



3rd Quarter Report
March 31, 2019

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 unaudited interim financial statements for the 3rd Quarter and nine months of financial year 2018-19.

Industry Performance

Quantitative dispatches of Cement Industry of 34.58 million tons of Cement during the nine months remained, almost the same as were in the comparable period of last year where the same were at 34.76 million tons. This consistency is due to surge in exports by 48.95% to raise it to 5.13 million tons (including 1.7 million tons of clinker) from 3.44 million tons.

Local dispatches showed a negative trend of 5.96% as it stood at 29.45 million tons during the nine months of current financial year from 31.3 million tons noted in comparable period of last year.

Operational Performance

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

	M Tons (Jan - March)		(July - March)	
	2019	2018	2019	2018
Clinker Production	615,788	460,919	1,694,240	1,527,810
Cement Production	554,909	618,202	1,841,235	1,721,626
Local Sales	531,701	608,041	1,710,087	1,664,021
Export Sales	23,843	20,731	83,101	79,435
Total Sales	555,544	628,772	1,793,188	1,743,456

Financial Performance

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

	(Rupees)			
	3rd Quarter (Jan - Mar) 2019	2018	Nine Months (July-Mar) 2019	2018
Net Sales	3,850,286,877	3,517,027,189	12,241,938,856	10,384,648,773
Gross Profit	1,070,460,028	986,294,738	3,477,165,070	3,514,815,155
GP Ratio	27.80 %	28.04 %	28.40 %	33.85 %
Operating Profit	928,723,315	928,160,520	3,134,482,615	3,282,097,466
OP Ratio	24.12 %	26.39 %	25.60 %	31.61 %
EBITDA	1,082,962,495	1,059,206,351	3,583,007,536	3,678,091,857
Net Profit	644,363,498	651,831,183	2,171,259,266	2,296,017,275
NP Ratio	16.74 %	18.53 %	17.74 %	22.11 %
Earnings per share (Rs.)	3.21	3.25	10.81	11.43

Unlike the Industry, your Company has noted growth in its dispatches during the Nine months ended March 31, 2019. Strengthening of foreign currency against Pak Rupee is the main reason for dilution of 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. 100% of the plant has been shipped by the supplier whereas civil and erection works are progressing as scheduled.

Future Outlook

The success of Government's current policies for construction of dams, provision of homes to low earning sector of country and initiatives taken under CPEC shall play a vital role in robust growth of cement sector.

Corporate Social Responsibility

Fulfilling its Corporate Social Responsibility is one of the foremost priorities of your Company. The journey of your Company to achieve maximum results through utilizing its resources in brightening social sector of society is on its way. Continuous effort for improvement in health, education, economy and environment is the aim of the Company.

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 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: April 29, 2019

ڈائریکٹرز جائزہ رپورٹ

معزز حصص داران:

کوہاٹ سینٹ کمپنی لمیٹڈ (کمپنی) کے ڈائریکٹرز بھد مسرت اپنے ممبران کے لئے مالی سال 2018-19ء کی تیسری سہ ماہی اور نو ماہ کی مدت سے متعلق غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

صنعتی کارکردگی:

زیر جائزہ نو ماہی کے دوران سینٹ انڈسٹری کی ترسیلات 34.58 ملین ٹن رہیں، جو کہ گزشتہ سال کی ترسیلات کے تقریباً برابر ہیں، جن کا حجم 34.76 ملین ٹن تھا۔ اس استحکام کی وجہ برآمدات میں 48.95% اضافہ ہے جو کہ گزشتہ سال 3.44 ملین ٹن سے بڑھ کر 5.13 ملین ٹن (بشمول 1.7 ملین ٹن کلکٹر) ہو گئیں۔

زیر جائزہ مالی سال کے نو ماہ کے دوران مقامی ترسیلات گزشتہ سال اسی دورانیہ کی ترسیلات 31.3 ملین ٹن کے مقابلے میں 29.45 ملین ٹن رہیں اور مجموعی طور پر 5.96% کی دیکھی گئی۔

