

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

February 28, 2019

Subject: **Transmission of Quarterly Report for the Period Ended December 31, 2018**

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended December 31, 2018 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,



Muhammad Asadullah Khan
Company Secretary



Encl: As above.



Half Year Report
December 31, 2018

Sustainable
Commitments

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Corporate Information

Board of Directors

Mrs. Hafsa Nadeem	Chairperson/Non-Executive Director
Mr. Aizaz Mansoor Sheikh	Chief Executive
Mr. Nadeem Atta Sheikh	Executive Director
Mr. M. Atta Tanseer Sheikh	Independent Director
Ms. Aminah Aizaz Sheikh	Non-Executive Director
Mr. Muhammad Rehman Sheikh	Non-Executive Director
Mr. Hasan Tariq Atta	Non-Executive Director

Audit Committee

Mr. M. Atta Tanseer Sheikh	Chairman
Ms. Aminah Aizaz Sheikh	
Mr. Muhammad Rehman Sheikh	

HR&R Committee

Mr. M. Atta Tanseer Sheikh	Chairman
Mr. Aizaz Mansoor Sheikh	
Mr. Muhammad Rehman Sheikh	

Company Secretary

Mr. Muhammad Asadullah Khan

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 - 37358817

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 - 35754990
Email: mis@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



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Directors' Review

Dear Shareholders,

The Directors of your Company are pleased to present the 2nd Quarter and half yearly results of financial year 2018-19 reviewed by the external auditors.

Industry Performance

With 23.12 million tons of dispatches, cement industry registered a 3.9% growth over the same period during last year when total dispatch was 22.24 million tons. This growth was led by surge in exports (mainly due to 1.04 million tons of clinker exports). Overall exports grew by 47.9%, from 2.41 million tons reported last year to 3.56 million tons during current reporting period. Local dispatches however saw a mild decline of 1.4% falling from 19.84 million tons from last year to 19.56 million tons for current reporting period.

Operational Performance

Summary of clinker and cement production, during the period under review, is detailed below:

	(Oct-Dec)		(July-Dec)	
	2018	2017	2018	2017
Clinker Production	613,809	617,205	1,078,452	1,066,891
Cement Production	699,692	607,299	1,286,326	1,103,424

Financial Performance

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

	2nd Quarter (Oct-Dec)		Half year (July-Dec)	
	2018	2017	2018	2017
Net Sales	4,871,008,746	3,450,191,214	8,391,651,979	6,867,621,584
Gross Profit	1,544,319,007	1,176,460,414	2,406,705,042	2,528,520,417
GP Ratio	32%	34%	29%	37%
Operating Profit	1,415,356,145	1,088,370,038	2,205,759,300	2,353,936,946
OP Ratio	29%	32%	26%	34%
EBITDA	1,572,738,546	1,229,494,849	2,500,045,041	2,618,885,055
Net Profit	998,351,881	741,053,507	1,526,895,768	1,644,186,092
NP Ratio	20%	21%	18%	24%
Earnings per share (Rs.)	4.97	3.69	7.60	8.19

Net Profits for the second quarter under review have grown by 34.72% over the corresponding periods of last year. Improved prices and stronger sale volumes were the key factors for the hike in profitability.

The Company is current on its all debt obligations.

On Going Projects

Installation of new Grey Cement Manufacturing Line of 7,800 tons per day cement production capacity is in progress at the existing site of Company. Almost 100% of the plant has been shipped by the supplier whereas civil and erection works are progressing as scheduled.

Future Outlook

Government's current focus on construction of mega dams and low budget housing scheme poses a very bright outlook for cement industry. Beside government's these initiatives, Special Economic Zones (SEZ) under CPEC and foreign investments are the factors which will enhance the performance of cement industry in near future.

Corporate Social Responsibility

Your Company has always considered Community Development as an integral part of its goal. During the reporting period the Company has invested in Health, Education Micro-Entrepreneur Empowerment and Local Infrastructure Development.

Acknowledgments

We would like to place on record our sincere appreciation for the efforts and services put in by the stakeholders as well as the staff and employees for their excellent support and efforts, hard work and trust.

For and on behalf of the Board



Aizaz Mansoor Sheikh
Chief Executive



Nadeem Atta Sheikh
Director

Lahore: February 21, 2019

ڈائریکٹرز جائزہ رپورٹ

معزز حصص داران:

زیر جائزہ دوسری سہ ماہی کے خالص منافع میں گزشتہ سال اسی دورانیے کے مقابلے میں 34.72% اضافہ ہوا ہے۔ قیمتوں اور ترسیلات میں اضافہ منافع میں بہتری کی اہم وجوہات ہیں۔ کمپنی اپنی مالیاتی ذمہ داریوں کی بروقت ادائیگی کر رہی ہے۔

زیر تعمیر منصوبہ جات:

7,800 ٹن یومیہ پیداواری صلاحیت کی حامل گرے سینٹ پلانٹ کی تنصیب موجودہ فیکٹری میں جاری ہے۔ پلانٹ کی درآمد تقریباً مکمل ہو چکی ہے، جبکہ تنصیب اور تعمیراتی کام منصوبے کے مطابق جاری ہے۔

مستقبل کے امکانات:

ملک میں بڑے ڈیپازٹرز کو بھرتی گھروں کے تعمیراتی منصوبوں پر حکومتی رجحان کی وجہ سے سینٹ انڈسٹری پراجیکٹس پڑے گا۔ مذکورہ حکومتی اقدامات کے علاوہ CPEC کے تحت پیش اکٹمالک زون (SEZ) اور غیر ملکی سرمایہ کاری ایسے عوامل ہیں جن کی بدولت مستقبل قریب میں سینٹ انڈسٹری کی کارکردگی میں خاطر خواہ اضافہ متوقع ہے۔

کاروباری سماجی ذمہ داری:

کمپنی نے ہمیشہ سماجی بھلائی کو اپنے مقاصد کا اہم جزو سمجھا ہے۔ مذکورہ دورانیے میں کمپنی نے صحت، تعلیم، چھوٹے کاروباری افراد اور مقامی تعمیراتی ڈھانچے کی بہتری کے لئے سرمایہ کاری کی ہے۔

انتظامیہ:

کمپنی کی انتظامیہ تہہ و دل سے کمپنی کے تمام شراکت داروں کی خدمات کے ساتھ عملہ اور ملازمین کی قابل قدر تعاون، کاوشوں، محنت اور اعتماد کو سراہتی ہے۔

کواہٹ سینٹ کمپنی لمیٹڈ (کمپنی) کے ڈائریکٹرز ہمد مسرت اپنے ممبران کے لئے آڈیٹرز کے باضابطہ جائزے کے بعد مالی سال 2018-19ء کی دوسری سہ ماہی اور پہلی ششماہی سے متعلقہ مالیاتی گوشوارے پیش کرتے ہیں۔

صنعتی کارکردگی:

رواں مالی سال زیر جائزہ دورانیے میں سینٹ کی صنعت کی ترسیلات کا حجم 23.12 ملین ٹن رہا جو کہ گزشتہ سال کی ترسیلات 22.24 ملین ٹن کے مقابلے میں 3.9% زیادہ رہا۔ اس اضافے کی اہم وجہ برآمدات میں اضافہ خصوصاً کلنکری 1.04 ملین ٹن کی برآمدات ہیں۔ زیر جائزہ دورانیہ میں برآمدات کا حجم 3.56 ملین ٹن رہا، جبکہ گزشتہ مالی سال کے قابل موازنہ دورانیہ میں برآمدات 2.41 ملین ٹن رہیں، یعنی برآمدات میں 47.9% کا اضافہ ریکارڈ کیا گیا۔ مقامی ترسیلات کا حجم 19.56 ملین ٹن رہا، جو کہ گزشتہ سال 19.84 ملین ٹن کے مقابلے میں 1.4% کم رہا۔

پیداواری کارکردگی:

ذیل میں کلنکری اور سینٹ کی پیداوار کے نتائج کا خلاصہ دیا گیا ہے:

	2017	2018	2017	2018
کلنکری پیداوار	1,066,891	1,078,452	617,205	613,809
سینٹ کی پیداوار	1,103,424	1,286,326	607,299	699,692

مالیاتی کارکردگی:

کمپنی کی دوسری سہ ماہی اور پہلی ششماہی سے متعلقہ مالیاتی کارکردگی کا سرسری جائزہ ذیل میں دیا گیا ہے:

	دوسری ماہی (اکتوبر تا دسمبر)	پہلی ششماہی (جولائی تا دسمبر)	2017	2018
کے فزینٹ	4,871,008,746	3,450,191,214	8,391,651,979	6,867,621,584
خانہ خراج	1,544,319,007	1,176,460,414	2,406,705,042	2,528,520,417
شرع خراج	32%	34%	29%	37%
آپریٹنگ منافع	1,415,356,145	1,088,370,038	2,205,759,300	2,353,936,946
شرع آپریٹنگ منافع	29%	32%	26%	34%
منافع قبل از مالی اخراجات، ٹیکس، ڈیپریسیشن اور اموریٹائزیشن	1,572,738,546	1,229,494,849	2,500,045,041	2,618,885,505
خالص منافع	998,351,881	741,053,507	1,526,895,768	1,644,186,092
شرع خراج	20%	21%	18%	24%
نیٹ میگزائیڈ (روپے)	4.97	3.69	7.60	8.19

ندیم عطاء شیخ

ڈائریکٹر

اعجاز منصور شیخ

چیف ایگزیکٹو

To the members of Kohat Cement Company Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Kohat Cement Company Limited as at 31 December 2018 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended 31 December 2018, have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent reviewer's report is M. Rehan Chughtai.



