

The



Third Quarterly Report
March 31, 2017

CEMENT



میپل لیف



MAPLE LEAF CEMENT

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COMPANY INFORMATION

Board of Directors

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

National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
Trust Investment Bank Limited
U Microfinance Bank Limited
United Bank Limited

Executive Directors

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

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Audit Committee

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

Legal Adviser

Mr. Shahid Ismail
Advocate High Court

Human Resource & Remuneration Committee

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

Registered Office

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

Factory

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

Chief Financial Officer
Syed Mohsin Raza Naqvi

Call Centre (24 / 7)
0800-41111

Company Secretary
Mr. Muhammad Ashraf

Share Registrar

Vision Consulting Ltd.
Head Office: 3-C, LDA Flats, First Floor,
Lawrence Road, Lahore
Phone: (00-92-42) 36283096-97
Fax: (00-92-42) 36312550
E-mail: shares@vcl.com.pk

Chief Internal Auditor
Mr. Zeeshan Malik Bhutta

Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Burj Bank Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Islamic Corporation for the Development
of the Private Sector, Jeddah
MCB Bank Limited
Meezan Bank Limited

Company Website:
www.kmlg.com

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

DIRECTORS' REVIEW

In compliance with Section 245 of the Companies Ordinance, 1984, the Directors of your Company have pleasure to present financial statements for the nine months ended 31st March 2017.

The financial highlights are as follows: -

	Nine Months (July to March)		Variance	Percentage
	2017	2016		
	(----- Rupees in thousand -----)			
Net Sales Revenue	18,293,754	16,935,246	1,358,508	8.02%
Gross Profit	7,623,524	7,013,629	609,895	8.70%
Operating Profit	5,882,431	5,319,041	563,390	10.59%
Finance Cost	185,752	419,911	(234,159)	(55.76)%
Profit Before Taxation	5,696,679	4,899,130	797,548	16.28%
Taxation	1,644,793	1,394,042	250,751	17.99%
Profit After Taxation	4,051,886	3,505,088	546,798	15.60%
Earnings Per Share (Rupees)	7.68	6.64	1.04	15.60%

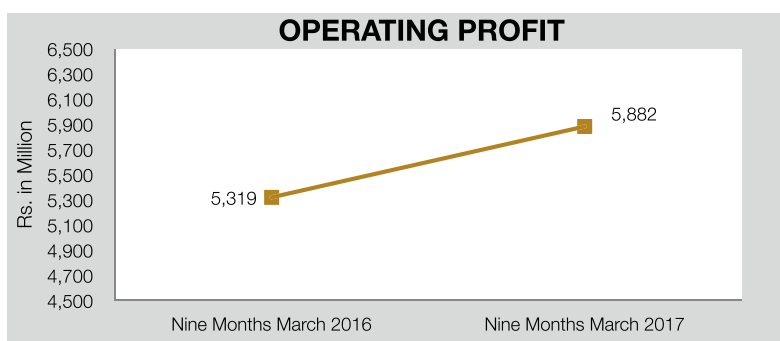
During the period, the Company recorded net sales of Rs. 18,294 million against Rs. 16,935 million in the corresponding period last year mainly due to quantitative growth in local sales mix. During the initial nine months of current financial year, local dispatches increased from 1,979,465 metric tons to 2,199,641 metric tons (highest ever dispatches recorded during the current period on any YoY basis) as compared to the corresponding period, depicting a robust growth of 11.12%, YoY stemming from improved economic activity. This growth can be attributed to acceleration in private sector construction activities, partial materialization of the budgeted Public Sector Development Program (PSDP) and demand from China Pakistan Economic Corridor (CPEC) related projects. Export sale volumes decreased by 86,131 metric tons due to lackluster demand from overseas. Volumes to Afghanistan, one of Pakistan's biggest export markets declined due to border restrictions in the wake of mounting tension and increased competition from Iranian cement.

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

Particulars	Nine Months (July to March)		Variance	Percentage
	2017	2016		
	(----- M. Tons -----)			
Production:				
Clinker Production	2,456,981	2,189,492	267,489	12.22%
Cement Production	2,535,387	2,420,421	114,966	4.75%
Sales:				
Domestic	2,199,641	1,979,465	220,176	11.12%
Exports	360,895	447,026	(86,131)	(19.27)%
	2,560,536	2,426,491	134,045	5.52%

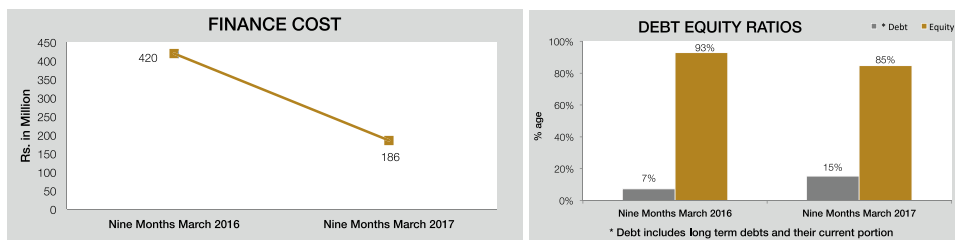
Total Sales volume of 2,560,536 tons achieved depicts an increase of 5.52% over 2,426,491 tons sold during the corresponding period last year. The domestic sales volume increased to 2,199,641 tons registering an increase of 11.12% and exports sales volume to 360,895 tons, a decrease of 19.27%.

Coal prices in global markets had an upward trend due to sharp recovery in international coal market. This was mainly due to production days cut in coal mining in China and restricted supply from mines due to logistical difficulties resulting in increase in coal prices. However, the Company derived benefit of relatively lower coal prices throughout the current period on account of utilization of lower cost coal inventory which was built up when prices were low. The Company was able to keep its fuel costs under control along with advantage derived by use of pet coke in larger quantities. Oil price trend is also on increasing side resulting in higher rate of power from the HFO based engines and national grid due to lower fuel price adjustments. During the period, the Company continued to operate its Furnace Oil based engines from which power was produced at lower prices as compared to the grid. The Company is also continuously benefitting from lower inland transportation costs through transport via the railway network resulting in reasonable savings. Due to these factors, the Company achieved gross profit of Rs. 7,624 million in the current period with an increase of 8.70% from Rs. 7,014 million in the corresponding period.