پیداوار اور ترسیل کا حجم:

ذیل میں پیداوار اور ترسیل کے نتائج کا خلاصہ دیا گیا ہے:

جنوری تا مارچ	مئی تا ستمبر	جولائی تا مارچ	
		2018	2019
کلکٹر کی پیداوار	615,788	460,919	1,694,240
سینٹ کی پیداوار	554,909	618,202	1,841,235
اندرون ملک فروخت	531,701	608,041	1,710,087
برآمدات	23,843	20,731	83,101
کل فروخت	555,544	628,772	1,793,188

مالیاتی کارکردگی:

کمپنی کی مالیاتی کارکردگی کا سرسری جائزہ ذیل میں دیا گیا ہے:

تیسری سہ ماہی (جنوری تا مارچ)	دوسری سہ ماہی (اپریل تا جون)	نوموہ (جولائی تا مارچ)	
		2018	2019
کمزوریت	3,850,286,877	3,517,027,189	12,241,938,856
خام مال	1,070,460,028	986,294,738	3,477,165,070
شرع خام مال	27.80%	28.04%	28.40%
آپریٹنگ منافع	928,723,315	928,160,520	3,134,482,615
شرع آپریٹنگ منافع	24.12%	26.39%	25.60%
منافع قبل از مالی اخراجات، ٹیکس، دیون و غیرہ	1,082,962,495	1,059,206,351	3,583,007,536
خاص منافع	644,363,498	651,831,183	2,171,259,266
شرع خاص منافع	16.74%	18.53%	17.74%
فی ٹن کمزوریت (روپے)	3.21	3.25	10.81

سینٹ انڈسٹری کے منفی رجحان کے باوجود کمپنی کی زیر جائزہ 31 مارچ، 2019 کو مکمل ہونے والی نو ماہی کی ترسیلات میں اضافہ ہوا ہے۔ پاکستانی روپے کے مقابلے میں غیر ملکی کرنسیوں کی قدر میں اضافہ منافع میں کمی کی اہم وجہ ہے۔ کمپنی اپنی مالیاتی ذمہ داریوں کی بروقت ادائیگی کر رہی ہے۔

زیر تعمیر منصوبہ جات:

موجودہ فیکٹری کے مقام پر 7800 ٹن یومیہ پیداوار کی گرے سینٹ پلانٹ کی تنصیب جاری ہے۔ 100% پلانٹ درآمد کیا جا چکا ہے اور تعمیر و تنصیب کام منصوبے کے مطابق جاری ہے۔

مستقبل کے امکانات:

حکومت کی ڈیزل کی تعمیر، کم آمدنی والے افراد کیلئے گھروں کی تعمیر اور CPEC کے تحت شروع کئے گئے منصوبہ جات سے متعلق پالیسی کا کامیاب نفاذ سینٹ سیکٹر کی ترقی میں اہم کردار ادا کرے گی۔

کاروباری سماجی ذمہ داری:

کاروباری سماجی ذمہ داریوں کی ادائیگی کمپنی کی اولین ترجیح ہے۔ کمپنی نے اپنے وسائل کے استعمال سے سماجی بہتری کو حاصل کرنے میں بہترین نتائج حاصل کئے ہیں۔ کمپنی کی جانب سے صحت، تعلیم، معیشت اور ماحول کی بہتری کیلئے مسلسل جدوجہد جاری ہے۔

اظہار تشکر:

کمپنی کی انتظامیہ کمپنی کے تمام حصص داران، کاروباری شراکت داران اور قابل قدر صارفین کے تعاون، اعتماد اور حمایت کے لیے تہہ دل سے شکر گزار ہے۔



ندیم اعطاء شیخ
ڈائریکٹر



اعجاز منصور شیخ
چیف ایگزیکٹو

لاہور: 29 اپریل، 2019



Condensed Interim Statement of Financial Position (Un-audited)

