

# KOHAT CEMENT COMPANY LIMITED

Ref. No. KCCL/TCL/20/40

April 28, 2020

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


**Subject: Transmission of Quarterly Report for the Period Ended March 31, 2020**

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended March 31, 2020 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.



**Head Office:** 37-P, Gulberg II, Lahore - Pakistan.  
UAN: +92-42-11-111-KCCL, (5225) Fax: +92-42-3575-4084, 3587-4990  
Web: [www.kohatcement.com](http://www.kohatcement.com)





# THE **ART** OF SUSTAINABILITY

Kohat Cement Company Limited

3<sup>rd</sup> Quarter Report - March 31, 2020



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# CORPORATE INFORMATION

## Board of Directors

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

## Audit Committee

Mr. Talha Saeed Ahmed	<i>Chairman</i>
Mr. Aizaz Mansoor Sheikh	<i>Member</i>
Mr. Muhammad Atta Tanseer Sheikh	<i>Member</i>

## HR&R Committee

Mr. Ahmad Sajjad Khan	<i>Chairman</i>
Mr. Nadeem Atta Sheikh	<i>Member</i>
Mr. Muhammad Atta Tanseer Sheikh	<i>Member</i>

## 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 - 3575 4990  
Email: [mis@kohatcement.com](mailto:mis@kohatcement.com)  
Web: [www.kohatcement.com](http://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 your Company herein present the financial and operating results for 3rd Quarter and Nine months ended March 31, 2020 pertaining to Financial Year 2019-20.

## Over all Review of Industry

Cement dispatches have registered a growth of 7.06% during the nine-month period ended March 31, 2020 compared to last year. Total dispatches of 37.04 Million Tons were made by cement sector during this period as compared to 34.59 MT dispatches made during the comparable period of last year. This growth was mainly led by exports which have grown by 25.63% to 6.45 Million Tons (2019: 5.13 MT) during current reporting period. Domestic dispatches also registered a growth of 3.83% from 29.46 million tons reported in last nine months to 30.59 million tons during the current nine months.

Operational performance of your Company is summarized as under:

	Jan-March		M. Tons	
	2020	2019	2020	2019
Clinker Production	525,461	615,788	1,586,210	1,694,240
Cement Production	586,005	554,909	1,788,401	1,841,235
Domestic Sales	581,346	531,701	1,663,457	1,710,087
Export Sales	32,505	23,843	94,791	83,101
Total Sales *	613,851	555,544	1,758,248	1,793,188

\* Total sales figure for the period July-March 2020 and Jan-March 2020 include cement dispatches of 110,797 M Tons and 62,807 M Tons respectively, made from new grey cement plant (Line 4) during the test runs.

## Financial Performance and Future Outlook

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

	3rd Quarter (Jan-Mar)		Nine Months (July-Mar)	
	2020	2019	2020	2019
Net Sales	2,551,984,679	3,850,286,877	8,573,093,454	12,241,938,856
Gross Profit/(Loss)	(217,717,208)	1,055,033,977	(61,745,435)	3,431,832,620
GP Ratio	-8.53%	27.40%	-0.72%	28.03%
Operating Profit/(Loss)	(260,206,206)	928,723,315	(119,517,469)	3,134,482,615
OP Ratio	-10.20%	24.12%	-1.39%	25.60%
EBITDA	(34,142,360)	1,082,962,495	402,879,402	3,583,007,536
Net Profit/(Loss) after tax	(381,080,315)	644,363,498	(283,315,648)	2,171,259,266
Net Profit after tax Ratio	-14.93%	16.74%	-3.30%	17.74%
Earnings per share (Rs.)	(1.90)	3.21	(1.41)	10.81

The major reason for loss in the period under review is the sharp decline in cement sales prices which plunged by 33% and 24% in third quarter and nine-month respectively over the prices in comparable period of last year. Moreover, increase in electricity and other inputs costs pushed up the cost of production which along with charging of finance costs of PKR 146.6 million (2019: Rs. Nil) to profit & loss account on capitalization of Line 4, have further negatively affected the profitability of the Company during the period under review.

We are hopeful that the recent construction package announced by PM to dilute the effect of Covid-19 on the economy and construction of low cost housing facilities under Naya Pakistan Housing Programme may spur the cement demand in the country. Further, reduction in global oil and coal prices coupled with reduced markup rates shall also positively affect the profitability of the Company in the periods to come.

Since the outcome of these measures is unpredictable and any adverse impact of COVID-19 on Company's operations as well as on overall economic conditions of the Country may further strain the profitability / liquidity of the Company, therefore, the Company has applied its lenders for deferment of one year principal repayments of PKR 1,034 million, in terms of SBP Circular No: BPRD Circular Letter No. 13 dated March 26, 2020. However, at present the Company is current on its all debt obligations.