KPMG Taseer Hadi & Co.
Chartered Accountants
(M.Rehan Chughtai)

Lahore: February 21, 2019

Condensed Interim Statement of Financial Position (Un-audited)

As at 31 December 2018

	Note	(Un-Audited) Dec. 31, 2018 Rupees	(Audited) Jun. 30, 2018 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital		2,008,612,970	1,545,086,900
Reserves		119,931,666	120,034,065
Accumulated profit		16,602,442,907	16,311,616,659
		18,730,987,543	17,976,737,624
Non-current liabilities			
Long term financing - secured	5	4,107,209,322	142,105,256
Long term deposits		2,036,100	2,036,100
Deferred liabilities			
- deferred taxation		1,456,272,238	1,499,928,327
- compensated absences		16,669,649	16,495,508
		5,582,187,309	1,660,565,191
Current liabilities			
Current portion of long term financing	5	925,020,814	284,210,528
Trade and other payables	6	4,464,463,439	3,351,466,246
Unclaimed dividend		10,030,284	9,919,087
Dividend payable		39,802,578	29,603,848
Short term borrowings - secured	7	243,000,000	-
Provision for taxation - net		13,038,743	-
Mark-up accrued on borrowings		50,705,850	3,830,579
		5,746,061,708	3,679,030,288
Contingencies and commitments	8		
		30,059,236,560	23,316,333,103
ASSETS			
Non-current assets			
Property, plant and equipment	9	19,147,667,568	9,113,062,067
Intangibles		14,319,664	15,259,395
Long term loans to employees		-	446
Long term deposits		125,326,640	125,326,640
Investment property	10	3,665,212,527	3,655,622,685
		22,952,526,399	12,909,271,233
Current assets			
Stores, spares and loose tools		1,677,994,404	2,119,531,149
Stock-in-trade		452,224,226	658,728,524
Trade debts - unsecured, considered good		789,949,633	645,524,139
Short term investments	11	2,300,316,000	5,159,792,050
Advances, deposits, prepayments and other receivables		773,731,341	887,836,716
Advance income tax - net		-	111,221,602
Cash and bank balances	12	1,112,494,557	824,427,690
		7,106,710,161	10,407,061,870
		30,059,236,560	23,316,333,103

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



Chief Executive



Chief Financial Officer



Director

Condensed Interim Statement of Profit or Loss (Un-audited)

For the half year and quarter ended 31 December 2018

		2018	2017	2018	2017
		July to December	July to December	October to December	October to December
	Note	Rupees			
Sales - net	13	8,391,651,979	6,867,621,584	4,871,008,746	3,450,191,214
Cost of goods sold	14	(5,984,946,937)	(4,339,101,167)	(3,326,689,739)	(2,273,730,800)
Gross profit		2,406,705,042	2,528,520,417	1,544,319,007	1,176,460,414
Selling and distribution expenses		(73,079,288)	(68,002,862)	(42,560,500)	(37,563,845)
Administrative and general expenses		(127,478,204)	(101,463,078)	(60,183,440)	(58,912,857)
Other operating income		171,058,271	175,764,843	84,851,635	87,440,425
Other operating charges	15	(171,446,521)	(180,882,374)	(111,070,557)	(79,054,099)
		(200,945,742)	(174,583,471)	(128,962,862)	(88,090,376)
Operating profit		2,205,759,300	2,353,936,946	1,415,356,145	1,088,370,038
Finance cost		(23,739,194)	(37,199,916)	(12,951,977)	(20,331,085)
Profit before taxation		2,182,020,106	2,316,737,030	1,402,404,168	1,068,038,953
Taxation	16	(655,124,338)	(672,550,938)	(404,052,287)	(326,985,446)
Profit after taxation		1,526,895,768	1,644,186,092	998,351,881	741,053,507
			Restated		Restated
Earning per share (basic and diluted)		7.60	8.19	4.97	3.69

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



Chief Executive



Chief Financial Officer



Director



Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year and quarter ended 31 December 2018

	2018	2017	2018	2017
	July to December	July to December	October to December	October to December
	Rupees			
Profit after taxation	1,526,895,768	1,644,186,092	998,351,881	741,053,507
Other comprehensive income for the period				
Items that are or may be reclassified to profit or loss account:				
Available-for-sale investment				
- net changes in fair value	(102,399)	(433,600)	(66,400)	(182,000)
Total comprehensive income for the period	1,526,793,369	1,643,752,492	998,285,481	740,871,507