As at 31 March 2019

	Note	(Un-audited) March 31, 2019 Rupees	(Audited) June 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		119,884,265	120,034,065
Accumulated profit		17,246,806,405	16,311,616,659
		19,375,303,640	17,976,737,624
Non-current liabilities			
Long term financing - secured	5	4,488,707,388	142,105,256
Long term deposits		2,036,100	2,036,100
Deferred liabilities			
- deferred taxation		1,414,937,296	1,499,928,327
- compensated absences		17,202,914	16,495,508
		5,922,883,698	1,660,565,191
Current liabilities			
Current portion of long term financing	5	1,049,278,460	284,210,528
Trade and other payables	6	4,366,751,312	3,351,466,246
Unclaimed dividend		9,416,974	9,919,087
Dividend payable		39,802,578	29,603,848
Short term borrowings - secured	7	243,000,000	-
Provision for taxation - net		208,418,278	-
Mark-up accrued on borrowings		50,746,438	3,830,579
		5,967,414,040	3,679,030,288
Contingencies and commitments	8		
		31,265,601,378	23,316,333,103
ASSETS			
Non-current assets			
Property, plant and equipment	9	20,600,543,249	9,113,062,067
Intangibles		13,437,673	15,259,395
Long term loans to employees		-	446
Long term deposits		125,326,640	125,326,640
Investment property	10	3,679,235,785	3,655,622,685
		24,418,543,347	12,909,271,233
Current assets			
Stores, spares and loose tools		1,688,438,393	2,119,531,149
Stock-in-trade		859,202,184	658,728,524
Trade debts - unsecured, considered good		764,033,933	645,524,139
Short term investments	11	2,551,611,677	5,159,792,050
Advances, deposits, prepayments and other receivables		583,087,672	887,836,716
Advance income tax - net		-	111,221,602
Cash and bank balances	12	400,684,172	824,427,690
		6,847,058,031	10,407,061,870
		31,265,601,378	23,316,333,103

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director

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

For nine months and quarter ended 31 March 2019

		2019	2018	2019	2018
		01 July to 31 March	01 July to 31 March	01 Jan to 31 March	01 Jan to 31 March
Note		Rupees			
Sales - net	13	12,241,938,856	10,384,648,773	3,850,286,877	3,517,027,189
Cost of goods sold	14	(8,764,773,786)	(6,869,833,618)	(2,779,826,849)	(2,530,732,451)
Gross profit		3,477,165,070	3,514,815,155	1,070,460,028	986,294,738
Selling and distribution expenses		(109,466,751)	(94,699,052)	(36,387,463)	(26,696,190)
Administrative and general expenses		(191,737,670)	(150,746,559)	(64,259,466)	(49,283,481)
Other operating income	15	251,482,412	267,410,519	80,424,141	91,645,676
Other operating charges	16	(292,960,446)	(254,682,597)	(121,513,925)	(73,800,223)
		(342,682,455)	(232,717,689)	(141,736,713)	(58,134,218)
Operating profit		3,134,482,615	3,282,097,466	928,723,315	928,160,520
Finance cost		(35,241,311)	(49,928,083)	(11,502,117)	(12,728,167)
Profit before taxation		3,099,241,304	3,232,169,383	917,221,198	915,432,353
Taxation	17	(927,982,038)	(936,152,108)	(272,857,700)	(263,601,170)
Profit after taxation		2,171,259,266	2,296,017,275	644,363,498	651,831,183
			Restated		Restated
Earning per share (basic and diluted)		10.81	11.43	3.21	3.25

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director



Condensed Interim Statement of Comprehensive Income (Un-audited)