This uptrend earnings performance is mainly attributable to improved sales volumes and better control over operational expenses. Distribution cost is reduced owing to slump in exports. Operating profit for the current reporting period is Rs. 5,882 million, stepping up with an increase of 10.59% as compared to Rs. 5,319 million in the corresponding period last year.

Finance costs continue to reduce resulting in a decrease of 55.76% as the average outstanding debt financing has decreased in the current period as compared to the corresponding period. Total debt of the Company has increased mainly on account of capital expenditure on its new coal power plant which indicates that the work is in process in its full swing.



The Company recorded pre-tax profit of Rs. 5,697 million during the period against pre-tax profit of Rs. 4,899 million in the corresponding period last year showing growth of 16.28%. The increase of 17.99% in taxation for the current period as compared to the taxation expense of Rs. 1,394 million in corresponding period is mainly due to utilization of available tax losses in corresponding reported period 2016. Above earnings performance impacted post-tax profits at Rs. 4,052 million for the current period against Rs. 3,505 million in the corresponding period last year bottom line showing robust growth of 15.60%.

Maple Leaf Power Limited

For Maple Leaf Power Limited (a wholly owned subsidiary), major shipments of equipment relating to 40 MW imported coal-fired power plant have reached at site and installation of equipment and related civil works are also in last stage. The project is expected to be operational in the first quarter of financial year 2018. This project will add another reliable and inexpensive source of power compared to the national grid and reduce dependency on the same. It will also provide a cushion against current bullish trend in furnace oil prices and is expected to be the cheapest source of electricity after waste heat recovery plant.

Capacity Expansion Project

The Board of Directors has already approved for setting up of an additional dry process clinker production line of 7,300 tpd grey clinker production for enhancing grey cement capacity upto 18,000 tons per day at the existing plant site (brown field project). Total project cost is estimated at Rs. 23 billion. In this regard, the Company, after signing EPC contract, has established Letter of Credit as on March 17, 2017 in favor of plant supplier, M/s. FLSmidth A/S, Denmark for supply and setting up of said production line. It is targeted to begin commercial operations within 26 months after the signing of contract.

Future Outlook


Going forward, we expect increased domestic demand for cement on account of rise in PSDP allocations in the wake of upcoming election year, together with robust construction activities in the private sector due to upbeat macroeconomic picture including lower inflation and expected growing remittances by Pakistanis abroad. Despite increased demand, cement prices are expected to remain stable. The cement industry is also keenly eyeing developments on CPEC and this opportunity is expected to prove to be of great benefit for the whole nation. Speedy progress is being registered on CPEC projects due to collective measures of the political and military leadership and would be a trigger to absorb future supply from new capacities.

The Afghanistan market is contracting on account of availability of inexpensive Iranian cement which is a worrying factor. Moreover, exports to Afghanistan market are also affected on account of border restrictions by government on account of cross border terrorism. Owing to this development, the Company is determined to explore new export markets to improve capacity utilization. However, the profitability of the cement sector should continue to progress as local dispatches increase.

Gross margins are expected to remain under pressure owing to rising coal and fuel prices. Cost reduction efforts continue to be the main focus in all operational areas and the Company has adopted various strategies to reduce cost including use of alternative fuels and optimized operations of the plant despite the recent rise in oil prices and increasing prices of coal.

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

For and on behalf of the Board



(Sayeed Tariq Saigol)
Chief Executive

Lahore: 25 April 2017

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2017

	Note	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		7,000,000	7,000,000
Issued, subscribed and paid-up share capital	4	5,277,340	5,277,340
Capital reserves		2,058,137	2,058,137
Accumulated profits		11,269,453	9,414,403
		18,604,930	16,749,880
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX	5	4,392,454	4,587,255
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	6	2,772,045	927,298
Liabilities against assets subject to finance lease - secured		322,653	479,243
Long term deposits		8,699	6,499
Deferred taxation		4,030,758	4,124,673
Retirement benefits		110,952	119,783
		7,245,107	5,657,496
CURRENT LIABILITIES			
Current portion of:			
- Long term loans from banking companies - secured	6	61,417	-
- Liabilities against assets subject to finance lease - secured	7	199,215	167,519
Trade and other payables		5,173,274	3,193,583
Accrued profit / interest / mark-up		61,459	36,807
Provision for taxation - net		521,177	204,245
Short term borrowings		2,203,133	1,424,911
		8,219,675	5,027,065
CONTINGENCIES AND COMMITMENTS	8	38,462,166	32,021,696

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



Chief Executive Officer



Director

	Note	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	9	22,797,324	22,822,494
Intangible assets		21,096	-
Long term investment	10	4,210,000	790,046
Long term loans to employees - secured		1,083	5,628
Long term deposits		55,973	55,867
		27,085,476	23,674,035
CURRENT ASSETS			
Stores, spare parts and loose tools		6,764,837	5,383,750
Stock-in-trade		995,996	872,820
Trade debts	11	945,818	576,861
Loans and advances		1,333,780	805,167
Short term investment	12	78,705	12,000
Short term deposits and prepayments		181,508	71,594
Accrued profit		1,292	1,582
Refunds due from Government		16,797	16,797
Other receivables	13	357,246	212,616
Cash and bank balances		700,711	394,474
		11,376,690	8,347,661
		38,462,166	32,021,696