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

Chief Executive

Chief Financial Officer

Director



Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended 31 December 2018

Note	(Un-audited) July 1 - Dec. 31 2018 Rupees	(Un-audited) July 1 - Dec. 31 2017 Rupees
Cash flow from operating activities		
Profit before taxation	2,182,020,106	2,316,737,030
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	292,193,518	263,104,755
Amortization on intangible assets	2,092,223	1,843,804
(Gain) / loss on disposal of property, plant and equipment	(182,487)	1,922,368
Interest on bank deposits and investments	(145,655,297)	(48,873,502)
Realized gain on held for trading investments	(17,604,136)	(97,838,880)
Unrealized loss / (gain) on held for trading investments	40,143,008	(14,565,113)
Provision for compensated absences	2,093,072	628,623
Provision for Workers' Welfare Fund	45,601,676	45,797,666
Provision for Workers' Profit Participation Fund	119,356,042	126,610,540
Finance cost	23,739,194	37,199,916
	361,776,813	315,830,177
Cash generated from operations before working capital changes	2,543,796,919	2,632,567,207
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	441,536,745	70,812,910
Stock-in-trade	206,504,298	(296,997,627)
Trade debts	(144,425,494)	(165,131,642)
Advances, deposits, prepayments and other receivables	114,404,281	(200,091,242)
<i>Increase in current liabilities:</i>		
Trade and other payables	1,022,941,762	486,798,023
	1,640,961,592	(104,609,578)
Cash generated from operations	4,184,758,511	2,527,957,629
Compensated absences paid	(1,918,931)	(1,588,309)
Finance cost paid	(67,018,155)	(39,341,503)
Payment made to Workers' Welfare Fund	(74,902,288)	(106,603,797)
Income tax paid	(574,520,082)	(817,897,783)
Net cash generated from operating activities	3,466,399,055	1,562,526,237
<i>Cash flow from investing activities</i>		
Acquisition of property, plant and equipment	(10,236,707,301)	(145,283,615)
Proceeds from disposal of property, plant and equipment	245,001	11,465,761
Acquisition of intangible assets	(1,152,492)	(3,372,496)
Acquisition of investment property	(9,589,842)	(525,815,222)
Held for trading investment - net	1,386,834,778	(1,620,845,298)
Long term loans and advances - net	446	23,487
Gain on other short term investments - net	-	96,077,553
Interest on bank deposits	145,356,393	37,215,009
Net cash used in investing activities	(8,715,013,017)	(2,150,534,821)
<i>Cash flow from financing activities</i>		
Long term finances - secured	4,605,914,352	(142,105,264)
Short term borrowings	243,000,000	(200,000,000)
Dividend paid	(762,233,523)	(306,550,004)
Net cash generated from / (used in) financing activities	4,086,680,829	(648,655,268)
Net decrease in cash and cash equivalents	(1,161,933,133)	(1,236,663,852)
Cash and cash equivalents at beginning of the period	4,574,427,690	5,611,171,564
Cash and cash equivalents at end of the period	17 3,412,494,557	4,374,507,712

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

Chief Executive

Chief Financial Officer

Director



Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year ended 31 December 2018

	Share capital	Reserves					Total
		Capital reserves		Revenue reserves		Total reserves	
		Share premium	Fair value reserve	General reserve Rupees	Accumulated profit		
Balance as at 30 June 2017 - audited	1,545,086,900	49,704,951	826,514	70,000,000	13,640,639,246	13,761,170,711	15,306,257,611
Total comprehensive income for the half year							
Profit for the half year ended 31 December 2017	-	-	-	-	1,644,186,092	1,644,186,092	1,644,186,092
Other comprehensive income for the half year ended 31 December 2017	-	-	(433,600)	-	-	(433,600)	(433,600)
	-	-	(433,600)	-	1,644,186,092	1,643,752,492	1,643,752,492
Transactions with owners of the Company							
Final cash dividend at Rs. 2.0 per share for the year ended 30 June 2017	-	-	-	-	(309,017,380)	(309,017,380)	(309,017,380)
Balance as at 31 December 2017-unaudited	1,545,086,900	49,704,951	392,914	70,000,000	14,975,807,958	15,095,905,823	16,640,992,723
Balance as at 30 June 2018 - audited	1,545,086,900	49,704,951	329,114	70,000,000	16,311,616,659	16,431,650,724	17,976,737,624
Total comprehensive income for the half year							
Profit for the half year ended 31 December 2018	-	-	-	-	1,526,895,768	1,526,895,768	1,526,895,768
Other comprehensive income for the half year ended 31 December 2018	-	-	(102,399)	-	-	(102,399)	(102,399)
	-	-	(102,399)	-	1,526,895,768	1,526,793,369	1,526,793,369
Transactions with owners of the Company							
Final cash dividend at Rs. 5.0 per share for the year ended 30 June 2018	-	-	-	-	(772,543,450)	(772,543,450)	(772,543,450)
03 bonus shares for every 10 ordinary shares held for year ended 30 June 2018	463,526,070	-	-	-	(463,526,070)	(463,526,070)	-
Balance as at 31 December 2018-unaudited	2,008,612,970	49,704,951	226,715	70,000,000	16,602,442,907	16,722,374,573	18,730,987,543

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

Chief Executive

Chief Financial Officer

Director

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 31 December 2018

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 the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged in the production and sale of cement. The registered office of the Company is situated at Rawalpindi Road, Kohat, Pakistan. Pursuant to the approval of the Board of Directors, the management is in the process of setting up a new cement production line at the Company's existing factory site.
- 1.2 ANS Capital (Private) Limited is the holding company of the Company and holds 110,482,320 ordinary shares of the Company comprising 55% of its total paid up share capital.