For nine months and quarter ended 31 March 2019

	2019	2018	2019	2018
	01 July to 31 March	01 July to 31 March	01 Jan to 31 March	01 Jan to 31 March
	Rupees			
Profit after taxation	2,171,259,266	2,296,017,275	644,363,498	651,831,183
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	(149,800)	(389,000)	(47,401)	44,600
Total comprehensive income for the period	2,171,109,466	2,295,628,275	644,316,097	651,875,783

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director

Condensed Interim Statement of Cash Flows (Un-audited)

For nine months ended 31 March 2019

	Note	(Un-audited) July 1 - Mar. 31 2019 Rupees	(Un-audited) July 1 - Mar. 31 2018 Rupees
Cash flow from operating activities			
Profit before taxation		3,099,241,304	3,232,169,383
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment	9.1	445,550,707	393,230,975
Amortization on intangible assets		2,974,214	2,763,416
Gain on disposal of property, plant and equipment	15	(916,557)	(11,860)
Interest on bank deposits and investments	15	(223,567,856)	(110,264,348)
Realized gain on held for trading investments	15	(17,604,136)	(112,361,398)
Fair value adjustment of held for trading investments	15	40,064,746	(37,150,092)
Provision for compensated absences		2,869,882	901,740
Foreign currency exchange loss	16	54,026,436	-
Provision for Workers' Welfare Fund	16	66,410,744	65,375,788
Provision for Workers' Profit Participation Fund	16	166,613,266	173,555,009
Finance cost		35,241,311	49,928,083
		571,662,757	425,967,313
Cash generated from operations before working capital changes		3,670,904,061	3,658,136,696
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		431,092,756	(408,033,442)
Stock-in-trade		(200,473,660)	107,270,494
Trade debts		(118,509,794)	(172,436,258)
Advances, deposits, prepayments and other receivables		307,176,852	14,179,177
<i>Increase in current liabilities:</i>			
Trade and other payables		803,136,907	650,885,189
		1,222,423,062	191,865,160
Cash generated from operations		4,893,327,122	3,850,001,856
Compensated absences paid		(2,162,476)	(1,644,673)
Finance cost paid		(35,576,832)	(52,297,071)
Payment made to Workers' Welfare Fund		(74,902,288)	(106,603,797)
Income tax paid		(693,333,189)	(1,205,851,864)
Net cash generated from operating activities		4,087,352,337	2,483,604,451
Cash flow from investing activities			
Acquisition of property, plant and equipment		(11,703,256,458)	(621,036,981)
Proceeds from disposal of property, plant and equipment		2,335,265	16,115,761
Acquisition of intangible assets		(1,152,492)	(3,923,746)
Acquisition of investment property		(23,613,100)	(525,815,222)
Held for trading investment - net		1,135,569,963	(1,926,052,471)
Long term loans and advances - net		446	35,626
Gain on other short term investments - net		-	110,452,825
Profit / interest on bank deposits		221,140,048	92,668,143
Net cash used in investing activities		(10,368,976,327)	(2,857,556,065)
Cash flow from financing activities			
Proceeds from long term finances - secured		5,604,476,215	-
Repayment of long term finances - secured		(492,806,151)	(213,157,896)
Repayment of short term borrowings		-	(200,000,000)
Proceeds from short term borrowings		243,000,000	-
Finance cost paid on project finances		(183,942,759)	-
Dividend paid		(762,846,833)	(306,604,344)
Net cash generated from / (used in) financing activities		4,407,880,472	(719,762,240)
Net decrease in cash and cash equivalents		(1,873,743,518)	(1,093,713,854)
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	18	2,700,684,172	4,517,457,710