Chief Executive Officer



Director

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

		Nine months period ended		Three months period ended	
	Note	March 31, 2017 (..... Rupees in thousand)	March 31, 2016	March 31, 2017	March 31, 2016
Sales - net	14	18,293,754	16,935,246	6,323,617	6,075,203
Cost of goods sold	15	(10,670,230)	(9,921,617)	(3,890,625)	(3,474,521)
Gross profit		7,623,524	7,013,629	2,432,992	2,600,682
Distribution cost		(963,269)	(982,185)	(281,021)	(334,897)
Administrative expenses		(441,198)	(367,873)	(162,730)	(128,530)
Other charges		(427,251)	(357,935)	(90,874)	(172,715)
		(1,831,718)	(1,707,993)	(534,625)	(636,142)
Other income		90,625	13,405	42,506	4,706
Profit from operations		5,882,431	5,319,041	1,940,873	1,969,246
Finance cost	16	(185,752)	(419,911)	(81,946)	(103,041)
Profit before taxation		5,696,679	4,899,130	1,858,927	1,866,205
Taxation		(1,644,793)	(1,394,042)	(501,156)	(702,875)
Profit after taxation		4,051,886	3,505,088	1,357,771	1,163,330
Earnings per share - basic and diluted	(Rupees)	7.68	6.64	2.57	2.20

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



Chief Executive Officer



Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

	Nine months period ended		Three months period ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(..... Rupees in thousand)			
Profit after taxation	4,051,886	3,505,088	1,357,771	1,163,330
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	4,051,886	3,505,088	1,357,771	1,163,330

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



Chief Executive Officer



Director

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)

	Note	March 31, 2017	March 31, 2016
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations before working capital changes	17	7,650,072	7,038,762
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(1,381,087)	(677,292)
Stock-in-trade		(123,176)	263,927
Trade debts		(368,957)	(228,631)
Loans and advances		(528,613)	(174,644)
Short term deposits and prepayments		(109,914)	(87,197)
Other receivables		(144,630)	(7,071)
		(2,656,377)	(910,908)
Increase in current liabilities			
Trade and other payables		517,062	382,435
		(2,139,314)	(528,473)
Net cash generated from operations		5,510,758	6,510,289
Decrease in long term loans to employees - secured		4,545	88
Retirements benefits paid		(23,675)	(16,707)
Taxes paid		(1,438,611)	(338,515)
Net cash generated from operating activities		4,053,016	6,155,155
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(1,550,140)	(541,167)
Purchase of intangible assets		(21,117)	-
Proceeds from disposal of property, plant and equipment		134,333	45,770
Increase in long term deposits and prepayments		(107)	(255)
Long Term Investment		(3,419,954)	(10,000)
Short Term Investment		(15,000)	-
Profit on bank deposits received		13,108	10,887
Net cash used in investing activities		(4,858,877)	(494,765)
CASH FLOWS FROM FINANCING ACTIVITIES			
Draw down of long term loans from banking companies - secured		1,906,164	344,186
Redemption of redeemable capital - secured		-	(3,433,011)
Repayment of syndicated term finances - secured		-	(433,500)
Decrease in long term deposits		2,200	(120)
Payment of liabilities against assets subject to finance lease - net		(125,776)	(99,528)
Acquisition / (repayment) of short term borrowings		311,236	(489,982)
Finance cost paid		(160,218)	(453,632)
Redemption of preference shares		(478)	-
Dividend paid		(1,288,017)	(1,159,254)
Net cash generated from / (used) in financing activities		645,111	(5,724,841)
Net decrease in cash and cash equivalents		(160,750)	(64,451)
Cash and cash equivalents at the beginning of the period		384,767	169,012
Cash and cash equivalents at the end of the period	18	224,017	104,561

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


 Chief Executive Officer


 Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 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 2015 - audited 5,277,340 1,529,874 528,263 2,058,137 5,576,181 12,911,658

Total comprehensive Income

Profit for the nine months ended 31 March 2016
Other comprehensive income for the period ended 31 March 2016

-	-	-	-	3,505,088	3,505,088
-	-	-	-	-	-

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

-	-	-	-	3,505,088	3,505,088
-	-	-	-	187,794	187,794

Reversal of revaluation surplus on disposal of fixed assets - net of tax

-	-	-	-	8,288	8,288
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Transactions with owners of the Company

Final cash dividend @ Re.1 per share for the year ended 30 June 2015

-	-	-	-	(527,734)	(527,734)
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First interim cash dividend @ Rs.1.5 per share for the year ended 30 June 2016

-	-	-	-	(791,601)	(791,601)
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Balance as at 31 March 2016 - un-audited

5,277,340	1,529,874	528,263	2,058,137	7,958,016	15,293,493
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Balance as at 30 June 2016 - audited

5,277,340	1,529,874	528,263	2,058,137	9,414,403	16,749,880
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Total comprehensive Income

Profit for the nine months ended 31 March 2017
Other comprehensive income for the period ended 31 March 2017

-	-	-	-	4,051,886	4,051,886
-	-	-	-	-	-

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

-	-	-	-	4,051,886	4,051,886
-	-	-	-	167,617	167,617

Reversal of revaluation surplus on disposal of fixed assets - net of tax

-	-	-	-	10,350	10,350
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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)
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First interim cash dividend @ Rs.2 per share for the year ended 30 June 2017

-	-	-	-	(1,055,468)	(1,055,468)
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Balance as at 31 March 2017 - un-audited

5,277,340	1,529,874	528,263	2,058,137	11,269,453	18,604,930
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The annexed notes from 1 to 22 form an integral part of this condensed interim unconsolidated financial information.


Chief Executive Officer


Director

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED MARCH 31, 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 Ordinance, 1984) as a public company limited by shares. The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The cement factory is located at Iskanderabad District Mianwali in the province of Punjab. The principal activity of the Company is production and sale of cement. The Company is a subsidiary of Kohinoor Textile Mills Limited ("the Holding Company").

2. BASIS OF PREPARATION

2.1 Separate financial statements

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

The Company has the following long term investment:

	Un-audited March 31, 2017 (Direct holding percentage)	Audited June 30, 2016
Subsidiary Company Maple Leaf Power Limited	100	100

2.2 Basis of accounting

2.2.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 31 March 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 statement of changes in equity together with the notes forming part thereof.

