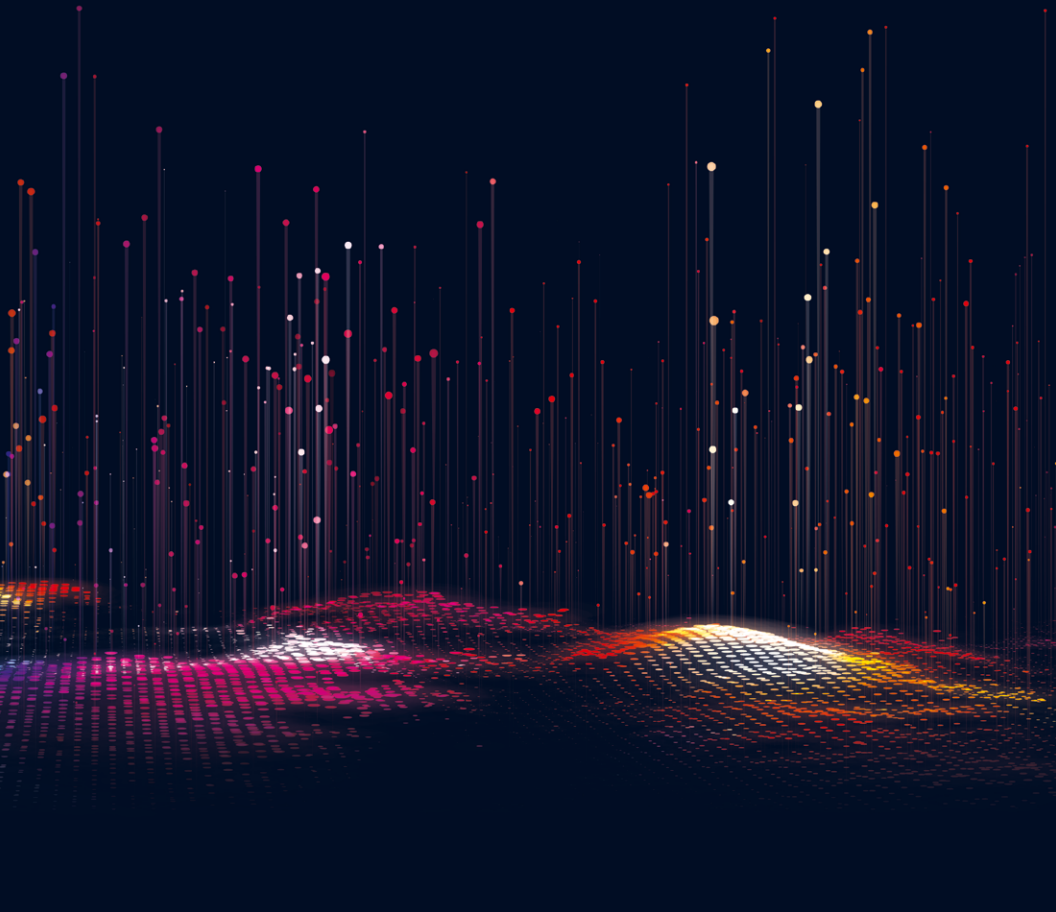




2024

3rd Quarter Report
MARCH 31

Shaping the Future



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CORPORATE INFORMATION

Board of Directors

Mr. Aizaz Mansoor Sheikh	Chairman/Non-Executive Director
Mr. Nadeem Atta Sheikh	Chief Executive
Mrs. Hafsa Nadeem	Non-Executive Director
Mrs. Hijab Tariq	Non-Executive Director
Mr. Muhammad Rehman Sheikh	Non-Executive Director
Mr. Muhammad Atta Tanseer Sheikh	Non-Executive Director
Mr. Ahmad Sajjad Khan	Independent Non-Executive Director
Mr. Talha Saeed Ahmed	Independent Non-Executive Director

Audit Committee

Mr. Talha Saeed Ahmed	Chairman
Mr. Aizaz Mansoor Sheikh	Member
Mr. Muhammad Atta Tanseer Sheikh	Member

HR&R Committee

Mr. Ahmad Sajjad Khan	Chairman
Mr. Nadeem Atta Sheikh	Member
Mr. Muhammad Atta Tanseer Sheikh	Member

Company Secretary

Ms. Iqra Khalid

Legal Advisor

Imtiaz Siddiqui & Associates

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrar

Hameed Majeed Associates (PVT) Limited
H.M. House,
7-Bank Square, Lahore
Tel: 042 - 37235081-82
Fax: 042 - 37258817

Registered Office and Works

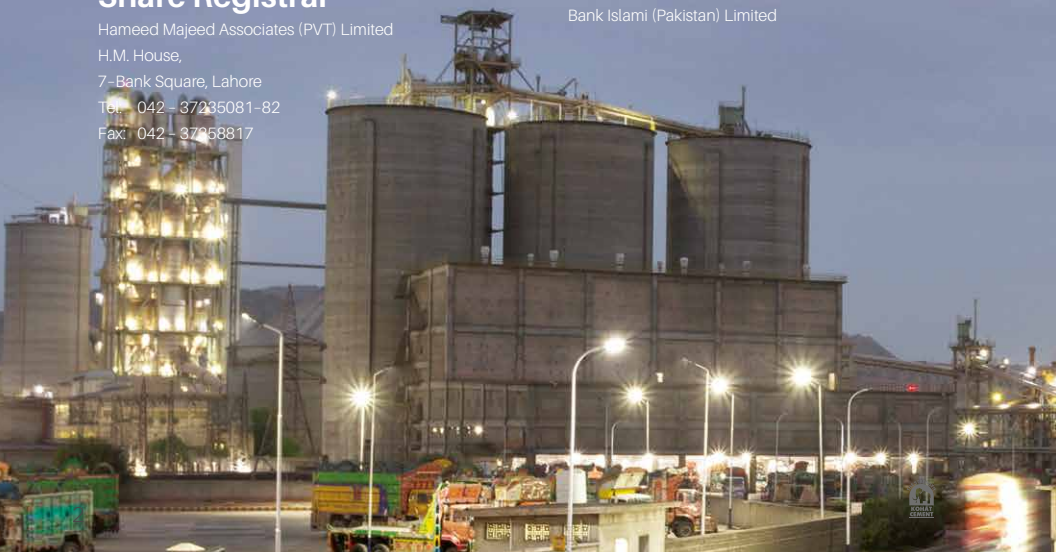
Kohat Cement Company Limited
Rawalpindi Road, Kohat.
Tel: 0922 - 560990
Fax: 0922 - 560405