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director



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

For nine months ended 31 March 2019

	Reserves						Total
	Share capital	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 period							
Profit for nine months ended 31 March 2018	-	-	-	-	2,296,017,275	2,296,017,275	2,296,017,275
Other comprehensive income for nine months ended 31March 2018	-	-	(389,000)	-	-	(389,000)	(389,000)
	-	-	(389,000)	-	2,296,017,275	2,295,628,275	2,295,628,275
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 March 2018-unaudited	1,545,086,900	49,704,951	437,514	70,000,000	15,627,639,141	15,747,781,606	17,292,868,506
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 period							
Profit for nine months ended 31 March 2019	-	-	-	-	2,171,259,266	2,171,259,266	2,171,259,266
Other comprehensive income for nine months ended 31 March 2019	-	-	(149,800)	-	-	(149,800)	(149,800)
	-	-	(149,800)	-	2,171,259,266	2,171,109,466	2,171,109,466
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 March 2019-unaudited	2,008,612,970	49,704,951	179,314	70,000,000	17,246,806,405	17,366,690,670	19,375,303,640

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director

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

For nine months ended 31 March 2019

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 These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company, as at 31 March 2019 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 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 provision 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 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 statements of the Company for the nine months period ended 31 March 2018.
- 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 and the Listing Regulations of Pakistan Stock Exchange Limited.

3. Judgements and estimates

The preparation of these condensed interim financial statements 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 these condensed interim financial statements 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

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' with effect from 01 July 2018. Due to the transition methods chosen by the Company in applying this standard, comparative information throughout these condensed interim financial statements 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 statements. The details of new significant accounting policy adopted and the nature and effect of the changes to previous accounting policy are set out below:

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

For nine months ended 31 March 2019

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 these condensed interim financial statements.

- 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) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
5 Long term finances - secured			
<i>Syndicated term finance - WHR</i>			
Opening		426,315,784	710,526,312
Paid during the period / year		(213,157,896)	(284,210,528)
Less: Current maturity presented under current liabilities		(213,157,888)	(284,210,528)
		-	142,105,256
<i>Term finance - Line-4</i>			
Opening	5.1	-	-
Disbursements during the period		5,604,476,215	-
Paid during the period		(279,648,255)	-
Less: Current maturity presented under current liabilities		(836,120,572)	-
		4,488,707,388	-
		4,488,707,388	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. The principal is repayable in 24-28 equal quarterly installments which started from date of first drawdown.

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

For nine months ended 31 March 2019

	Note	(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
6 Trade and other payables			
Trade creditors	6.1	453,009,188	263,481,667
Trade creditors - imports		503,024,789	869,647,071
Contractors' bills payable		32,131,965	89,014,057
Accrued liabilities		356,718,967	228,261,229
Advances from customers		50,383,115	53,355,028
Payable to Workers' Profit Participation Fund	6.2	1,398,410,464	1,231,797,198
Payable to Workers' Welfare Fund		66,410,744	74,902,288
Payable to Provident Fund Trust		2,954,503	2,437,236
		2,863,043,735	2,812,895,774
<i>Payable to Government on account of:</i>			
Income tax deducted at source		9,705,096	13,082,980
Federal excise duty		99,661,004	-
Royalty and excise duty		82,646,077	58,891,160
		192,012,177	71,974,140
Retention money payable		1,058,894,188	225,503,889
Securities deposits		4,499,192	12,413,926
Other payables		248,302,020	228,678,517
		1,311,695,400	466,596,332
		4,366,751,312	3,351,466,246

6.1 This includes Rs. 87,919,258 (30 June 2018: Rs. 35,781,525) payable to M/s Ultra Pack (Private) Limited, related party of the Company.

6.2 The WPPF liability represents leftover amount payable to Workers Welfare Fund in terms of Companies Profits Worker's Participation Act, 1968. According to the 18th amendment to the Constitution of Pakistan in 2010, all labour / labour welfare laws have become provincial subject, and accordingly the left over amount is no more payable to the Federal Treasury. Major strength of Company's employees eligible for benefit of WPPF are working in the Province of KPK and accordingly potential amount of left over amount of WPPF is required to be paid to the Province of KPK as held by the honourable Sindh High Court in its judgment in C.P. No. D-1313 of 2013 announced on February 12, 2018. However, no provincial authority has been constituted so far in the Province of KPK to collect the left over amount, therefore Company has filed a Constitutional Petition before the honourable Peshawar High Court to seek Court's directions in this matter, which is pending adjudication.