2.2.2 This condensed interim unconsolidated financial information of the Company for the nine months period ended 31 March 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. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 has been followed.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

		Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
Number of shares			
290,359,856	(30 June 2016: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash	2,903,599	2,903,599
35,834,100	(30 June 2016: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	358,341	358,341
46,069,400	(30 June 2016: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares	460,694	460,694
153,846,153	(30 June 2016: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	1,538,462	1,538,462
1,624,417	(30 June 2016: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	16,244	16,244
<u>527,733,926</u>		<u>5,277,340</u>	<u>5,277,340</u>

- 4.1 During the financial year ended 30 June 2011, Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.
- 4.2 During the financial year ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.
- 4.3 The Holding Company holds 291,410,425 ordinary shares, which represents 55.22% (30 June 2016: 55.22%) of total ordinary issued, subscribed and paid-up capital of the Company.
- 4.4 Zimpex (Private) Limited, an associated undertaking, holds NIL (30 June 2016: 1,706) ordinary shares of the Company.

	Note	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX			
Gross Surplus			
Balance at beginning of the period / year		5,984,429	6,345,722
Less: Effect of disposal of fixed assets		(13,837)	(13,005)
Transferred to accumulated profit in respect of incremental depreciation charged during the period / year		(224,088)	(348,288)
As at end of the period / year		5,746,504	5,984,429
Deferred tax liability on revaluation surplus			
As at beginning of the period / year		1,397,174	1,594,640
Less: Transferred to accumulated profit			
Effect of disposal of fixed assets		(3,487)	(3,238)
Incremental depreciation charged on related assets		(56,470)	(86,724)
Effect of change in tax rate		16,833	(107,504)
As at end of the period / year		1,354,050	1,397,174
		4,392,454	4,587,255
6. LONG TERM LOANS FROM BANKING COMPANIES - SECURED			
Askari Bank Limited - Term Finance		500,000	500,000
Bank of Punjab - Demand Finance	6.1	982,282	183,140
MCB Bank Limited - Demand Finance	6.2	675,590	122,079
National Bank of Pakistan - Demand Finance	6.3	675,590	122,079
		2,833,462	927,298
Less: Current maturity presented under current liabilities		(61,417)	-
At end of the period / year		2,772,045	927,298
6.1 During the current period additional loan of Rs. 799.142 million is draw down from Bank of Punjab - Demand Finance.			
6.2 During the current period additional loan of Rs. 553.511 million is draw down from MCB Bank Limited - Demand Finance.			
6.3 During the current period additional loan of Rs. 553.511 million is draw down from National Bank of Pakistan - Demand Finance.			

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

During the current period, the Company repaid Rs. 125.776 million (30 June 2016: 132.746 million). Amount due in next twelve months amounting to Rs. 199.215 million (30 June 2016: Rs. 167.519 million) are included in current portion presented under current liabilities).

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

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

- 8.2 Guarantees given by banks on behalf of the Company are of Rs. 473.85 million (30 June 2016: Rs. 463.32 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

	Note	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
8.3 Commitments			
8.3.1 In respect of:			
- capital expenditure		75,962	94,606
- irrevocable letters of credit for spare parts		9,491,071	1,204,256
		<u>9,567,033</u>	<u>1,298,862</u>
9. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	9.1	21,762,703	22,399,800
Capital work in progress - at cost	9.2	1,034,621	422,694
		<u>22,797,324</u>	<u>22,822,494</u>
9.1 Operating fixed assets			
Balance at beginning of the period / year		22,399,800	23,604,525
Add: Additions during the period / year	9.1.1	938,213	799,324
		<u>23,338,013</u>	<u>24,403,849</u>
Less: Book value of operating assets disposed-off during the period / year		171,413	186,391
Depreciation charge during the period / year		1,403,897	1,817,658
		<u>21,762,703</u>	<u>22,399,800</u>

	Note	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
9.1.1 Additions during the period / year:			
- buildings on freehold land		101,185	217,969
- plant & machinery		749,989	467,222
- furniture, fixtures and equipment		47,905	64,800
- roads, bridges and railway sidings		788	1,344
- vehicles		38,346	47,989
		<u>938,213</u>	<u>799,324</u>
9.2 Capital work-in-progress - at cost			
Civil Works		637,134	320,396
Plant and machinery		45,335	5,171
Advance to supplier against:			
- civil works		202,830	77,702
- land		83,027	-
- furniture and fixtures		11,043	11,043
- plant and machinery		591	794
- vehicles		8,366	1,891
- unallocated capital expenditure		46,295	5,697
		<u>1,034,621</u>	<u>422,694</u>
10. LONG TERM INVESTMENT			
Investment in Maple Leaf Power Limited - Unquoted			
Balance at beginning of the period / year		790,046	-
Addition during the period / year	10.1	3,550,000	660,000
(Adjustment) / advances against issue of shares during the period / year		(130,046)	130,046
		<u>4,210,000</u>	<u>790,046</u>
10.1 During the current period the Company has made further investments of Rs. 3,550 million (30 June 2016: 660 million) in its wholly owned subsidiary company "Maple Leaf Power Limited". The Company holds 100% (30 June 2016: 100%) shares in the Maple Leaf Power Limited.			

	Note	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
11. TRADE DEBTS			
Considered good			
Export - secured	11.1	28,556	46,947
Local - unsecured		917,262	529,914
		<u>945,818</u>	<u>576,861</u>
11.1 These are secured through bank by letters of credit.			
12. SHORT TERM INVESTMENT			
Investment at fair value through profit or loss - listed securities			
Next Capital Limited:			
Number of shares			
1,500,000 (30 June 2016: 1,500,000) ordinary shares of Rs. 10 each fully paid in cash		15,000	15,000
1,875,000 (30 June 2016: NIL) Right shares of Rs. 8 each issued as fully paid in cash		15,000	-
<u>3,375,000</u>		<u>30,000</u>	<u>15,000</u>
Unrealized fair value gain / (loss)			
As at beginning of the period / year		(3,000)	(4,470)
Fair value gain for the period / year		51,705	1,470
As at end of the period / year		48,705	(3,000)
Fair value at end of period / year		<u>78,705</u>	<u>12,000</u>
13. OTHER RECEIVABLES			
Due from the holding company - unsecured		9,112	21,311
Due from the subsidiary company - unsecured		266,042	59,469
Others		82,092	131,836
		<u>357,246</u>	<u>212,616</u>