Head Office

37- P Gulberg - II, Lahore.
Tel: 042 - 11 111 5225
Fax: 042 - 3575 4990
Email: mis@kohatcement.com
Web: www.kohatcement.com

Bankers of the Company

The Bank of Punjab
Habib Bank Limited
Askari Bank Limited
The Bank of Khyber
Samba Bank Limited
Standard Chartered Bank (Pak) Ltd
Soneri Bank Limited
Allied Bank Limited
United Bank Limited
MCB Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
JS Bank Limited
Dubai Islamic Bank Limited
Bank Islami (Pakistan) Limited



DIRECTORS' REVIEW

Dear Shareholders,

The Directors of Kohat Cement Company Limited (the Company) gladly present the unaudited interim financial statements of the Company for the 3rd Quarter and Nine-Month period ended 31st March, 2024.

Industry Review

Cement Industry of Pakistan has witnessed an overall growth of 2.69% during the nine-month period ended March 31, 2024 as compared to the same period last year. The increase is mainly on account of surge in cement exports due to rationalization of profit margins resulting from depreciation of local currency. However, in the domestic market the cement offtake has declined by 3.80% and 12.91% during nine-month period and third quarter respectively.

Below is the summary of industry dispatches:

Dispatches	Million Tons					
	3 rd Quarter (Jan - Mar)		Variance (%)	Nine Months (Jul - Mar)		Variance (%)
	2024	2023		2024	2023	
Local	9.17	10.53	-12.91	29.40	30.56	-3.80%
Exports	1.45	1.30	11.23%	5.10	3.04	68.03%
Total	10.62	11.84	-10.26%	34.50	33.60	2.69%

Company's financial and operational performance

Operational Performance

Operational performance of your Company is summarized as under:

	Metric Tons					
	3 rd Quarter (Jan - Mar)		Variance (%)	Nine Months (Jul - Mar)		Variance (%)
	2024	2023		2024	2023	
Production						
Clinker	627,560	710,650	-11.69%	1,762,586	2,137,260	-17.53%
Cement	584,867	758,308	-22.87%	2,002,843	2,324,145	-13.82%
Dispatches						
Local	561,660	761,731	-26.27%	1,980,613	2,304,943	-14.07%
Export	6,452	9,435	-31.62%	34,848	10,554	230.19%
Total	568,112	771,166	-26.33%	2,015,461	2,315,497	-12.96%

Financial Performance

Financial Performance of your Company for the period under review is as under:

	Rupees in Million					
	3 rd Quarter (Jan - Mar)		Variance (%)	Nine Months (Jul - Mar)		Variance (%)
	2024	2023		2024	2023	
Net Sales	8,510	10,010	-14.98%	29,972	29,825	0.49%
Gross Profit	2,547	2,241	13.65%	8,502	7,969	6.69%
Gross Margin	29.93%	22.39%		28.37%	26.72%	
Operating Profit	2,201	2,480	11.25%	7,375	8,338	11.55%
EBITDA	3,516	2,759	27.45%	11,391	9,174	24.16%
EBITDA Margin	41.32%	27.56%		38.01%	30.76%	
PAT	2,058	1,624	26.72%	6,511	5,363	21.41%
Earnings per share (Rs)	10.46	8.08		33.11	26.70	

Economic slowdown, unprecedented inflation and high interest rates negatively affected cement demand in domestic markets; however, better cement prices and operational efficiencies lead to stable profit margins during the period under review.

The Company is current on its all debt obligations. During the period under review, PACRA has reviewed and upgraded the long-term entity rating of the Company to **A+** whereas short term rating has been maintained at **A1** with stable outlook.

Greenfield Cement Production Line in Khushab, Punjab

The infrastructure development is under progress whereas import of plant and machinery shall be finalized once the economic outlook is improved.

Installation of Solar Power Plant

After the successful installation and commissioning of the 10MW solar power plant; the Company is setting up a further 10MW Solar Power Plant at its plant site in Kohat.

Solar panels along with other major equipment have been procured, the Company is currently in the process of evaluating and finalizing the contractor for installation works.

This Solar Power Project will further reduce the dependence on National Grid, which shall not only play a significant role in cost saving but is a huge step towards a greener and sustainable Pakistan.

BMR of 6,700 TPD Grey Cement production Line-3

BMR (pyro-process optimization) of the existing 6,700 tpd Grey Cement production line has been successfully completed which shall result in an increased clinker production capacity of 7,064 tpd from 6,700 tpd and will also increase the production and cost efficiencies of the line.

Future Prospects

We are hopeful that the political stability shall boost the investors' confidence which along with the declining interest rates and a stable PKR shall trigger the economic and construction activities needed to uplift the dispatches locally.

Acknowledgments

Our growth and success are the result of untiring efforts of our stakeholders, business partners including our employees and we appreciate their support and hard work all the time.