	Limit (Rupees in million)	Note	(Un-audited) March 31, 2019 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.



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

For nine months ended 31 March 2019

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.

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) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
8.2 Commitments			
<i>In respect of letters of credit for:</i>			
- capital expenditure		-	7,165,007,534
- stores and spares		131,521,140	185,628,376
		131,521,140	7,350,635,910
9. Property, plant and equipment			
Operating fixed assets	9.1	7,656,447,922	7,960,021,087
Capital work in progress	9.2	12,944,095,327	1,153,040,980
		20,600,543,249	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		3,047,901	169,964,009
Office and other buildings		3,477,555	1,144,500
Housing colonies		16,623,644	84,341,771
Plant, machinery and equipment		91,151,537	791,022,976
Furniture, fixtures and office equipment		6,950,031	24,010,515
Computers and printers		4,058,304	3,044,689
Light vehicles		14,136,682	41,912,465
Heavy vehicles		3,907,606	1,509,200
Laboratory equipment		42,990	3,207,967
		143,396,250	1,120,158,092
Less: Disposals during the period / year (written down value)			
Plant, machinery and equipment		-	(9,481,316)
Light vehicles		(1,418,708)	(7,108,336)
		(1,418,708)	(16,589,652)
Less: Depreciation charge for the period / year		(445,550,707)	(522,410,716)
Closing written down value		7,656,447,922	7,960,021,087

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

For nine months ended 31 March 2019

	Note	(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
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		11,841,628,101	1,534,080,391
Less: Transfers to fixed assets during the period / year		(50,573,754)	(1,062,660,762)
		12,944,095,327	1,153,040,980
10. Investment property			
Opening balance		3,655,622,685	3,062,824,000
Additions during the period / year		23,613,100	592,798,685
	10.1	3,679,235,785	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. 23.61 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) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
11. Short term investments			
<i>Available-for-sale</i>			
Equity securities of listed company		268,600	418,400
<i>Held for trading</i>			
Investment in mutual funds (Money Market and Fixed Income category) - Shariah compliant		251,343,077	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
		2,551,611,677	5,159,792,050

11.1 These carry mark-up rates ranging from 10.15% to 10.25% per annum and have different maturity dates up till 06 April 2019.

12. Cash and Bank Balances

These include Rs. 206.11 million (June 30, 2018: Rs. 162.73 million) placed under Shariah permissible arrangement. Remaining deposits are placed with conventional financial institutions.



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

For nine months ended 31 March 2019

	(Un-audited) July 1 - March 31 2019 Rupees	(Un-audited) July 1 - March 31 2018 Rupees
13. Sales - net		
Local sales - gross	17,300,645,724	14,640,586,884
Less: Sales tax	(2,873,934,982)	(2,487,818,589)
Federal excise duty	(2,565,130,950)	(2,080,026,376)
	(5,439,065,932)	(4,567,844,965)
	11,861,579,792	10,072,741,919
Export sales	490,721,897	403,446,910
	12,352,301,689	10,476,188,829
Less: Commission on cement sales	(110,362,833)	(91,540,056)
	12,241,938,856	10,384,648,773
14 Cost of goods sold		
Raw materials consumed	569,501,290	499,554,238
Packing materials consumed	865,386,100	575,311,703
Fuel and power	1,691,123,945	1,293,182,520
Coal and gas	4,493,057,305	3,126,775,285
Stores, spares and loose tools consumed	367,447,867	302,162,957
Salaries, wages and other benefits	341,000,072	254,298,488
Royalty and excise duty	168,038,766	153,547,380
Rent, rates and taxes	19,873,504	24,912,763
Repairs and maintenance	73,935,440	78,401,822
Insurance	29,297,452	30,779,345
Depreciation	440,257,908	389,070,790
Other expenses	92,952,933	72,233,830
	9,151,872,582	6,800,231,121
<i>Work-in-process:</i>		
At beginning of the period	491,773,853	703,875,591
At end of the period	(651,775,639)	(694,853,590)
Cost of goods manufactured	8,991,870,796	6,809,253,122
<i>Finished goods:</i>		
At beginning of the period	92,067,529	167,423,321
At end of the period	(148,628,140)	(93,485,733)
	8,935,310,185	6,883,190,710
Less: Cost attributable to own cement consumption	(170,536,399)	(13,357,092)
	8,764,773,786	6,869,833,618