## Successful Completion of Brownfield Expansion Project (Line 4)

The additional Grey Cement Production Line of 7,800 tons per day, at the existing site has successfully commenced Commercial Operations with effect from January 27, 2020, enhancing the total installed Cement production capacity of the Company from 2,953,500 Tons per annum to 5,293,500 Tons per annum. After this additional capacity, your Company now ranked at fourth place in the north zone in terms of market share.



## Employee Safety

Our employees are our assets whose care is our foremost priority. To fight the widespread coronavirus and to prevent our employees from this disease, the company, in accordance with government's SOPs, has devised various safety plans to handle the outbreak among the employees and stakeholders. These safety plans include maintaining good sanitary conditions and hygiene, spreading awareness for safety of employees and their families, frequent washing of hands with soap and water, use of sanitizers, avoiding touching eyes, mouth and nose and maintaining social distancing at work places.

Limited staff is being called on work by the Company (online working from home by employees is preferred) and temperature screening and disinfecting on their entering the office buildings and masks wearing at all times is compulsory.

## Acknowledgments

We really admire for the sincere efforts and services put in by all the stakeholders including the company's employees for their excellent support and efforts, hard work and trust.

For and on behalf of the Board



**Nadeem Atta Sheikh**  
Chief Executive



**Talha Saeed Ahmed**  
Director

Lahore: April 23, 2020

کمپنی میں کام کیلئے محدود ملازمین کو بلا یا جاتا ہے (ملازمین کا گھر پر رہتے ہوئے ان کا کام کرنے کو ترجیح دی جاتی ہے)۔ آفس کی عمارت میں داخلے کے وقت درج حرارت کی جانچ اور جراثیم کش سپرے (Spray) کیا جاتا ہے اور تمام دفتری اوقات میں ماسک پہننا لازمی قرار دیا گیا ہے۔

انٹیمپل انشورنس

کمپنی کی انتظامیہ تبدل سے کمپنی کے تمام شراکت داروں کی کاوشوں اور خدمات کے ساتھ کمپنی کے ملازمین کے بہترین تعاون، کاوشوں، محنت اور اعتماد کو سراہتی ہے۔

برائے و مخائب بورڈ آف ڈائریکٹرز



طلحہ سعید احمد  
ڈائریکٹر



ندیم عطاء شیخ  
چیف ایگزیکٹو

لاہور: 23 اپریل، 2020

## ڈائریکٹرز جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ، 2020 کو ختم ہونے والے مالی سال 2019-20 کی تیسری سہ ماہی اور نو ماہی کے مالیاتی اور پیدوار کی سرکاری رپورٹیں کارکردگی کے گوشوارے پیش کرتے ہیں۔

### منصوب کارکردگی:

31 مارچ 2020 کو ختم ہونے والی نو ماہی کے دوران سینٹ انڈسٹری کی ترسیلات کا حجم 37.04% (2019: 34.59) ملین ٹن رہا، جو گزشتہ سال اسی دورے کی ترسیلات کے مقابلے میں 7.06% زیادہ ہیں۔ اس اضافے کی اہم وجہ برآمدات میں اضافہ ہے، جن کا حجم 6.45% (2019: 5.13) ملین ٹن رہا اور زیر جائزہ دورے میں اضافے کی شرح 25.63% رہی۔ گزشتہ سال کے نو ماہ کے دوران خامی ترسیلات کا حجم 29.46 ملین ٹن تھا جو زیر جائزہ نو ماہی کے دوران بڑھ کر 30.59 ملین ٹن ہوا اور اضافے کی شرح 3.83% رہی۔

### پیدواری کارکردگی:

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

جولائی تا مارچ	جولائی تا مارچ	جولائی تا مارچ	جولائی تا مارچ
2020	2019	2020	2019
میلوکری	میلوکری	میلوکری	میلوکری
525,461	615,788	1,586,210	1,694,240
586,005	554,909	1,788,401	1,841,235
581,346	531,701	1,663,457	1,710,087
32,505	23,843	94,791	83,101
613,851	555,544	1,758,248	1,793,188

\* جولائی تا مارچ 2020ء اور جنوری تا مارچ 2020ء کے کل فروخت کے اعداد و شمار میں کمپنی کی بنی تصنیب کردہ لائن 4 سے آزمائشی بنیادوں پر ہونے والی ہلکتی 110,797 ملین ٹن اور 62,807 ملین ٹن پیدوار کی ترسیلات بھی شامل ہیں۔