2. Basis of preparation

- 2.1 This condensed interim financial information comprises the condensed interim statement of financial position of the Company, as at 31 December 2018 and the related condensed interim statement of profit or 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 This condensed interim financial information has 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 This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June 2018. 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 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 2018, 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 information of the Company for the six months period ended 31 December 2017.
- 2.5 This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

3. Judgements and estimates

The preparation of the condensed interim financial information requires 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.

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 financial statements for the year ended 30 June 2018.

4. Statement of consistency in accounting policies

- 4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements for the year ended 30 June 2018 except for the adoption of new standards effective as of 1 July 2018 as stated below:
- 4.2 Changes in significant accounting policies

During the period, the Company has adopted IFRS 15 'Revenue from Contracts with Customers' from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018. Due to the transition methods chosen by the Company in applying this standard, comparative information throughout these condensed interim financial information has not been restated to reflect the requirements of the new standard. There are other new amendments which are effective from 01 July 2018 but they do not have a material effect on the Company's condensed interim financial information. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 31 December 2018

IFRS 15 'Revenue from Contracts with Customers'

The Company is engaged in the production and sale of cement which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer. The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 'Revenue from Contracts with Customers' which replaced IAS 18 'Revenue', IAS 11 'Construction Contracts and related interpretations', did not have an impact on the timing and amounts of revenue recognition of the Company. Therefore, adoption of IFRS 15 'Revenue from Contracts with Customers' at 01 July 2018, did not have an effect on the condensed interim financial information.

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

Standard or interpretation	Effective date (accounting periods beginning on or after)
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019
IFRS 16 - Leases	01 January 2019
IAS 28 - Investments in Associates and Joint Ventures	01 January 2019
IAS 19 - Employee Benefits	01 January 2019
IFRS 3 - Business Combinations	01 January 2020
IAS 1 - Presentation of Financial Statements	01 January 2020
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors	01 January 2020
IFRS 11 - Joint ventures	01 January 2019
IAS 12 - Income Taxes	01 January 2019
IAS 23 - Borrowing cost	01 January 2019

Securities and Exchange Commission of Pakistan "SECP" wide its notification SRO 229(I)/2019 dated 14 February 2019 has deferred the applicability of IFRS 9 "Financial Instruments" for reporting period / year ending on or after 30 June 2019.

Note	(Un-audited) Dec. 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
5 Long term finances - secured		
<i>Syndicated term finance - WRR</i>		
Opening	426,315,784	710,526,312
Paid during the period / year	(142,105,264)	(284,210,528)
Less: Current maturity presented under current liabilities	(284,210,520)	(284,210,528)
	-	142,105,256
<i>Term finance - Line-4</i>		
Opening	-	-
Disbursement during the period	4,829,756,913	-
Paid during the period	(81,737,297)	-
Less: Current maturity presented under current liabilities	(640,810,294)	-
	4,107,209,322	-
	4,107,209,322	142,105,256

- 5.1 Long term finance facilities available from different commercial banks amounts to Rs. 6,950 million to finance the import, installation and civil works of additional grey cement line having capacity of 7800 TPD. These facilities carry rate of mark-up ranges from 3MK + 0.60% - 0.65%. which is secured by way of first pari passu charge over all present and future fixed assets of the Company amounting to Rs. 13,068 million and personal guarantees of sponsoring directors of the Company. This principal is repayable in twenty eight equal quarterly installments which started from date of first drawdown.



Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 31 December 2018

	Note	(Un-audited) Dec. 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
6 Trade and other payables			
Trade creditors	6.1	272,602,685	263,481,667
Trade creditors - imports		1,248,685,647	869,647,071
Contractors' bills payable		451,228,925	89,014,057
Accrued liabilities		299,303,754	228,261,229
Advances from customers		45,705,817	53,355,028
Payable to Workers' Profit Participation Fund		1,351,153,240	1,231,797,198
Payable to Workers' Welfare Fund		45,601,676	74,902,288
Payable to Provident Fund Trust		2,658,274	2,437,236
		3,716,940,018	2,812,895,774
<i>Payable to Government on account of:</i>			
Income tax deducted at source		32,534,031	13,082,980
Federal excise duty		81,328,204	-
Royalty and excise duty		82,348,991	58,891,160
		196,211,226	71,974,140
Retention money payable		303,781,548	225,503,889
Securities deposits		4,549,189	12,413,926
Other payables		242,981,458	228,678,517
		551,312,195	466,596,332
		4,464,463,439	3,351,466,246

6.1 This includes Rs. 61,180,677 (30 June 2018: Rs. 35,781,525) payable to Ultra Pack (Private) Limited, related party of the Company.