For and on behalf of the Board



Nadeem Atta Sheikh
Chief Executive

Lahore: April 25, 2024



Muhammad Rehman Sheikh
Director

معاشی ستروی، بے تحاشہ افراط زر اور بلند شرح سود نے مقامی منڈیوں میں سیمنٹ کی طلب پر منفی اثر ڈالا ہے، تاہم زبردہ جائزہ مدت میں سیمنٹ کی بہتر قیمتوں اور کاروباری کارکردگی کی بدولت شرح منافع مستحکم رہا ہے۔

کپنی اپنی مالیاتی ذمہ داریوں کی بروقت ادائیگی کر رہی ہے۔ بیلینس شیٹ کی تاریخ کے بعد، PACRA نے کپنی کی طویل المدتی انفرادی کریڈٹ ریٹنگ کو بڑھا کر A+ جبکہ قلیل المدتی کریڈٹ ریٹنگ A1 کو مستحکم آؤٹ لک کے ساتھ برقرار رکھا ہے۔

خوشاب، پنجاب میں نئے سیمنٹ پلانٹ کی تنصیب کا منصوبہ:

نئے سیمنٹ پلانٹ کے بنیادی ڈھانچے کی تعمیر کا کام جاری ہے، جبکہ پلانٹ اور مشینری کی درآمد کا فیصلہ ملکی معاشی صورتحال کی بہتری پر کیا جائے گا۔

سولر پاور پلانٹ کی تنصیب:

10 میگا واٹ کے سولر پاور پلانٹ کی کامیاب تنصیب اور کمیشن کے بعد کپنی کو باتھ میں فی کٹری سائٹ پر اضافی 10 میگا واٹ کا سولر پاور پلانٹ نصب کر رہی ہے، سولر پاور پینلز و ڈیجیٹل ٹیکنالوجی کا انتظام کیا جا چکا ہے، جن کی تنصیب کے لئے کنٹریکٹرز کے انتخاب اور تعیناتی کے لئے جائزہ لیا جا رہا ہے، یہ منصوبہ پیش گزرا ہوا تھا اور کوئی اضافی خرچہ نہیں کیا گیا۔

6,700 ٹن یومیہ سیمنٹ پلانٹ لائن 3 BMR:

کو باتھ فیکٹری میں موجود 6,700 ٹن یومیہ پیداواری صلاحیت کی گریڈ سیمنٹ پلانٹ کی (BMR (Pyroprocess optimization) کا میانی سے مکمل کی جا چکی ہے، جس سے کلکٹرز کی پیداواری صلاحیت میں 6700 ٹن یومیہ سے 7064 ٹن یومیہ اضافہ ہوگا اور پلانٹ کی پیداوار اور لاگت کی استعداد میں بھی اضافہ ہوگا۔

مستقبل کے امکانات:

ہم امید کرتے ہیں کہ سیاسی استحکام سے سرمایہ کاروں کا اعتماد بڑھے گا، شرح سود میں کمی اور روپے کی قدر میں استحکام سے معاشی اور تعمیراتی سرگرمیوں میں اضافہ ہوگا جو کہ مقامی تزییلات میں اضافے کے لئے درکار ہیں۔

اظہار تشکر:

ہماری ترقی اور کامیابی ہمارے کاروباری ساتھیوں، شرکاء اور ہمارے ملازمین کی انتھک محنت کا نتیجہ ہے، ہم ان کے تعاون اور محنت کو سراہتے ہیں۔

برائے وقفا بورد آف ڈائریکٹرز



محمد رحمان شیخ
ڈائریکٹر



نعم عطاء شیخ
چیف ایگزیکٹو

لاہور: 25 اپریل، 2024

ڈائریکٹرز جائزہ رپورٹ

معزز حصص داران!

کواٹ سہنٹ کیمپن لیٹڈ (کھفنی) کے ڈائریکٹرز بھد سترت مالی سال 2024-23 کی 31 مارچ، 2024 کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ سے متعلقہ آڈیٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

صنعتی جائزہ:

پاکستان کی سہنٹ انڈسٹری کی 31 مارچ، 2024 کو ختم ہونے والی نو ماہ کی مدت دوران گذشتہ مالی سال کے اسی دورانے کے مقابلے میں %2.69 اضافہ ہوا ہے۔ روپے کی قدر میں کمی وجہ سے سہنٹ کی برآمدات میں اضافہ ہوا جس سے شرح منافع میں بہتری ہوئی ہے۔ تاہم مقامی منڈی میں سہنٹ کی ترسیلات میں نو ماہ اور تیسری سہ ماہی کے دوران بل ہز تیب %3.8 اور %12.9 کمی واقع ہوئی ہے۔

زیر جائزہ مدت کے دوران انڈسٹری کی ترسیلات کا خلاصہ درج ذیل ہے۔

ترسیلات	تیسری سہ ماہی (جنوری تا مارچ)		نو ماہ (جولائی تا مارچ)	
	2024	2023	2024	2023
مقامی ترسیلات	9.17	10.53	29.40	30.56
برآمدات	1.45	1.30	5.10	3.04
کل فروخت	10.62	11.83	34.50	33.60
شرح تبدیلی (%)				
	-12.9%	-10.26%	-3.80%	68.03%

پیداواری کارکردگی:

ذیل میں کھفنی کی پیداواری کارکردگی کا خلاصہ دیا گیا ہے:

پیداوار:	تیسری سہ ماہی (جنوری تا مارچ)		نو ماہ (جولائی تا مارچ)	
	2024	2023	2024	2023
کلٹر	627,560	710,650	1,762,586	2,137,260
سہنٹ	584,867	758,308	2,002,843	2,324,145
ترسیلات:				
مقامی	561,660	761,731	1,980,613	2,304,943
برآمدات	6,452	9,435	34,848	10,554
کل ترسیلات	568,112	771,166	2,015,461	2,315,497
شرح تبدیلی (%)				
	-11.69%	-22.87%	-17.53%	-13.82%

مالیاتی کارکردگی:

زیر جائزہ دورانیے میں کھفنی کی مالیاتی کارکردگی کا سرسری جائزہ ذیل میں دیا گیا ہے:

شرح تبدیلی (%)	تیسری سہ ماہی (جنوری تا مارچ)		نو ماہ (جولائی تا مارچ)	
	2024	2023	2024	2023
کل فروخت	8,510	10,010	29,972	29,825
خام منافع	2,547	2,241	8,502	7,969
شرح خام منافع	29.93%	22.39%	28.37%	26.72%
آپریٹنگ منافع	2,201	2,480	7,375	8,338
منافع قبل از مالی اخراجات، ٹیکس، ڈیپریسیشن اور امور نائزیشن	3,516	2,759	11,391	9,174
شرح منافع قبل از مالی اخراجات، ٹیکس، ڈیپریسیشن اور امور نائزیشن	41.32%	27.56%	38.01%	30.76%
منافع بعد از ٹیکس	2,058	1,624	6,511	5,363
نیٹ صیر آمدنی	10.46	8.08	33.11	26.70
شرح تبدیلی (%)				
	-14.98%	13.65%	0.49%	6.69%

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at March 31, 2024

	Note	(Un-audited) March 31 2024 Rupees	(Audited) June 30 2023 Rupees
EQUITY AND LIABILITIES			
Authorized share capital		3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital		1,958,612,970	2,008,612,970
Reserves		117,044,951	117,280,665
Accumulated profit		36,632,053,688	30,484,151,337
		38,707,711,609	32,610,044,972
Non-current liabilities			
Long term financing – secured	5	1,376,236,203	2,149,017,375
Long term deposits		3,536,100	3,536,100
Deferred liabilities			
– deferred taxation		5,339,289,153	4,823,158,446
– compensated absences		37,800,226	31,847,241
		6,756,861,682	7,007,559,162
Current liabilities			
Current portion of long term financing	5	1,034,355,873	1,034,355,873
Trade and other payables	6	5,351,384,747	5,171,144,705
Contract liability	7	140,273,123	253,135,945
Unclaimed dividend		8,503,909	8,535,358
Dividend payable		36,835,021	36,939,862
Short term borrowings – secured		300,000,000	-
Provision for taxation – net		3,465,768,439	3,215,684,878
Mark-up accrued on borrowings		147,758,298	192,674,790
		10,484,879,410	9,912,471,411
Contingencies and commitments	8		
		55,949,452,701	49,530,075,545
ASSETS			
Non current assets			
Property, plant and equipment	9	21,972,353,876	22,229,434,463
Intangibles		772,472	1,567,709
Long term loans and advances		19,636,574	17,429,341
Long term deposits		43,356,640	43,356,640
Investment property		4,326,361,559	4,324,910,743
		26,362,481,121	26,616,698,896
Current assets			
Stores, spares and loose tools		4,626,117,748	4,713,129,764
Stock-in-trade		2,568,416,549	2,942,861,554
Trade debts – unsecured, considered good		1,972,573,362	1,205,553,375
Short term investments	10	18,314,177,954	12,335,073,816
Loans, advances, deposits, prepayments and other receivables		999,210,801	783,220,947
Cash and bank balances	11	1,106,475,166	933,537,193
		29,586,971,580	22,913,376,649
		55,949,452,701	49,530,075,545

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



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

	Note	01 July to 31 March 2024 Rupees	01 July to 31 March 2023 Rupees	01 Jan to 31 March 2024 Rupees	01 Jan to 31 March 2023 Rupees
Sales - net	12	29,972,165,936	29,824,575,200	8,510,437,152	10,010,223,154
Cost of sales	13	(21,470,431,575)	(21,856,066,095)	(5,963,496,800)	(7,769,119,667)
Gross profit		8,501,734,361	7,968,509,105	2,546,940,352	2,241,103,487
Selling and distribution expenses		(137,699,929)	(115,857,199)	(52,596,602)	(41,722,069)
Administrative and general expenses		(361,306,170)	(290,628,353)	(117,732,541)	(95,956,413)
Other income		3,144,087,562	1,341,645,973	1,077,762,665	541,337,925
Other expenses		(632,395,375)	(565,868,366)	(177,390,498)	(164,766,000)
		2,012,686,088	369,292,055	730,043,024	238,893,443
Operating profit		10,514,420,449	8,337,801,160	3,276,983,376	2,479,996,930
Finance cost		(534,813,083)	(511,205,823)	(151,339,248)	(168,783,278)
Profit before taxation		9,979,607,366	7,826,595,337	3,125,644,128	2,311,213,652
Taxation		(3,468,746,260)	(2,463,719,359)	(1,067,990,949)	(687,448,998)
Profit after taxation		6,510,861,106	5,362,875,978	2,057,653,179	1,623,764,654
Earning per share (basic and diluted)	14	33.11	26.70	10.51	8.08

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



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

	01 July to 31 March 2024 Rupees	01 July to 31 March 2023 Rupees	01 Jan to 31 March 2024 Rupees	01 Jan to 31 March 2023 Rupees
Profit after taxation	6,510,861,106	5,362,875,978	2,057,653,179	1,623,764,654
Other comprehensive income/(loss) for the period				
Items that will not be reclassified to statement of profit or loss:				
Equity investment at FVOCI - net changes in fair value	65,703	(50,000)	-	20,200
Items that are or may be reclassified to statement of profit or loss:				
Debt investment at FVOCI - net changes in fair value	(15,000)	(1,000,000)	-	(1,565,000)
Total comprehensive income for the period	6,510,911,809	5,361,825,978	2,057,653,179	1,622,219,854

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



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine months ended March 31, 2024