### مالیاتی کارکردگی اور مستقبل کے امکانات

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

تیسری سہ ماہی (جولائی تا مارچ)	تیسری سہ ماہی (جولائی تا مارچ)	تیسری سہ ماہی (جولائی تا مارچ)	تیسری سہ ماہی (جولائی تا مارچ)
2020	2019	2020	2019
پے	پے	پے	پے
2,551,984,679	3,850,286,877	8,573,093,454	12,241,938,856
(217,177,208)	1,055,033,977	(61,745,435)	3,431,832,620
-8.53%	27.40%	-0.72%	28.03%
(260,206,206)	928,723,315	(119,517,468)	3,134,482,615
-10.20%	24.12%	-1.39%	25.60%
(34,142,360)	1,082,962,495	402,879,402	3,583,007,536
(381,080,315)	644,363,498	(283,315,648)	2,171,259,266
-14.93%	16.74%	-3.30%	17.74%
(1.9)	3.21	(1.41)	10.81

زیر جائزہ مدت کے دوران خسارے کی بڑی وجہ سینٹ کی قیمت فروخت میں تیزی سے ہونی والی کمی ہے جو گزشتہ سال کے مقابلے میں 33% اور 24% تک گر گئیں۔ بجلی اور دیگر پیدواری ماہی اور نو ماہی کے دوران ہلکتی 33% اور 24% تک گر گئیں۔ بجلی اور دیگر پیدواری عوامل کی لاگت میں اضافے نے باعث پیدواری لاگت میں اضافہ ہوا اس کے علاوہ لائن 4 کی کچلا کریشن کے باعث 146.6 (2019: Nil) ملین روپے خرچہ کا نقصان نقصان کھاتے میں اندراج ہوا جس نے زیر جائزہ مدت کے دوران کمپنی کے منافع پر منفی اثرات ڈالے ہیں۔

بہمیں امید ہے کہ وزیر اعظم کی جانب سے جس حالیہ تیزی کے اعلان کیا گیا ہے، وہ کوڈ 19 سے معیشت پر اثرات کو کم کرے گا اور دنیا پاکستان باؤسنگ پروگرام کے تحت کم لاگت کی رہائشی سہولیات کی تعمیر سے ملک میں سینٹ کی مانگ میں معقول اضافہ ممکن ہے۔ مزید یہ کہ عالمی سطح پر تیل اور کھانے کی قیمتوں میں کمی کے علاوہ شرح سود میں کمی آنے والے ادوار میں کمپنی کے منافع پر مثبت اثرات ہوں گے۔

چونکہ مذکورہ بالا اقدامات کا نتیجہ غیر متوقع ہے اور کوڈ 19 کا کمپنی کے کاروباری اور مجموعی ملکی معاشی حالات پر کوئی منفی اثر نہیں کے منافع پر لکھائی گئی پر منفی اثرات کا باعث بن سکتا ہے، لہذا کمپنی نے 26 مارچ، 2020ء کو نیٹ بینک آف پاکستان کی طرف سے جاری کردہ مرکز نمبر 1 پی آر ڈی مرکز لکھنؤ 13 کی رو سے، اپنے قرض و ہندگانی سے ایک سال کی مدت کیلئے قرض کی اصل ادائیگی کی مدت میں 1,034 ملین روپے کی ادائیگی متاخر کرنے کی درخواست کی ہے۔ تاہم، اس وقت کمپنی اپنی مالیاتی ذمہ داریوں کی بروقت ادائیگی کر رہی ہے۔

### سینٹ پلانٹ کے توسیعی منصوبے کی کامیاب تکمیل (لائن 4)

موجودہ فیکٹری میں 7800 ٹن یومیہ پیدوار کی صلاحیت کی حامل اضافی گرے سینٹ پروڈکشن لائن 27 جنوری، 2020ء سے تجارتی بنیادوں پر پیدوار کا آغاز کر رہا ہے۔ اس اضافی پلانٹ کی بدولت مجموعی طور پر کمپنی کی پیدواری صلاحیت 2,953,500 ٹن سالانہ سے بڑھ کر 5,293,500 ٹن سالانہ ہو چکی ہے۔ اضافی پیدواری صلاحیت کے حصول کے بعد لائیو زون میں مارکیٹ شیئر کی وجہ بندی کے لحاظ سے آگے کمپنی چوتھے (4) نمبر پر آ چکی ہے۔