		Nine months ended (Un-audited)	
		March 31, 2017 (Rupees in thousand)	March 31, 2016
14. SALES - NET			
Gross local sales		22,326,865	18,397,585
Less:			
Federal Excise Duty	(2,199,641)		(863,011)
Sales Tax	(3,579,819)		(2,998,631)
Discount	(204,839)		(103,703)
Commission	(81,871)		(95,702)
	(6,066,170)		(4,061,048)
Net local sales		16,260,696	14,336,537
Export sales		2,033,059	2,598,709
		18,293,754	16,935,246
15. COST OF GOODS SOLD			
Raw materials consumed	695,555	599,983	
Packing materials consumed	995,048	1,080,887	
Fuel	3,389,693	2,997,381	
Power and associated costs	2,424,852	1,995,826	
Stores, spare parts and loose tools consumed	639,126	637,766	
Salaries, wages and other benefits	625,537	503,834	
Rent, rates and taxes	19,119	16,410	
Insurance	43,370	39,953	
Repairs and maintenance	372,495	276,639	
Depreciation	1,371,918	1,338,706	
Vehicles running and maintenance	70,060	60,304	
Provision for cement stocks written off	-	9,804	
Other expenses	84,042	89,382	
	10,730,815	9,646,875	
Work in process:			
As at beginning of the period	395,257	697,357	
As at end of the period	(530,439)	(344,084)	
	(135,182)	353,273	
Cost of goods manufactured	10,595,633	10,000,148	
Finished goods:			
As at beginning of the period	270,180	328,425	
As at end of the period	(195,583)	(406,956)	
	74,597	(78,531)	
Cost of goods sold	10,670,230	9,921,617	

		Nine months ended (Un-audited)	
		March 31, 2017	March 31, 2016
		(Rupees in thousand)	
16.	FINANCE COST		
	Profit / interest / mark up on:		
	Finances, redeemable capital and short term finances	163,113	330,853
	Exchange (gain) / loss - net	(4,307)	29,251
	Bank and other charges	26,946	59,807
		185,752	419,911
17.	CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES		
	Profit before taxation	5,696,678	4,899,130
	Adjustments for:		
	Depreciation	1,403,897	1,362,435
	Amortization	21	-
	Provision for doubtful debts	-	10,877
	Provision for Worker's Profit Participation Fund	262,090	249,902
	Provision for Worker's Welfare Fund	114,234	38,999
	Provision for Stock in trade write off	-	9,804
	Loss on disposal of property, plant and equipment	37,080	47,041
	(Gain) / Loss on re-measurement of short term investments at fair value	(51,705)	465
	Retirement benefits	14,842	10,681
	Finance cost	185,752	419,911
	Profit on bank deposits	(12,817)	(10,483)
		7,650,072	7,038,762
18.	CASH AND CASH EQUIVALENTS		
	Short term running finance	(476,694)	(349,440)
	Cash and bank balances	700,711	454,001
		224,017	104,561

19. 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.

Details of transactions with related parties are as follows:

	Nine months ended (Un-audited)	
	March 31, 2017 (Rupees in thousand)	March 31, 2016
19.1 Transactions with related parties		
19.1.1 Holding Company (Kohinoor Textile Mills Limited)		
Sale of goods and services	37,942	19,346
19.1.2 Wholly owned subsidiary company (Maple Leaf Power Limited)		
Sale of goods and services	88,863	435
Shares issued during the period	3,550,000	10,000
Payments against expenses made on behalf of subsidiary company	111,730	8,230
Advance against issue of shares during the period	-	130,046
19.1.3 Dividend Paid		
Holding Company (Kohinoor Textile Mills Limited)	728,526	728,526
Other related parties	4,738	4,738
19.1.4 Key management personnel		
Remuneration and other benefits	448,096	196,969
19.1.5 Post employment benefit plans		
Contributions to Provident Fund Trust	79,077	67,076
Payments to MLCF Employees Gratuity Fund Trust	14,364	10,958

Transactions in relation to sales, purchases and technical services with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method except for allocation of expenses such as electricity, gas, water, repairs and maintenance relating to the head office, shared with the Holding Company / Associates, which are on the actual basis.

20. CORRESPONDING FIGURES

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

21. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 25 April 2017 by the Board of Directors of the Company.

22. GENERAL

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



Chief Executive Officer



Director



Consolidated Financial Statements

For the Nine Months Ended March 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 nine months ended 31 March 2017.

GROUP RESULTS

The Group has earned gross profit of Rupees 7,557 million as compared to Rupees 7,014 million of corresponding period. The Group made after tax profit of Rupees 3,952 million during this period as compared to Rupees 3,504 million during the corresponding period.

The overall group financial results are as follows:

	March 31, 2017 (Rupees in million)	March 31, 2016
Sales	18,227	16,935
Gross profit	7,557	7,014
Profit from operations	5,793	5,319
Financial charges	196	421
Net Profit after tax	3,952	3,504
	(-----Rupees-----)	
Earnings per share – basic and diluted	7.49	6.64

SUBSIDIARY COMPANY

MAPLE LEAF POWER LIMITED (MLPL)

Maple Leaf Cement Factory Limited has formed a subsidiary company namely “Maple Leaf Power Limited (MLPL).” MLPL (“the Subsidiary”) was incorporated in Pakistan on 15 October 2015 under the Companies Ordinance, 1984 as public limited company. The principal objective of MLPL is to develop, design, operate and maintain electric power generation plant in connection therewith to engage in the business of generation, sale and supply of electricity to the Holding Company.

ACKNOWLEDGEMENT

The Directors are grateful to the group's members, financial institutions, customers and employees for their cooperation and support. They also appreciate the hard work and dedication of the employees working in different roles.