Note	Reserves							Total
	Capital reserves			Revenue reserves				
	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profits	Total reserves		
	Rupees							
Balance as at 01 July 2022	2,008,612,970	49,704,951	(2,199,286)	70,000,000	25,120,101,596	25,237,607,261	27,246,220,231	
Total comprehensive income for the period								
Profit for the nine months ended 31 March 2023	-	-	-	-	5,362,875,978	5,362,875,978	5,362,875,978	
Other comprehensive income for the nine months ended 31 March 2023	-	-	(1,050,000)	-	-	(1,050,000)	(1,050,000)	
	-	-	(1,050,000)	-	5,362,875,978	5,361,825,978	5,361,825,978	
Balance as at 31 March 2023 - unaudited	2,008,612,970	49,704,951	(3,249,286)	70,000,000	30,482,977,574	30,599,433,239	32,608,046,209	
Balance as at 01 July 2023	2,008,612,970	49,704,951	(2,424,286)	70,000,000	30,484,151,337	30,601,432,002	32,610,044,972	
Total comprehensive income for the period								
Profit for the nine months ended 31 March 2024	-	-	-	-	6,510,861,106	6,510,861,106	6,510,861,106	
Other comprehensive income for the nine months ended 31 March 2024	-	-	50,703	-	-	50,703	50,703	
	-	-	50,703	-	6,510,861,106	6,510,911,809	6,510,911,809	
Realized gain on equity investments at FVOCI transferred to retained earnings	-	-	(286,417)	-	286,417	-	-	
Own shares purchased and cancelled	(50,000,000)	-	-	-	(363,245,172)	(363,245,172)	(413,245,172)	
Balance as at 31 March 2024 - unaudited	1,958,612,970	49,704,951	(2,660,000)	70,000,000	36,632,053,688	36,749,098,639	38,707,711,809	

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



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine months ended March 31, 2024

	01 July to 31 March 2024 Rupees	01 July to 31 March 2023 Rupees
Cash flows from operating activities		
Profit before taxation	9,979,607,366	7,826,595,337
Adjustments for:		
Depreciation on property, plant and equipment	875,417,291	835,608,146
Amortization on intangible assets	795,237	866,903
Gain on disposal of property, plant and equipment	(914,329)	(3,678,627)
Profit on bank deposits and loans - Conventional	(131,803,876)	(301,053,438)
Profit on bank deposits - Shariah compliant	(35,168,538)	(34,990,197)
Realized gain on investment at fair value through profit and loss	(94,971,073)	(23,541,382)
Net change in fair value of financial assets at FVTPL	(459,116,343)	(90,194,348)
Dividend income	(2,409,650,412)	(881,371,246)
Foreign currency exchange loss	2,755,138	133,638
Provision for loss allowance against trade debts	-	12,556,105
Provision for compensated absences	10,786,537	8,068,665
Provision for Workers' Welfare Fund	121,562,227	131,729,949
Provision for Workers' Profit Participation Fund	502,478,010	418,859,226
Finance cost	534,813,083	511,205,823
	(1,083,017,048)	584,199,217
Cash generated from operations before working capital changes	8,896,590,318	8,410,794,554
(Increase) / decrease in current assets:		
Stores, spares and loose tools	87,012,016	(974,184,588)
Stock-in-trade	374,445,005	(1,021,147,182)
Trade debts	(767,019,987)	137,732,031
Advances, deposits, prepayments and other receivables	(218,728,245)	(189,553,512)
(Decrease) / increase in current liabilities:		
Trade and other payables	(278,542,958)	90,683,236
Contract liability	(112,862,822)	18,141,229
	(915,696,991)	(1,938,328,786)
Cash generated from operations	7,980,893,327	6,472,465,768
Compensated absences paid	(4,833,552)	(3,761,971)
Finance cost paid	(576,743,843)	(486,092,620)
Payment made to Workers' Welfare Fund	(168,012,374)	(81,209,290)
Payment made to Workers' Profit Participation Fund	-	(10,433,500)
Income tax paid	(2,702,531,993)	(1,746,488,814)
Net cash generated from operating activities	4,528,771,565	4,144,479,573
Cash flow from investing activities		
Acquisition of property, plant and equipment	(618,442,375)	(1,800,026,676)
Proceeds from disposal of property, plant and equipment	1,020,000	5,735,170
Acquisition of investment property	(1,450,816)	-
Short term investments - net	(5,424,966,019)	(2,831,619,817)
Dividend received on short term investments	2,409,650,412	881,371,246
Long term loans and advances - net	(2,207,233)	27,631,569
Long term deposits	-	500,000
Profit on bank deposits and loans	169,710,805	332,467,120
Net cash used in investing activities	(3,466,685,226)	(3,383,941,389)
Cash flow from financing activities		
Repayment of long term finances	(775,766,904)	(813,331,247)
Disbursement of short term borrowings	828,789,900	-
Repayment of short term borrowing	(528,789,900)	-
Own shares purchased for cancellation	(413,245,172)	-
Dividend paid	(136,290)	(172,830)
Net cash used in financing activities	(889,148,366)	(813,504,077)
Net increase / (decrease) in cash and cash equivalents	172,937,973	(52,965,893)
Cash and cash equivalents at beginning of the period	933,537,193	480,765,632
Cash and cash equivalents at end of the period	1,106,475,166	427,799,739

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


Chief Financial Officer


Chief Executive


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

1 Reporting entity

- 1.1 Kohat Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now "Companies Act, 2017") and is listed on Pakistan Stock Exchange. The Company is engaged in production and sale of cement. Head Office of the Company is situated at 37-P, Gulberg-II, Lahore, further the registered office and production facility is situated at Rawalpindi Road, Kohat, Pakistan. The Company is in the process of acquiring further land in District Khushab for installation of an additional grey cement line.
- 1.2 ANS Capital (Private) Limited is the holding company of the Company and holds 110,482,320 ordinary shares of the Company comprising 56.41% of its total paid up share capital.
- 1.3 In accordance with the provisions of section 88 of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations 2019, the members of Kohat Cement Company Limited (the Company) in their EOGM held on 21 February 2023, approved purchase/buy-back of 5 million own ordinary shares at spot price during the period from 1st March 2023 to 19th August 2023 or till such date the purchase is complete, whichever is earlier for cancellation. During the said purchase period, the Company has completed the purchase of its 5 million ordinary shares for an aggregate consideration of Rs. 869.95 million. The said shares have been cancelled by CDC on 11th August 2023.