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

For nine months ended 31 March 2019

	(Un-audited) July 1 - March 31 2019 Rupees	(Un-audited) July 1 - March 31 2018 Rupees
15 Other operating income		
<i>Income from financial assets - Shariah non-compliant:</i>		
Interest on bank deposits and investments at amortized cost	5,802,301	190,654,574
Fair value adjustment of investments held for trading	-	(45,638,225)
Realized gain on investments held for trading	22,094	1,761,327
Interest on Employees' loans	1,690	6,125
<i>Income from financial assets - Shariah compliant:</i>		
Profit on bank deposits and investments at amortized cost	217,765,555	75,700,824
Fair value adjustment of investments held for trading	(40,064,746)	37,150,092
Realized gain on investments held for trading	17,582,042	147,246
Bonus units received from investment in mutual funds	-	682,626
Dividend received from investment in mutual funds	43,584,958	30,000
<i>Income from non-financial assets:</i>		
Income from sale of scrap	5,633,761	6,615,104
Profit on disposal of property, plant and equipment	916,557	11,860
Miscellaneous	238,200	288,966
	251,482,412	267,410,519
16 Other operating charges		
Donations	5,910,000	15,751,800
Foreign currency exchange loss	54,026,436	-
Workers' Profit Participation Fund	166,613,266	173,555,009
Workers' Welfare Fund	66,410,744	65,375,788
	292,960,446	254,682,597
17 Taxation		
Current		
- for the year	1,012,973,069	992,692,580
- prior	-	-
	1,012,973,069	992,692,580
Deferred	(84,991,031)	(56,540,472)
	927,982,038	936,152,108
	(Un-audited) March 31, 2019 Rupees	(Un-audited) March 31, 2018 Rupees
18 Cash and cash equivalents		
Cash and bank balances	400,684,172	567,457,710
Term deposit receipts	2,300,000,000	3,950,000,000
	2,700,684,172	4,517,457,710

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

For nine months ended 31 March 2019

19. 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 March 2019- (Un-audited)						
Financial assets measured at fair value						
Equity securities of listed company	288,600	-	-	-	288,600	-
Investment in mutual funds - Shurrah compliant	-	251,343,077	-	-	251,343,077	-
	288,600	251,343,077	-	-	251,611,677	-
Financial assets not measured at fair value						
Long term deposits	-	-	125,326,640	-	125,326,640	-
Trade debts - unsecured, considered good	-	-	764,033,933	-	764,033,933	-
Short term investments	-	-	2,300,000,000	-	2,300,000,000	-
Advances, deposits and other receivables	-	-	259,380,521	-	259,380,521	-
Cash and bank balances	-	-	400,684,172	-	400,684,172	-
19.1	-	-	3,849,425,266	-	3,849,425,266	-
Financial liabilities measured at fair value						
Financial liabilities not measured at fair value						
Long term finances - secured	-	-	-	5,537,985,848	5,537,985,848	-
Long term deposits	-	-	-	2,036,100	2,036,100	-
Trade and other payables	-	-	-	2,656,580,310	2,656,580,310	-
Mark-up accrued on borrowings	-	-	-	50,746,438	50,746,438	-
19.1	-	-	-	8,247,348,696	8,247,348,696	-