For and on behalf of the Board



(Sayeed Tariq Saigol)
Chief Executive Officer

Lahore: 25 April 2017

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2017

	Note	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		7,000,000	7,000,000
Issued, subscribed and paid-up share capital	4	5,277,340	5,277,340
Capital reserves		2,058,137	2,058,137
Accumulated profits		11,128,078	9,372,617
		18,463,555	16,708,094
SURPLUS ON REVALUATION OF FIXED ASSETS			
- NET OF TAX	5	4,392,454	4,587,255
NON - CURRENT LIABILITIES			
Long term loans from banking companies - secured	6	2,772,045	927,298
Liabilities against assets subject to finance lease - secured		322,653	479,243
Long term deposits		8,699	6,499
Deferred taxation		4,030,758	4,124,673
Retirement benefits		110,952	119,783
		7,245,107	5,657,496
CURRENT LIABILITIES			
Current portion of :			
- Long term loans from banking companies - secured	6	61,417	-
- Liabilities against assets subject to finance lease - secured	7	199,215	167,519
Trade and other payables		5,094,818	3,218,749
Accrued profit / interest / mark-up		61,459	36,807
Provision for taxation - net		361,175	203,316
Short term borrowings		2,203,133	1,424,911
		7,981,217	5,051,302
CONTINGENCIES AND COMMITMENTS	8		
		38,082,333	32,004,147

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



Chief Executive Officer



Director

	Note	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	9	26,746,928	23,618,926
Intangible assets		21,096	-
Long term loans to employees - secured		1,083	5,628
Long term deposits		55,974	55,867
		<u>26,825,081</u>	<u>23,680,421</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		6,764,837	5,383,750
Stock-in-trade		995,996	872,820
Trade debts	10	942,380	564,866
Loans and advances		1,333,780	805,167
Short term investment	11	78,705	12,000
Short term deposits and prepayments		182,036	71,594
Accrued profit		1,312	1,857
Refunds due from Government		16,797	16,797
Other receivables	12	146,861	153,147
Cash and bank balances		794,548	441,728
		<u>11,257,252</u>	<u>8,323,726</u>
		<u><u>38,082,333</u></u>	<u><u>32,004,147</u></u>



Chief Executive Officer



Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

		Nine months period ended		Three months period ended	
	Note	March 31, 2017 (..... Rupees in thousand)	March 31, 2016	March 31, 2017	March 31, 2016
Sales - net	13	18,226,759	16,935,246	6,305,281	6,075,203
Cost of goods sold	14	(10,670,230)	(9,921,617)	(3,890,625)	(3,474,521)
Gross profit		7,556,529	7,013,629	2,414,656	2,600,682
Distribution cost		(963,269)	(982,185)	(281,021)	(334,897)
Administrative expenses		(448,317)	(367,873)	(165,713)	(128,530)
Other charges		(427,251)	(357,935)	(90,874)	(172,715)
		(1,838,837)	(1,707,993)	(537,608)	(636,142)
Other income		75,681	13,405	44,365	4,706
Profit from operations		5,793,373	5,319,041	1,921,413	1,969,246
Finance cost	15	(196,283)	(420,529)	(92,355)	(103,041)
Profit before taxation		5,597,090	4,898,512	1,829,058	1,866,205
Taxation		(1,644,793)	(1,394,042)	(501,156)	(702,875)
Profit after taxation		3,952,297	3,504,470	1,327,902	1,163,330
Earnings per share - basic and diluted	(Rupees)	7.49	6.64	2.52	2.20

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



Chief Executive Officer




Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

	Nine months period ended		Three months period ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(..... Rupees in thousand)			
Profit after taxation	3,952,297	3,504,470	1,327,902	1,163,330
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>3,952,297</u>	<u>3,504,470</u>	<u>1,327,902</u>	<u>1,163,330</u>

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



Chief Executive Officer



Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)

	Note	March 31, 2017	March 31, 2016
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations before working capital changes	16	7,558,874	7,038,761
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(1,381,087)	(677,292)
Stock-in-trade		(123,176)	263,927
Trade debts		(377,513)	(228,631)
Loans and advances		(528,613)	(174,694)
Short term deposits and prepayments		(110,441)	(87,197)
Other receivables		(172,808)	(7,071)
		(2,693,638)	(910,958)
Increase in current liabilities			
Trade and other payables		591,875	463,698
		(2,101,763)	(447,260)
Net cash generated from operations		5,457,111	6,591,501
Decrease in long term loans to employees - secured		4,545	88
Retirements benefits paid		(23,675)	(16,707)
Taxes paid		(1,597,685)	(338,534)
Net cash generated from operating activities		3,840,296	6,236,348
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(4,702,655)	(587,533)
Purchase of intangible assets		(21,117)	-
Proceeds from disposal of property, plant and equipment		134,333	45,770
Increase in long term deposits and prepayments		(107)	(255)
Short Term Investment		(15,000)	-
Profit on bank deposits received		15,502	10,887
Net cash used in investing activities		(4,589,044)	(531,131)
CASH FLOWS FROM FINANCING ACTIVITIES			
Draw down of long term loans from banking companies - secured		1,906,164	344,186
Redemption of redeemable capital - secured		-	(3,433,011)
Repayment of syndicated term finances - secured		-	(433,500)
Decrease in long term deposits		2,200	(120)
Payment of liabilities against assets subject to finance lease - net		(125,776)	(99,528)
Acquisition / (repayment) of short term borrowings		311,236	(489,982)
Finance cost paid		(170,748)	(454,250)
Redemption of preference shares		(478)	-
Dividend paid		(1,288,017)	(1,159,254)
Net cash generated / (used) in financing activities		634,581	(5,725,459)
Net decrease in cash and cash equivalents		(114,167)	(20,242)
Cash and cash equivalents at the beginning of the period		432,021	169,012
Cash and cash equivalents at the end of the period	17	317,854	148,770

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



Chief Executive Officer



Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 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 2015 - audited 5,277,340 1,529,874 528,263 2,058,137 5,576,181 12,911,658

Total comprehensive Income

Profit for the nine months ended 31 March 2016
Other comprehensive Income for the period ended 31 March 2016

-	-	-	-	3,504,470	3,504,470
-	-	-	-	-	-

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

-	-	-	-	3,504,470	3,504,470
-	-	-	-	187,794	187,794

Reversal of revaluation surplus on disposal of fixed assets - net of tax

-	-	-	-	8,288	8,288
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Transactions with owners of the Company

Final cash dividend @ Re.1 per share for the year ended 30 June 2015

-	-	-	-	(527,734)	(527,734)
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First interim cash dividend @ Rs.1.5 per share for the year ended 30 June 2016