2 Basis of preparation

- 2.1 These condensed interim financial statements comprise the condensed interim statement of financial position of the Company, as at 31 March 2024 and the related condensed interim statement of profit and loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof.
- 2.2 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.3 These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 June 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.
- 2.4 Comparative statement of financial position numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2023, whereas comparatives of condensed interim statement of profit or loss, statement of comprehensive income, statement of cash flow and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the nine months period ended 31 March 2023.
- 2.5 These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

3 Judgments and estimates

The preparation of the condensed interim financial statements require management to make 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements for the year ended 30 June 2023.

4 Statement of consistency in accounting policies

4.1 The Company adopted Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 01 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments required the disclosure of 'material', rather than significant, accounting policies. The amendment also provides guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and is of the view that Material accounting policies (2023: Significant accounting policies) are in line with the requirement and does not need any material changes.

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2023.

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

Amendments and interpretations of approved accounting standards

- Amendments to IAS 1 - Classification of liabilities as current or non-current	01 January 2024
- Amendments to IAS 1 - Non-current liabilities with covenants	01 January 2024
- Amendment to IFRS 16 - Lease Liability in a Sale and Leaseback	01 January 2024

	(Un-audited) March 31 2024 Rupees	(Audited) June 30 2023 Rupees
5 Long term finances - secured		
Term finance - Line-4 (Conventional)		
Opening	3,192,388,854	4,226,754,822
Repaid during the period / year	(775,766,904)	(1,034,365,968)
	2,416,621,950	3,192,388,854
Less: Current maturity	(1,034,355,873)	(1,034,355,873)
Less: Transaction cost	(6,029,874)	(9,015,606)
	1,376,236,203	2,149,017,375
Term finance - RFWS Scheme		
Opening	-	37,554,236
Repaid during the period / year	-	(37,554,236)
	-	-
	1,376,236,203	2,149,017,375

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

	(Un-audited) March 31 2024 Rupees	(Audited) June 30 2023 Rupees
6 Trade and other payables		
Trade creditors - local	653,084,100	647,949,685
Trade creditors - imports	134,858,580	26,724,599
Contractors' bills payable	45,423,481	38,593,713
Accrued liabilities	521,703,950	628,451,562
Payable to Workers' Profit Participation Fund	2,744,585,711	2,242,107,702
Payable to Workers' Welfare Fund	121,530,230	167,980,377
Payable to Provident Fund Trust	910,914	4,987,873
	4,222,096,966	3,756,795,511
Payable to Government on account of:		
Income tax deducted at source	19,335,994	31,220,036
Federal excise duty	406,273,204	491,248,104
Sales tax payable	173,207,032	392,294,069
Royalty and excise duty	117,672,255	109,127,379
	716,488,485	1,023,889,588
Retention money payable	7,059,147	13,360,295
Other payables	405,740,149	377,099,311
	412,799,296	390,459,606
	5,351,384,747	5,171,144,705

7 Contract liability

This represents advances received from customers for future sale of goods.

8 Contingencies and commitments

8.1 Contingencies

There is 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 2023 except for the ex-party order issued by the additional commissioner enforcement PRA without considering jurisdiction of services received and ignoring Punjab Sales Tax on Services (Withholding) Rules by creating a demand of Rs. 227 million. An appeal has been filed by the Company before the Commissioner of Appeals (PRA) which is pending adjudication. 10% payment of Rs. 24 million has been made under protest to avail statutory stay.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

	Note	(Un-audited) March 31 2024 Rupees	(Audited) June 30 2023 Rupees
8.2 Commitments			
In respect of letters of credit for:-			
- Capital expenditure		79,674,900	-
- Stores and spares		1,402,089,881	1,836,329,686
Others:			
- Guarantee issued by Company in favour of bank on behalf of an associated company		390,000,000	390,000,000
		1,871,764,781	2,226,329,686
9 Property, plant and equipment			
Operating fixed assets	9.1	21,395,234,778	20,286,414,882
Capital work in progress	9.2	577,119,098	1,943,019,581
		21,972,353,876	22,229,434,463
9.1 Operating fixed assets			
Opening written down value		20,286,414,882	21,200,398,415
Add: Additions during the period / year (cost)			
Freehold Land		9,239,500	109,610,386
Factory buildings		50,782,298	4,998,613
Housing colony		152,025,689	2,166,961
Plant, machinery and equipment		1,617,493,754	41,951,601
Furniture, fixtures and office equipment		4,392,111	7,342,236
Computers and printers		4,923,103	8,527,111
Light vehicles		145,486,405	25,763,373
Laboratory equipment		-	3,415,123
		1,984,342,859	203,775,404
Less: Disposals during the period / year (written down value)			
Housing colony		-	(1,067,038)
Furniture, fixtures and office equipment		-	(83,409)
Computers and printers		(58,150)	(349,337)
Light vehicles		(47,522)	(1,379,411)
		(105,672)	(2,879,195)
Less: Depreciation charge for the period / year		(875,417,291)	(1,114,879,742)
Closing written down value		21,395,234,778	20,286,414,882
9.2 Capital work in progress			
Balance at beginning of the period / year		1,943,019,581	130,897,947
Add: Additions during the period / year		340,434,489	1,849,036,990
Less: Transfers to fixed assets during the period / year		(1,706,334,972)	(36,915,356)
		577,119,098	1,943,019,581