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

For nine months ended 31 March 2019

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						
30 June 2018 - (Audited)						
Financial assets measured at fair value						
Equity securities of listed company	418,400	-	-	-	418,400	418,400
Investment in mutual funds - Shariah compliant	-	1,409,373,650	-	-	1,409,373,650	-
	418,400	1,409,373,650	-	-	1,409,792,050	-
Financial assets not measured at fair value						
Long term loans to employees	-	-	446	-	446	-
Long term deposits	-	-	125,326,640	-	125,326,640	-
Trade debts - unsecured, considered good	-	-	645,524,139	-	645,524,139	-
Short term investments	-	-	3,750,000,000	-	3,750,000,000	-
Advances, deposits and others receivables	-	-	274,784,367	-	274,784,367	-
Cash and bank balances	-	-	824,427,690	-	824,427,690	-
19.1	-	-	5,620,063,282	-	5,620,063,282	-
Financial liabilities measured at fair value						
Financial liabilities not measured at fair value						
Long term financing	-	-	-	426,315,784	426,315,784	-
Long term deposits	-	-	-	2,036,100	2,036,100	-
Trade and other payables	-	-	-	1,917,000,356	1,917,000,356	-
Mark-up accrued on borrowings	-	-	-	3,830,579	3,830,579	-
19.1	-	-	-	2,349,182,819	2,349,182,819	-

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

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

For nine months ended 31 March 2019

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

	For nine months ended 31 March 2019			
	Liabilities			
	Long term finances	Short term borrowings	Dividend payable	Total
	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 <i>Term finance - Line-4</i>	(213,157,896)	-	-	(213,157,896)
Proceeds from long term finances - secured	5,604,476,215	-	-	5,604,476,215
Repayment of long term finances - secured	(279,648,255)	-	-	(279,648,255)
Proceeds from short term borrowings	-	243,000,000	-	243,000,000
Dividend paid	-	-	(762,846,833)	(762,846,833)
Total changes from financing cash flows	5,111,670,064	243,000,000	(762,846,833)	4,591,823,231
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 March 2019 (Un-audited)	5,537,985,848	243,000,000	49,219,552	5,830,205,400

	For nine months ended 31 March 2018			
	Liabilities			
	Long term finances	Short term borrowings	Dividend payable	Total
	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	(213,157,896)	-	-	(213,157,896)
Repayment of short term borrowings	-	(200,000,000)	-	(200,000,000)
Dividend paid	-	-	(306,604,344)	(306,604,344)
Total changes from financing cash flows	(213,157,896)	(200,000,000)	(306,604,344)	(719,762,240)
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 March 2018 (Un-audited)	497,368,416	-	39,522,935	536,891,351

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

For nine months ended 31 March 2019

21 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 these condensed interim financial statements are as follows:

Parties	Percentage of Holding	Relationship	Nature of transactions	(Un-Audited) July 1-Mar. 31 2019 Rupees	(Un-Audited) July 1-Mar. 31 2018 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 Holding Co.	Purchase of packing material	614,082,220	427,538,350
Palace Enterprise (Private) Limited		Common Directorship	Accommodation Services	142,567	390,506
Art Vision (Private) Limited		Common Directorship	Sale of light vehicle	-	1,957,000
Provident Fund Trust		Post employment benefit plan	Contribution	12,116,465	9,871,193
Kohat Cement Education Trust		Common Trusteeship/ Director	Contribution	3,209,873	1,016,720
Others					
Key management personnel (Chief Executive)		Directors	Remuneration and other benefits	38,497,473	32,905,625
Key management personnel (Executive Director)		Directors	Remuneration and other benefits	37,841,478	32,905,625
Key management personnel (Other Executives)		Other Executives	Remuneration and other benefits	85,494,992	60,403,968
Directors	-		Dividend paid	1,238,860	768,944

22 Date of authorization for issue

These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on April 29, 2019.

23 General

Figures have been rounded off to the nearest rupee.



Chief Executive



Chief Financial Officer



Director



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