	Limit (Rupees in million)	Note	(Un-audited) Dec. 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
7 Short term borrowings - secured				
Mark-up based borrowings from conventional banks:				
Export refinances	243	7.1	243,000,000	-
			243,000,000	-

7.1 These facilities are under mark-up arrangement carrying mark-up at SBP export refinance rate plus 0.25% - 0.50% (30 June, 2018: SBP export refinance rate plus 0.25% - 0.50%) per annum and are available for a period of 180 days and can be rolled over for a further period of 180 days.

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 2018, except the following:

8.1.1 The Additional Commissioner Inland Revenue, while proceeding U/S 122(5A) of the Income Tax Ordinance, 2001 created income tax demand of Rs. 900 Million for Tax Year 2013. On an appeal by Company before the Commissioner Inland Revenue (Appeals) [CIR(A)], the aforesaid demand has been curtailed to Rs. 24.4 million. The order of CIR(A) was challenged by Company before the Honourable Appellate Tribunal Inland Revenue, Lahore (ATIR), which was upheld, therefore the Company has filed a reference application before the Honourable Lahore High Court.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 31 December 2018

8.1.2 The Additional Commissioner Inland Revenue (Addl. CIR) amended the assessment of Company twice for the Tax Year 2016 under the provisions of Section 122(5A) of the Income Tax Ordinance, 2001 (ITO, 2001). Through one separate amended assessment order, the Additional CIR created a tax demand of Rs. 5,955,933/- being claim of default surcharge as an expense. On appeals by the Company, the matter has been decided against the Company by CIR(A) and Appellate Tribunal Inland Revenue (ATIR). Therefore the Company has filed a reference application before the Honorable High Court Lahore which is pending adjudication.

	Note	(Un-audited) Dec. 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
8.2 Commitments			
<i>In respect of letters of credit for:</i>			
- capital expenditure		135,296,109	7,165,007,534
- stores and spares		118,960,847	185,628,376
		254,256,956	7,350,635,910
9. Property, plant and equipment			
Operating fixed assets	9.1	7,768,458,849	7,960,021,087
Capital work in progress	9.2	11,379,208,719	1,153,040,980
		19,147,667,568	9,113,062,067
9.1 Operating fixed assets			
Opening written down value		7,960,021,087	7,378,863,363
Add: Additions during the period / year (cost)			
Factory buildings and plant civil structure		2,839,932	169,964,009
Office and other building		-	1,144,500
Housing colony		16,623,644	84,341,771
Plant, machinery and equipment		59,642,491	791,022,976
Furniture, fixtures and office equipment		5,141,057	24,010,515
Computers and printers		2,536,495	3,044,689
Light vehicles		9,967,569	41,912,465
Heavy vehicles		3,907,606	1,509,200
Laboratory equipment		35,000	3,207,967
		100,693,794	1,120,158,092
Less: Disposals during the period / year (written down value)			
Plant, machinery and equipment		-	(9,481,316)
Light vehicles		(62,514)	(7,108,336)
		(62,514)	(16,589,652)
Less: Depreciation charge for the period / year		(292,193,518)	(522,410,716)
Closing written down value		7,768,458,849	7,960,021,087
9.2 Capital work in progress			
Balance at beginning of the period / year		1,153,040,980	681,621,351
Add: Additions during the period / year		10,273,055,970	1,534,080,391
Less: Transfers to fixed assets during the period / year		(46,888,231)	(1,062,660,762)
		11,379,208,719	1,153,040,980

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 31 December 2018

	Note	(Un-audited) Dec. 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
10. Investment property			
Opening balance		3,655,622,685	3,062,824,000
Additions during the period / year		9,589,842	592,798,685
	10.1	3,665,212,527	3,655,622,685

10.1 The latest valuation of investment property was carried out as at 30 June 2018, and according to that the market value of investment property, excluding additions during the period of Rs. 9.58 million, was Rs. 5,088.63 million. The fair value measurement for the investment property has been categorised as a level 3 fair value based on the inputs to the valuation techniques used.

	Note	(Un-audited) Dec. 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
11. Short term investments			
<i>Available-for-sale</i>			
Equity securities of listed company		316,000	418,400
<i>Held for trading</i>			
Income mutual funds - Shariah compliant		-	1,409,373,650
<i>Loans and receivables</i>			
Investment in term deposit receipts - Shariah compliant	11.1	2,300,000,000	3,750,000,000
		2,300,316,000	5,159,792,050

11.1 These carry mark-up rates ranging from 9.85 to 10% per annum and have different maturity dates up till 28 January 2019.

