approved since no objection was raised by EPA during the prescribed time mentioned in the Act.

In another case before Honorable Supreme Court of Pakistan, the Honorable court in its order dated 30 January 2018 has allowed at their own cost and risk cement companies to resume work on their expansion projects and has directed the Mines and Minerals Department to submit a detailed survey on environmental impact of cement companies operating near Katas Raj lake. However, the expansion project of cement Companies including the Holding Company shall not be made operational without specific approval of the Honorable Supreme Court.

The Honorable Lahore High Court in its order decided the petition in favor of the Holding Company but also directed the Holding Company to maintain status quo till the survey report is shared with the EPA by Mines and Mineral Department. The Holding Company's management believes that since the Holding Company's plant site is situated approximately 250Km away from the Katas Raj Lake, the matter before the Supreme court will not have any impact on the Holding Company's expansion project and the ultimate outcome of this case will be in favor of the Holding Company.

- 10.2** Guarantees given by banks on behalf of the Holding Company in favor of Sui Northern Gas Pipeline Limited and Government Institutions amounted to Rs. 499.42 million (30 June 2017: Rs. 483.38 million).

	Note	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
10.3 Commitments			
10.3.1 In respect of:			
- capital expenditure		11,717,984	15,541,853
- irrevocable letters of credit for stores & spare parts		1,114,308	847,495
		<u>12,832,292</u>	<u>16,389,348</u>
11. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	11.1	27,041,455	22,185,383
Capital work in progress - at cost	11.2	8,807,647	5,944,809
Major spare parts and stand-by equipment	11.3	755,213	166,091
		<u>36,604,315</u>	<u>28,296,283</u>
11.1 Operating fixed assets			
Balance at beginning of the period / year		22,185,383	22,409,641
Add: Additions during the period / year	11.1.1	5,957,268	1,869,499
		<u>28,142,651</u>	<u>24,279,140</u>
Less: Book value of operating assets disposed - off during the period / year		15,295	198,038
Depreciation charge during the period / year		1,085,901	1,895,719
		<u>27,041,455</u>	<u>22,185,383</u>



	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
11.1.1 Additions during the period / year:		
- buildings on freehold land	1,422,537	435,709
- plant and machinery	4,205,238	1,309,433
- furniture, fixtures and equipment	33,728	68,718
- roads, bridges and railway sidings	257,684	3,026
- vehicles	38,081	52,613
	<u>5,957,268</u>	<u>1,869,499</u>
11.2 Capital work-in-progress - at cost		
Civil works	1,429,645	1,462,228
Land	711,944	550,918
Plant and machinery	21,000	2,470,483
Mechanical works	65,176	442,293
Electrical works	266,625	174,030
Roads and bridges	716	-
Un-allocated capital expenditure	216,842	270,574
Advance to supplier against:		
- civil works	1,206,625	101,584
- mechanical items	22,438	7,642
- furniture and fixtures	188	-
- electrical items	1,493	3,502
- plant and machinery	4,738,196	310,770
- vehicles	25,821	2,822
- others	100,938	147,963
	<u>8,807,647</u>	<u>5,944,809</u>

11.3 Major spare parts and stand-by equipment

This represents major spare parts and stand-by equipment for on going expansion project.

	Note	Un-audited December 31, 2017 (Rupees in thousand)	Audited June 30, 2017
12. TRADE DEBTS			
Considered good			
Export - secured	12.1	3,539	34,849
Local - unsecured	12.2	1,093,907	646,444
		<u>1,097,446</u>	<u>681,293</u>
12.1 These are secured through bank by letters of credit.			
12.2 This includes balance of Rs. 0.20 million (30 June 2017: Nil) receivable from Kohinoor Textile Mills Limited, the Holding Company against sale of cement.			
13. SHORT TERM INVESTMENT			
13.1 Investment at fair value through profit or loss			
- listed securities			
13.1.1 Next Capital Limited:			
3,375,000 (30 June 2017: 3,375,000) ordinary shares of Rs. 10 each Market value Rs. 8.88 per share (30 June 2017: Rs. 23.01 per share)		29,970	77,659
14. OTHER RECEIVABLES			
Due from the Ultimate Holding Company - unsecured		-	32,437
Others		54,169	60,680
		<u>54,169</u>	<u>93,117</u>