-	-	-	-	(791,601)	(791,601)
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Balance as at 31 March 2016 - un-audited

5,277,340	1,529,874	528,263	2,058,137	7,957,398	15,292,875
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Balance as at 30 June 2016 - audited

5,277,340	1,529,874	528,263	2,058,137	9,372,617	16,708,094
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Total comprehensive Income

Profit for the nine months ended 31 March 2016
Other comprehensive Income for the period ended 31 March 2016

-	-	-	-	3,952,297	3,952,297
-	-	-	-	-	-

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

-	-	-	-	3,952,297	3,952,297
-	-	-	-	167,617	167,617

Reversal of revaluation surplus on disposal of fixed assets - net of tax

-	-	-	-	10,350	10,350
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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)
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First interim cash dividend @ Rs.2 per share for the year ended 30 June 2017

-	-	-	-	(1,055,468)	(1,055,468)
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Balance as at 31 March 2017 - un-audited

5,277,340	1,529,874	528,263	2,058,137	11,128,078	18,463,555
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The annexed notes from 1 to 21 form an integral part of this condensed interim consolidated financial information.


Chief Executive Officer


Director

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED MARCH 31, 2017 (UN-AUDITED)

1. LEGAL STATUS & NATURE OF BUSINESS

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Separate financial statements

This condensed interim consolidated financial information comprises the condensed 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.

The Company has the following long term investment:

	Un-audited March 31, 2017 (Direct holding percentage)	Audited June 30, 2016
Subsidiary Company Maple Leaf Power Limited	100	100

2.2 Basis of accounting

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

2.2.2 This condensed interim consolidated financial information of the Company for the nine months period ended 31 March 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. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 has been followed.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

		Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
Number of shares			
290,359,856	(30 June 2016: 290,359,856) ordinary shares of Rs. 10 each fully paid in cash	2,903,599	2,903,599
35,834,100	(30 June 2016: 35,834,100) ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	358,341	358,341
46,069,400	(30 June 2016: 46,069,400) ordinary shares of Rs. 10 each issued as fully paid bonus shares	460,694	460,694
153,846,153	(30 June 2016: 153,846,153) ordinary shares of Rs. 10 each issued as fully paid right shares at discount	1,538,462	1,538,462
1,624,417	(30 June 2016: 1,624,417) ordinary shares of Rs. 10 each issued as conversion of preference shares into ordinary shares	16,244	16,244
<u>527,733,926</u>		<u>5,277,340</u>	<u>5,277,340</u>

4.1 During the financial year ended 30 June 2011, Company issued 153,846,153 shares at Rs. 6.50 per share at a discount of Rs. 3.50 per share otherwise than right against Rs. 1,000 million to the Holding Company, after complying with all procedural requirements in this respect.

4.2 During the financial year ended 30 June 2011 and 30 June 2012, 1,321,095 preference shares were converted into 1,624,417 ordinary shares at a conversion rate of 1.2296.

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

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

	Note	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
5. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX			
Gross Surplus			
Balance at beginning of the period / year		5,984,429	6,345,722
Less: Effect of disposal of fixed assets		(13,837)	(13,005)
Transferred to accumulated profit in respect of incremental depreciation charged during the period / year		(224,088)	(348,288)
As at end of the period / year		5,746,504	5,984,429
Deferred tax liability on revaluation surplus			
As at beginning of the period / year		1,397,174	1,594,640
Less: Transferred to accumulated profit			
Effect of disposal of fixed assets		(3,487)	(3,238)
Incremental depreciation charged on related assets		(56,470)	(86,724)
Effect of change in tax rate		16,833	(107,504)
As at end of the period / year		1,354,050	1,397,174
		4,392,454	4,587,255
6. LONG TERM LOANS FROM BANKING COMPANIES - SECURED			
Askari Bank Limited - Term Finance		500,000	500,000
Bank of Punjab - Demand Finance	6.1	982,282	183,140
MCB Bank Limited - Demand Finance	6.2	675,590	122,079
National Bank of Pakistan - Demand Finance	6.3	675,590	122,079
		2,833,462	927,298
Less: Current maturity presented under current liabilities		(61,417)	-
At end of the period / year		2,772,045	927,298
6.1 During the current period additional loan of Rs. 799.142 million is draw down from Bank of Punjab - Demand Finance.			
6.2 During the current period additional loan of Rs. 553.511 million is draw down from MCB Bank Limited - Demand Finance.			
6.3 During the current period additional loan of Rs. 553.511 million is draw down from National Bank of Pakistan - Demand Finance.			

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

During the current period, the Group repaid Rs. 125.776 million (30 June 2016: 132.746 million). Amount due in next twelve months amounting to Rs. 199.215 million (30 June 2016: Rs. 167.519 million) are included in current portion presented under current liabilities).

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

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

8.2 Guarantees given by banks on behalf of the Company are of Rs. 473.85 million (30 June 2016: Rs. 463.32 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

	Note	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
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8.3 Commitments

8.3.1 In respect of:

- capital expenditure		948,548	3,561,571
- irrevocable letters of credit for spare parts		9,491,071	1,204,256
		<u>10,439,619</u>	<u>4,765,827</u>

9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	9.1	21,771,820	22,409,641
Capital work in progress - at cost	9.2	4,876,127	1,201,848
Stores held for capitalization		98,981	7,437
		<u>26,746,928</u>	<u>23,618,926</u>

9.1 Operating fixed assets

Balance at beginning of the period / year		22,409,641	23,604,525
Add: Additions during the period / year	9.1.1	938,245	809,310
		<u>23,347,886</u>	<u>24,413,835</u>
Less: Book value of operating assets disposed-off during the period / year		171,413	186,391
Depreciation charge during the period / year		1,404,653	1,817,803
		<u>21,771,820</u>	<u>22,409,641</u>