12. Cash and Bank Balance

These include Rs. 444.547 million (June 30, 2018: Rs. 162.73 million) placed under Shariah permissible arrangement. Remaining deposits are placed with conventional financial institutions.

	(Un-audited) July 1 - Dec. 31 2018 Rupees	(Un-audited) July 1 - Dec. 31 2017 Rupees
13. Sales - net		
Local sales - gross	11,833,044,768	9,542,561,992
Less: Sales tax	(1,968,564,479)	(1,601,577,642)
Federal Excise Duty	(1,767,579,540)	(1,319,974,225)
	(3,736,144,019)	(2,921,551,867)
	8,096,900,749	6,621,010,125
Export sales	346,569,626	297,485,962
	8,443,470,375	6,918,496,087
Less: Commission on cement sales	(51,818,396)	(50,874,503)
	8,391,651,979	6,867,621,584

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 31 December 2018

	(Un-audited) July 1 - Dec. 31 2018 Rupees	(Un-audited) July 1 - Dec. 31 2017 Rupees
14 Cost of goods sold		
Raw materials consumed	371,279,263	343,510,326
Packing materials consumed	585,576,246	351,158,550
Fuel and power	1,090,933,834	864,970,946
Coal and gas	2,843,820,832	2,200,858,659
Stores, spares and loose tools consumed	258,679,445	219,008,450
Salaries, wages and other benefits	227,842,547	168,905,636
Royalty and excise duty	108,702,342	106,648,038
Rent, rates and taxes	13,028,804	17,000,245
Repairs and maintenance	50,511,317	50,374,451
Insurance	19,890,139	19,929,123
Depreciation	288,840,691	260,481,031
Other expenses	52,944,616	51,215,038
	5,912,050,076	4,654,060,493
<i>Work-in-process:</i>		
At beginning of the period	491,773,853	703,875,591
At end of the period	(196,003,993)	(1,044,842,725)
Cost of goods manufactured	6,207,819,936	4,313,093,359
<i>Finished goods:</i>		
At beginning of the period	92,067,529	167,423,321
At end of the period	(201,217,086)	(139,303,738)
	6,098,670,379	4,341,212,942
Less: Cost attributable to own cement consumption	(113,723,442)	(2,111,775)
	5,984,946,937	4,339,101,167
15 Other operating charges		
Donations	4,110,000	6,551,800
Workers' Profit Participation Fund	119,356,042	126,610,540
Workers' Welfare Fund	45,601,676	45,797,666
Foreign currency exchange loss	2,378,803	-
Loss on disposal of property, plant and equipment	-	1,922,368
	171,446,521	180,882,374
16 Taxation		
Current		
- for the year	698,780,427	709,233,288
- prior	-	-
	698,780,427	709,233,288
Deferred	(43,656,089)	(36,682,350)
	655,124,338	672,550,938
	(Un-audited) Dec. 31, 2018 Rupees	(Un-audited) Dec. 31, 2017 Rupees
17 Cash and cash equivalents		
Cash and bank balances	1,112,494,557	1,626,564,551
Term deposit receipts	2,300,000,000	2,250,000,000
Market treasury bills	-	497,943,161
	3,412,494,557	4,374,507,712

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 31 December 2018

18. Financial instruments-fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value.

Note	Carrying Amount					Fair Value		
	Available for sale	Held for trading	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Rupees							
On-Balance sheet financial instruments								
31 December 2018: (Un-audited)								
Financial assets measured at fair value								
Equity securities of listed company	316,000	-	-	-	316,000	316,000	-	-
	316,000	-	-	-	316,000	316,000	-	-
Financial assets not measured at fair value								
Long term deposits	-	-	125,326,640	-	125,326,640	-	-	-
Trade debts - unsecured, considered good	-	-	789,949,633	-	789,949,633	-	-	-
Short term investments	-	-	2,300,000,000	-	2,300,000,000	-	-	-
Advances, deposits and other receivables	-	-	280,224,235	-	280,224,235	-	-	-
Cash and bank balances	-	-	1,112,494,557	-	1,112,494,557	-	-	-
18.1	-	-	4,607,995,065	-	4,607,995,065	-	-	-
Financial liabilities measured at fair value								
Financial liabilities not measured at fair value								
Long term finances - secured	-	-	-	5,032,230,136	5,032,230,136	-	-	-
Long term deposits	-	-	-	2,036,100	2,036,100	-	-	-
Trade and other payables	-	-	-	2,823,133,205	2,823,133,205	-	-	-
Mark-up accrued on borrowings	-	-	-	50,705,850	50,705,850	-	-	-
18.1	-	-	-	7,908,105,291	7,908,105,291	-	-	-