Half year ended (Un-audited)
December 31, December 31,
2017 2016
(Rupees in thousand)

15. SALES - NET

Gross local sales	16,299,288	14,344,626
Less:		
Federal Excise Duty	(2,046,149)	(1,426,842)
Sales Tax	(2,676,213)	(2,308,846)
Discount	(158,779)	(126,650)
Commission	(65,420)	(47,565)
	(4,946,561)	(3,909,903)
Net local sales	11,352,726	10,434,723
Export sales	925,552	1,486,754
	12,278,279	11,921,477

16. COST OF GOODS SOLD

Raw materials consumed	506,578	441,811
Packing materials consumed	682,948	666,768
Fuel	2,821,220	2,065,304
Power and associated costs	1,506,648	1,528,839
Stores, spare parts and loose tools consumed	374,488	348,146
Salaries, wages and other benefits	464,719	409,084
Rent, rates and taxes	12,651	13,119
Insurance	27,774	28,505
Repairs and maintenance	205,524	221,579
Depreciation	1,056,514	917,313
Vehicles running and maintenance	59,594	42,809
Other expenses	87,966	57,714
	7,806,624	6,740,991

Work in process:

At beginning of the period	819,354	395,257
At end of the period	(647,777)	(363,038)

	171,577	32,219
Cost of goods manufactured	7,978,201	6,773,210

Finished goods:

As at beginning of the period	207,747	270,180
As at end of the period	(299,516)	(263,785)
	(91,769)	6,395

Cost of goods sold	7,886,432	6,779,605
--------------------	-----------	-----------

Half year ended (Un-audited)
December 31, December 31,
2017 2016
(Rupees in thousand)

17. FINANCE COST

Profit / interest / mark up on long term loans, finances, and short term finances	268,600	88,738
Exchange loss / (gain) - net	44,869	(2,781)
Bank and other charges	17,018	17,971
	<u>330,487</u>	<u>103,928</u>

18. TAXATION

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, with effect from tax year 2018 this tax on undistributed reserves is not applicable to a public Company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash dividend or bonus shares.

The Board of Directors of the Holding Company intends to distribute sufficient cash dividend for the year ended 30 June 2018 (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 consolidated financial information for the period ended 31 December 2017.

Half year ended (Un-audited)
December 31, December 31,
2017 2016
(Rupees in thousand)

19. CASH AND CASH EQUIVALENTS

Short term running finance	(726,208)	(10,972)
Cash and bank balances	514,062	828,968
	<u>(212,146)</u>	<u>817,996</u>



20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

		31 December 2017						
		Carrying Amount (Un-audited)				Fair Value (Un-audited)		
		Fair Value through profit and loss	Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
Note		----- (Rupees in thousand) -----						
On - Balance sheet financial instruments								
Financial assets measured at fair value								
Short term investment		29,970	-	-	29,970	29,970	-	-
		29,970	-	-	29,970	29,970	-	-
Financial assets not measured at fair value								
Cash and bank balances		-	514,062	-	514,062	-	-	-
Long term loans to employees		-	14,229	-	14,229	-	-	-
Short term deposits		-	79,530	-	79,530	-	-	-
Accrued profit		-	1,289	-	1,289	-	-	-
Long term deposits		-	56,554	-	56,554	-	-	-
Trade debts - unsecured, considered good		-	1,097,446	-	1,097,446	-	-	-
20.1		-	1,763,110	-	1,763,110	-	-	-
Financial liabilities measured at fair value								
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term finances		-	-	4,383,045	4,383,045	-	-	-
Trade and other payables		-	-	3,468,887	3,468,887	-	-	-
Short term borrowing		-	-	3,764,620	3,764,620	-	-	-
Long term deposits		-	-	8,764	8,764	-	-	-
Accrued mark up		-	-	110,336	110,336	-	-	-
20.1		-	-	11,735,652	11,735,652	-	-	-