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

	(Un-audited) March 31 2024 Rupees	(Audited) June 30 2023 Rupees
10 Short term investments		
FVOCI - listed equity securities		
Cost	-	89,286
Accumulated fair value gain	-	220,714
	-	310,000
FVOCI - debt instrument		
Term Finance Certificates	100,000,000	100,000,000
Accumulated fair value (loss)	(2,660,000)	(2,645,000)
	97,340,000	97,355,000
FVTPL		
Investments in Mutual Funds		
Money Market Mutual Funds - Shariah Compliant	6,457,736,339	11,277,549,351
Money Market Mutual Funds - Conventional	10,364,510,082	307,208,518
Income Mutual Fund - Conventional	338,333,992	-
Accumulated fair value gain	83,086,535	8,891,484
	17,243,666,948	11,593,649,353
Listed equity securities		
Cost	586,471,006	641,980,755
Accumulated fair value gain	386,700,000	1,778,708
	973,171,006	643,759,463
	18,216,837,954	12,237,408,816
	18,314,177,954	12,335,073,816

11 Cash and bank balances

These include Rs. 276.40 million (30 June 2023: Rs. 238.88 million) placed under Shariah permissible arrangement. Remaining deposits are placed with conventional financial institutions.

	(Un-audited) 01 July to 31 March 2024 Rupees	(Un-Audited) 01 July to 31 March 2023 Rupees
12 Sales - net		
Local sales - gross	40,789,921,298	40,500,319,054
Export sales	427,599,544	135,488,078
	41,217,520,842	40,635,807,132
Less: Sales tax	(6,962,399,422)	(6,795,751,013)
Federal excise duty	(3,961,220,620)	(3,596,483,215)
Discounts / rebates / commission	(321,734,864)	(418,997,704)
	(11,245,354,906)	(10,811,231,932)
	29,972,165,936	29,824,575,200

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

		(Un-audited) 01 July to 31 March 2024 Rupees	(Un-Audited) 01 July to 31 March 2023 Rupees
13 Cost of sales			
Raw materials consumed		1,028,361,587	1,207,649,738
Packing materials consumed		1,759,853,356	1,741,044,101
Fuel and power		4,883,764,812	4,564,469,593
Coal and gas		10,387,761,118	12,345,919,570
Stores, spares and loose tools consumed		791,035,668	646,777,841
Salaries, wages and other benefits		612,118,260	534,404,408
Royalty and excise duty		340,407,203	413,854,116
Rent, rates and taxes		37,093,915	36,811,426
Repairs and maintenance		184,701,640	134,141,156
Insurance		44,256,247	39,691,581
Depreciation		862,062,550	826,233,339
Loading and freight charges		152,370,921	111,446,198
Other expenses		166,946,762	127,602,424
		21,250,734,039	22,730,045,491
Work-in-process:			
At beginning of the period		1,563,113,179	737,992,650
At end of the period		(1,350,266,463)	(1,251,054,948)
Cost of goods manufactured		21,463,580,755	22,216,983,193
Finished goods:			
At beginning of the period		825,190,560	359,946,311
At end of the period		(814,539,036)	(710,186,483)
		21,474,232,279	21,866,743,021
Less: Cost attributable to own cement consumption and others		(3,800,704)	(10,676,926)
		21,470,431,575	21,856,066,095
14 Earnings per share - basic and diluted	Unit	2024	2023
Profit for the year after taxation	Rupees	6,510,861,106	5,362,875,978
Weighted average number of ordinary shares	Numbers	196,624,933	200,861,297
Earnings per share	Rupees	33.11	26.70

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

15 Financial instruments-fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

	Note	Fair value through other comprehensive income	Fair value through profit and loss	Carrying Amount		Fair value		
				Financial assets at amortised cost	Financial liabilities at amortized cost	Level 1	Level 2	Level 3
				Rupees				
On-Balance sheet financial Instruments								
31 Mar 2024 (Un-Audited)								
Financial assets measured at fair value								
Investments		97,340,000	18,216,837,954	-	-	18,314,177,954	-	-
Financial assets at amortised cost								
Long term deposits		-	-	43,356,640	-	-	-	-
Trade debts - unsecured, considered good		-	-	1,972,573,362	-	-	-	-
Deposits and other receivables		-	-	655,299,100	-	-	-	-
Cash and bank balances		-	-	1,106,475,166	-	-	-	-
	15.1	-	-	3,777,704,268	-	-	-	-
Financial liabilities measured at fair value								
Financial liabilities measured at amortised cost								
Long term financing		-	-	-	2,410,592,076	-	-	-
Long term deposits		-	-	-	3,538,100	-	-	-
Trade and other payables		-	-	-	1,362,346,809	-	-	-
Short term borrowings		-	-	-	300,000,000	-	-	-
Mark-up accrued on borrowings		-	-	-	147,758,288	-	-	-
Dividend payable		-	-	-	36,835,021	-	-	-
Unclaimed Dividend		-	-	-	8,503,909	-	-	-
	15.1	-	-	-	4,289,572,213	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

	Note	Fair value		Carrying Amount		Fair value		
		Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortised cost	Financial liabilities at amortized cost	Level 1	Level 2	Level 3
On-Balance sheet financial instruments								
30 June 2023 (Audited)								
Financial assets measured at fair value								
Investments		97,665,000	12,237,408,816	-	-	12,335,073,816	-	-
Financial assets at amortised cost								
Long term deposits		-	-	43,356,640	-	-	-	-
Trade debts - unsecured, considered good		-	-	1,205,553,375	-	-	-	-
Deposits and other receivables		-	-	377,254,213	-	-	-	-
Cash and bank balances		-	-	933,537,193	-	-	-	-
	15.1	-	-	2,569,701,421	-	-	-	-
Financial liabilities measured at fair value								
Financial liabilities measured at amortised cost								
Long term financing		-	-	-	3,183,373,248	-	-	-
Long term deposits		-	-	-	3,536,100	-	-	-
Trade and other payables		-	-	-	1,446,633,989	-	-	-
Mark-up accrued on borrowings		-	-	-	192,674,790	-	-	-
Dividend payable		-	-	-	36,939,862	-	-	-
Unclaimed Dividend		-	-	-	8,535,358	-	-	-
	15.1	-	-	-	4,871,893,347	-	-	-