	Note	Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
9.1.1 Additions during the period / year:			
- buildings on freehold land		101,185	217,969
- plant & machinery		750,021	471,254
- furniture, fixtures and equipment		47,905	70,754
- roads, bridges and railway sidings		788	1,344
- vehicles		38,346	47,989
		<u>938,245</u>	<u>809,310</u>
9.2 Capital work-in-progress - at cost			
Civil Works		1,432,512	509,042
Plant and machinery		45,335	5,171
Mechanical Works		223,429	6,453
Electrical Works		165,786	4,284
Other directly attributable costs:			
- security charges		5,632	613
- salaries and wages		54,705	19,123
- consultancy		53,072	11,249
- depreciation		901	145
- others		51,702	4,272
Advance to supplier against:			
- civil works		226,166	144,544
- land		83,027	-
- furniture and fixtures		11,043	11,043
- electrical items		5,577	33,929
- plant and machinery		2,453,306	441,832
- vehicles		8,366	1,891
- others		9,273	8,257
- unallocated capital expenditure		46,295	-
		<u>4,876,127</u>	<u>1,201,848</u>
10. TRADE DEBTS			
Considered good			
Export - secured	10.1	28,556	46,947
Local - unsecured		913,824	517,919
		<u>942,380</u>	<u>564,866</u>

10.1 These are secured through bank by letters of credit.

		Un-audited March 31, 2017 (Rupees in thousand)	Audited June 30, 2016
11.	SHORT TERM INVESTMENT		
	Investment at fair value through profit or loss - listed securities		
	Next Capital Limited:		
	Number of shares		
1,500,000	(30 June 2016: 1,500,000) ordinary shares of Rs. 10 each fully paid in cash	15,000	15,000
1,875,000	(30 June 2016: NIL) Right shares of Rs. 8 each issued as fully paid in cash	15,000	-
<u>3,375,000</u>		<u>30,000</u>	<u>15,000</u>
	Unrealized fair value gain / (loss)		
	As at beginning of the period / year	(3,000)	(4,470)
	Fair value gain for the period / year	51,705	1,470
	As at end of the period / year	48,705	(3,000)
	Fair value at end of period / year	<u>78,705</u>	<u>12,000</u>
12.	OTHER RECEIVABLES		
	Due from the holding company - unsecured	9,112	21,311
	Due from the subsidiary company - unsecured	45,658	-
	Others	92,091	131,836
		<u>146,861</u>	<u>153,147</u>

		Nine months ended (Un-audited)	
		March 31, 2017 (Rupees in thousand)	March 31, 2016
13. SALES - NET			
Gross local sales		22,259,869	18,397,585
Less:			
Federal Excise Duty		(2,199,641)	(863,011)
Sales Tax		(3,579,819)	(2,998,631)
Discount		(204,839)	(103,703)
Commission		(81,871)	(95,702)
		(6,066,170)	(4,061,048)
Net local sales		16,193,700	14,336,537
Export sales		2,033,059	2,598,709
		18,226,759	16,935,246
14. COST OF GOODS SOLD			
Raw materials consumed		695,555	599,983
Packing materials consumed		995,048	1,080,887
Fuel		3,389,693	2,997,381
Power and associated costs		2,424,852	1,995,826
Stores, spare parts and loose tools consumed		639,126	637,766
Salaries, wages and other benefits		625,537	503,834
Rent, rates and taxes		19,119	16,410
Insurance		43,370	39,953
Repairs and maintenance		372,495	276,639
Depreciation		1,371,918	1,338,706
Vehicles running and maintenance		70,060	60,304
Provision for cement stocks written off		-	9,804
Other expenses		84,042	89,382
		10,730,815	9,646,875
Work in process:			
As at beginning of the period		395,257	697,357
As at end of the period		(530,439)	(344,084)
		(135,182)	353,273
Cost of goods manufactured		10,595,633	10,000,148
Finished goods:			
As at beginning of the period		270,180	328,425
As at end of the period		(195,583)	(406,956)
		74,597	(78,531)
Cost of goods sold		10,670,230	9,921,617

		Nine months ended (Un-audited)	
		March 31, 2017	March 31, 2016
		(Rupees in thousand)	
15.	FINANCE COST		
	Profit / interest / mark up on:		
	Finances, redeemable capital and short term finances	173,466	331,471
	Exchange (gain) / loss - net	(4,307)	29,251
	Bank and other charges	27,124	59,807
		196,283	420,529
16.	CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES		
	Profit before taxation	5,597,089	4,898,512
	Adjustments for:		
	Depreciation	1,403,897	1,362,435
	Amortization	21	-
	Provision for doubtful debts	-	10,877
	Provision for Worker's Profit Participation Fund	262,090	249,902
	Provision for Worker's Welfare Fund	114,234	38,999
	Provision for Stock in trade write off	-	9,804
	Loss on disposal of property, plant and equipment	37,080	47,041
	(Gain) / Loss on re-measurement of short term investments at fair value	(51,705)	465
	Retirement benefits	14,842	10,681
	Finance cost	196,283	420,529
	Profit on bank deposits	(14,957)	(10,483)
		7,558,874	7,038,761
17.	CASH AND CASH EQUIVALENTS		
	Short term running finance	(476,694)	(349,440)
	Cash and bank	794,548	498,210
		317,854	148,770

18. 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.

Details of transactions with related parties are as follows:

	Nine months ended (Un-audited)	
	March 31, 2017 (Rupees in thousand)	March 31, 2016
18.1 Transactions with related parties		
18.1.1 Holding Company (Kohinoor Textile Mills Limited)		
Sale of goods and services	37,942	19,346
18.1.2 Dividend Paid		
Holding Company (Kohinoor Textile Mills Limited)	728,526	728,526
Other related parties	4,738	4,738
18.1.4 Key management personnel		
Remuneration and other benefits	448,096	196,969
19.1.5 Post employment benefit plans		
Contributions to Provident Fund Trust	79,077	67,076
Payments to MLCF Employees Gratuity Fund Trust	14,364	10,958

Transactions in relation to sales, purchases and technical services with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method except for allocation of expenses such as electricity, gas, water, repairs and maintenance relating to the head office, shared with the Holding Company / Associates, which are on the actual basis.

19. CORRESPONDING FIGURES

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

20. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 25 April 2017 by the Board of Directors of the Group.

21. GENERAL

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



Chief Executive Officer



Director

NOTES