30 June 2017							
Carrying Amount (Audited)				Fair Value (Audited)			
	Fair Value through profit and loss	Loans and receivables	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
Note	----- (Rupees in thousand) -----						
On - Balance sheet financial instruments							
Financial assets measured at fair value							
Short term investment	77,659	-	-	77,659	77,659	-	-
	<u>77,659</u>	<u>-</u>	<u>-</u>	<u>77,659</u>	<u>77,659</u>	<u>-</u>	<u>-</u>
Financial assets not measured at fair value							
Cash and bank balances	-	449,482	-	449,482	-	-	-
Long term loans to employees	-	10,293	-	10,293	-	-	-
Short term deposits	-	85,158	-	85,158	-	-	-
Other receivables	-	12,516	-	12,516	-	-	-
Accrued profit	-	2,628	-	2,628	-	-	-
Long term deposits	-	56,474	-	56,474	-	-	-
Trade debts - unsecured, considered good	-	681,293	-	681,293	-	-	-
20.1	<u>-</u>	<u>1,297,844</u>	<u>-</u>	<u>1,297,844</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>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Long term finances	-		3,103,760	3,103,760	-	-	-
Liabilities against assets subject to finance lease	-		480,615	480,615	-	-	-
Trade and other payables	-		1,838,472	1,838,472	-	-	-
Short term borrowing	-		3,138,159	3,138,159	-	-	-
Long term deposits	-		8,699	8,699	-	-	-
Accrued mark up	-		101,465	101,465	-	-	-
20.1	<u>-</u>	<u>-</u>	<u>8,671,170</u>	<u>8,671,170</u>	<u>-</u>	<u>-</u>	<u>-</u>

20.1 The Holding Company 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 Holding Company. The valuation experts used a market based approach to arrive at the fair value of the Holding 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. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2017							
	Issued, subscribed and paid-up capital	Share premium	Dividend Payable	Long term financing	Liabilities against assets subject to finance lease - secured	Short term borrowing	Accrued markup	Total
	----- (Rupees in thousand) -----							
As at 30 June 2017	5,277,340	1,529,874	101,219	3,103,760	480,615	3,138,159	101,465	13,732,432
Changes from financing cash flows								
Proceeds from issuance of shares	659,667	3,628,171	-	-	-	-	-	4,287,838
Dividend paid	-	-	(396,918)	-	-	-	-	(396,918)
Share issuance cost	-	(46,008)	-	-	-	-	-	(46,008)
Financial charges paid	-	-	-	-	-	-	(321,553)	(321,553)
Proceeds from long term financing	-	-	-	1,279,285	-	-	-	1,279,285
Payment of finance lease liabilities	-	-	-	-	(480,615)	-	-	(480,615)
Total changes from financing cash flows	659,667	3,582,163	(396,918)	1,279,285	(480,615)	-	(321,553)	4,322,029
Other changes								
Final cash dividend	-	-	923,536	-	-	-	-	923,536
Change in borrowings	-	-	-	-	-	626,461	-	626,461
Interest expense	-	-	-	-	-	-	330,424	330,424
Total liability related other changes	-	-	923,536	-	-	626,461	330,424	1,880,421
As at 31 December 2017	5,937,007	5,112,037	627,837	4,383,045	-	3,764,620	110,336	19,934,882

22. TRANSACTIONS WITH RELATED PARTIES

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

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, 2017	December 31, 2016
	(Rupees in thousand)	
22.1 Transactions with related parties		
22.1.1 Holding Company (Kohinoor Textile Mills Limited)		
Sale of goods and services	9,480	27,758
Sale of fixed assets	1,785	-
22.1.2 Dividend Paid		
Holding Company (Kohinoor Textile Mills Limited)	-	728,526
Other related parties	-	4,738
22.1.3 Key management personnel		
Remuneration and other benefits	329,859	168,802
22.1.4 Post employment benefit plans		
Contributions to Provident Fund Trust	63,693	50,912
Payments to MLCF Employees Gratuity Fund Trust	11,624	10,447

23. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial information were authorized for issue on 15 February 2018 by the Board of Directors of the Company. Further, the Board of Directors has approved interim dividend of Rs. 1.50 per share in their meeting held on 15 February 2018.

24. GENERAL

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


Chief Executive Officer


Chief Financial Officer


Director



مپل لیف



MAPLE LEAF CEMENT

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