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

16 Reconciliation of movement of liabilities to cash flows arising from financing activities.

	For the nine months ended 31 March 2024				
	Liabilities				Total
	Long term finances	Short term borrowings	Own shares purchase and cancelled	Dividend payable	
	Rupees				
Balance as at 01 July 2023	3,183,373,248	-	(456,701,404)	45,475,220	2,772,147,064
Changes from financing activities					
Repayment of loans and finances - secured	(775,766,904)	(528,789,900)	-	-	(1,304,556,804)
Disbursement of short term finances - secured	-	828,789,900	-	-	828,789,900
Dividend paid	-	-	-	(136,290)	(136,290)
Own shares purchased for cancellation	-	-	(413,245,172)	-	(413,245,172)
Total changes from financing cash flows	(775,766,904)	300,000,000	(413,245,172)	(136,290)	(889,148,366)
Other changes					
Own shares cancelled - issued, subscribed and paid-up capital	-	-	50,000,000	-	50,000,000
Own shares cancelled - retained earnings	-	-	819,946,576	-	819,946,576
Amortization of transaction cost	2,985,732	-	-	-	2,985,732
Total liability related other changes	2,985,732	-	869,946,576	-	872,932,308
Closing as at 31 March 2024	2,410,592,076	300,000,000	-	45,338,930	2,755,931,006

	For the nine months ended 31 March 2023				
	Liabilities				Total
	Long term finances	Short term borrowings	Own shares purchase and cancelled	Dividend payable	
	Rupees				
Balance as at 01 July 2022	4,251,312,474	-	-	45,648,049	4,296,960,523
Changes from financing activities					
Repayment of long term finances - secured	(813,331,247)	-	-	-	(813,331,247)
Dividend paid	-	-	-	(172,829)	(172,829)
Total changes from financing cash flows	(813,331,247)	-	-	(172,829)	(813,504,076)
Other changes					
Amortization of transaction cost	2,985,731	-	-	-	2,985,731
Total liability related other changes	2,985,731	-	-	-	2,985,731
Closing as at 31 March 2023	3,440,966,958	-	-	45,475,220	3,486,442,178

17 Transactions with related parties

The related parties comprise of holding company, associated companies, Directors of the Company, key management personnel and staff retirement funds. Transactions and balances with related parties are as follows:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months and quarter ended March 31, 2024

Transactions with related parties	Relationship	Nature of transactions	Note	(Un-audited)	(Un-audited)
				01 July to 31 March 2024	01 July to 31 March 2023
				Rupees	Rupees
Employees' Provident Fund Trust	Post employment benefit plan	Contribution		21,336,672	18,133,233
Kohat Cement Educational Trust	Common Directorship/ Trustee	Contribution		5,432,347	3,850,000
Ultra Pack (Private) Limited	Common Control	Purchase of packing material		1,248,341,996	1,343,312,243
Ultra Kraft (Private) Limited	Common Control	Purchase of packing material		379,848,512	17,499,250
Ultra Kraft (Private) Limited	Common Control	Disbursement of short term working capital loan	17.3	342,000,000	160,000,000
Ultra Kraft (Private) Limited	Common Control	Commission/markup	17.3	67,239,591	8,411,945
Chief Executive	Key Management Personnel	Remuneration paid		83,658,094	84,514,489
Other executives	Key Management Personnel	Remuneration paid		163,820,817	89,937,296
				(Un-audited)	(Audited)
				March 31 2024	June 30 2023
Balances with other related parties	Relationship	Nature of transactions	Note	Rupees	Rupees
Employees' Provident Fund Trust	Post employment benefit plan	Payable		910,914	4,987,873
Ultra Pack (Private) Limited	Common Control	Trade creditors		71,162,064	43,542,000
Ultra Kraft (Private) Limited	Common Control	Trade creditors		22,301,115	-
Ultra Kraft (Private) Limited	Common Control	Loan/commission/markup receivable	17.3	531,125,343	169,834,269

17.1 The Company has paid Rs. 82.18 million (31 March 2023: Rs. 79.13 million) to the Chairman on account of his remuneration and also paid Rs. 1.370 million (31 March 2023: Rs. 1.860 million) to the six non-executive directors being the fee for attending Board and Committee meetings.

17.2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers Chief Executive Officer, whole time Directors (including employee directors), Company secretary and CFO to be its key management personnel.

17.3 In terms of section 199 of the Companies Act, 2017 the Company in its AGM held on 16 October 2023 has approved investment by way of short-term running finance up to Rs. 600 million in Ultra Kraft (Private) Limited, an associated company, to meet its working capital requirements. As of 31 March 2024, the Company has disbursed Rs. 502 million to Ultra Kraft (Private) Limited, the loan is for one year period starting from 29 October 2023 and carry mark up rate of 3 MK plus 1.5% per annum. The Company has also issued a Corporate Guarantee for an amount of Rs. 390 million for a period of 7 years in favour of National Bank of Pakistan (NBP) by mortgaging its immovable property to secure long term financial assistance to be extended by NBP to Ultra Kraft (Private) Limited. Commission shall be charged at the rate of 0.12% per quarter payable quarterly in arrears. As at 31 March 2024, Rs. 29.125 million pertains to accrued mark-up/commission on these financing facilities.

18 General

18.1 Figures have been rounded off to the nearest rupee.

18.2 These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 25, April 2024.



Chief Financial Officer



Chief Executive



Director



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