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 31 December 2018

18.1 Financial Instruments-fair Values

Note	Carrying Amount			Fair Value		
	Available for sale	Held for trading	Loans and receivables	Other financial liabilities	Total	Level 1 Level 2 Level 3
Rupees						
18.1	418,400	-	-	-	418,400	418,400
	-	1,409,373,650	-	-	1,409,373,650	1,409,373,650
	418,400	1,409,373,650	-	-	1,409,792,050	1,409,792,050
18.1	-	-	446	-	446	-
	-	-	125,326,640	-	125,326,640	-
	-	-	645,524,139	-	645,524,139	-
	-	-	3,750,000,000	-	3,750,000,000	-
	-	-	274,784,367	-	274,784,367	-
	-	-	824,427,690	-	824,427,690	-
	-	-	5,620,063,282	-	5,620,063,282	-
18.1	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	426,315,784	426,315,784	-
	-	-	-	2,036,100	2,036,100	-
	-	-	-	1,917,000,356	1,917,000,356	-
18.1	-	-	-	3,830,579	3,830,579	-
	-	-	-	2,349,182,819	2,349,182,819	-

On-Balance sheet financial instruments

30 June 2018: (Audited)

Financial assets measured at fair value

Equity securities of listed company
Income mutual funds - Shari'ah compliant

Financial assets not measured at fair value

Long term loans to employees
Long term deposits
Trade debts - unsecured, considered good
Short term investments
Advances, deposits and others receivables
Cash and bank balances

Financial liabilities measured at fair value

Financial liabilities not measured at fair value

Long term financing - secured
Long term deposits
Trade and other payables
Mark-up accrued on borrowings

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

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 31 December 2018

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

	2018			
	Liabilities			Total
	Long Term Finances	Short Term borrowings	Dividend payable	
Rupees				
Balance as at 30 June 2018 (Audited)	426,315,784	-	39,522,935	465,838,719
Changes from financing activities				
<i>Syndicated term finance - WHR</i>				
Repayment of long term finances - secured	(142,105,264)	-	-	(142,105,264)
<i>Term finance - Line-4</i>				
Disbursement long term finances - secured	4,829,756,913	-	-	4,829,756,913
Repayment of long term finances - secured	(81,737,297)	-	-	(81,737,297)
Disbursement of short term borrowings	-	243,000,000	-	243,000,000
Dividend paid	-	-	(762,233,523)	(762,233,523)
Total changes from financing cash flows	4,605,914,352	243,000,000	(762,233,523)	4,086,680,829
Other changes				
Dividend declared	-	-	772,543,450	772,543,450
Total liability related other changes	-	-	772,543,450	772,543,450
Closing as at 31 December 2018 (Un-audited)	5,032,230,136	243,000,000	49,832,862	5,325,062,998
	2017			
	Liabilities			Total
	Long Term Finances	Short Term borrowings	Dividend payable	
Rupees				
Balance as at 30 June 2017 (Audited)	710,526,312	200,000,000	37,109,899	947,636,211
Changes from financing activities				
<i>Syndicated term finance - WHR</i>				
Repayment of long term finances - secured	(142,105,264)	-	-	(142,105,264)
Repayment of short term borrowings	-	(200,000,000)	-	(200,000,000)
Dividend paid	-	-	(306,550,004)	(306,550,004)
Total changes from financing cash flows	(142,105,264)	(200,000,000)	(306,550,004)	(648,655,268)
Other changes				
Dividend declared	-	-	309,017,380	309,017,380
Total liability related other changes	-	-	309,017,380	309,017,380
Closing as at 31 December 2017 (Un-audited)	568,421,048	-	39,577,275	607,998,323

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended 31 December 2018

20 Transactions and balances with related parties

The related parties comprise of the Holding Company, associated companies, key management personnel including directors of the Company and staff retirement funds. Significant transactions and balances with related parties, other than those disclosed elsewhere in this condensed interim financial information are as follows:

Parties	Percentage of Holding	Relationship	Nature of transactions	(Un-Audited) July 1 -Dec 31 2018 Rupees	(Un-Audited) July 1 -Dec 31 2017 Rupees
Transactions with related parties					
ANS Capital (Private) Limited	55%	Holding Company	Dividend paid	424,932,000	169,972,800
Ultra Pack (Private) Limited		Subsidiary of a Holding Company	Purchase of packing material	405,763,474	270,853,825
Others					
Key management personnel (Chief Executive)		Directors	Remuneration and other benefits	27,575,570	23,978,750
Key management personnel (Executive Director)		Directors	Remuneration and other benefits	27,575,570	23,978,750
Key management personnel (Other Executives)		Other Executives	Remuneration and other benefits	62,902,847	74,622,332
Directors			Dividend paid	1,238,860	768,944

21 Date of authorization for issue

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on February 21, 2019.

22 General

Figures have been rounded off to the nearest rupee.



Chief Executive



Chief Financial Officer



Director



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