### ماز میں کا مختص

ہمارے ماز میں ہمارا اثاثہ ہیں، جن کا خیال رکھنا ہماری اولین ترجیح ہے۔ بڑے پیمانے پر پہلے جو کوئی نو ماہی وائرس کے خاتمے اور اپنے ماز میں کوئی بیماری سے محفوظ رکھنے کیلئے قومی ادارہ صحت کی جاری کردہ ہدایات کے مطابق کمپنی نے ماز میں اور دیگر شراکت داروں میں اس بیماری کے پھیلاؤ کو روکنے کیلئے منصوبہ بنایا ہے۔ ان میں حفاظتی منصوبہ جات میں صفائی ستھرائی اور حفظان و صحت کو برقرار رکھنے کا مناسب انتظام، ماز میں اور ان کے اہل خانہ کے تحفظ کے حوالے سے معلومات کی فراہمی، باقاعدگی کا صحت سے بار بار جھونا، سپینچر کا استعمال، آنکھوں، منہ اور ناک کو چھونے سے گریز اور کام کی جگہوں پر ہائیڈروکسی فاسل کا برقرار رکھنا شامل ہیں۔

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at 31 March 2020

	Note	(Un-audited) March 31 2020 Rupees	(Audited) June 30 2019 Rupees
<b>EQUITY AND LIABILITIES</b>			
Authorized share capital		3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital		2,008,612,970	2,008,612,970
Reserves		119,894,665	119,822,865
Accumulated profit		16,758,734,138	17,544,203,029
		18,887,241,773	19,672,638,864
<b>Non-current liabilities</b>			
Long term financing - secured	5	4,585,599,073	4,399,930,462
Long term deposits		2,036,100	106,893,805
Deferred liabilities			
- deferred taxation		1,412,341,738	1,596,244,399
- compensated absences		16,032,530	15,256,864
		6,016,009,441	6,118,325,530
<b>Current liabilities</b>			
Current portion of long term financing	5	1,034,358,120	1,004,220,652
Trade and other payables	6	3,695,213,485	3,800,459,447
Contract liability - (Advances from customers)		84,622,383	99,319,101
Unclaimed dividend		9,416,974	9,416,974
Dividend payable		38,597,374	35,734,335
Short term borrowings - secured	7	1,141,480,512	243,000,000
Provision for taxation - net		93,183,761	228,925,097
Mark-up accrued on borrowings		227,385,785	102,829,378
		6,324,258,394	5,523,904,984
Contingencies and commitments	8		
		31,227,509,608	31,314,869,378
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	9	22,749,474,430	21,873,958,579
Intangibles		12,435,596	13,878,685
Long term loans and advances		-	90,603,485
Long term deposits		38,326,640	38,326,640
Investment property	10	3,691,866,635	3,691,839,635
		26,492,103,301	25,708,607,024
<b>Current assets</b>			
Stores, spares and loose tools		2,464,598,525	1,410,927,789
Stock-in-trade		795,455,126	709,231,912
Trade debts - unsecured, considered good		539,134,634	714,060,503
Short term investments	11	160,279,000	1,947,138,780
Advances, deposits, prepayments and other receivables		516,144,182	391,017,347
Cash and bank balances	12	259,794,840	433,886,023
		4,735,406,307	5,606,262,354
		31,227,509,608	31,314,869,378

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.



Chief Executive



Chief Financial Office



Director

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

For nine months and quarter ended 31 March 2020

	Note	Jul.01-Mar.31 2020 Rupees	Jul.01-Mar.31 2019 Rupees	Jan.01-Mar.31 2020 Rupees	Jan.01-Mar.31 2019 Rupees
Sales - net	13	8,573,093,454	12,241,938,856	2,551,984,679	3,850,286,877
Cost of sales	14	(8,634,838,889)	(8,810,106,236)	(2,769,701,887)	(2,795,252,900)
<b>Gross Profit / (Loss)</b>		(61,745,435)	3,431,832,620	(217,717,208)	1,055,033,977
Selling and distribution expenses		(45,384,733)	(64,134,301)	(15,382,714)	(20,961,412)
Administrative and general expenses		(179,084,050)	(191,737,670)	(62,837,709)	(64,259,466)
Other income		180,904,273	251,482,412	27,555,430	80,424,141
Other expenses		(14,207,524)	(292,960,446)	8,175,995	(121,513,925)
		(57,772,034)	(297,350,005)	(42,488,998)	(126,310,662)
<b>Operating Profit / (Loss)</b>		(119,517,469)	3,134,482,615	(260,206,206)	928,723,315
Finance cost		(195,215,075)	(35,241,311)	(175,757,979)	(11,502,117)
<b>Profit / (Loss) before taxation</b>		(314,732,544)	3,099,241,304	(435,964,185)	917,221,198
Taxation	15	31,416,896	(927,982,038)	54,883,870	(272,857,700)
<b>Profit / (Loss) after taxation</b>		(283,315,648)	2,171,259,266	(381,080,315)	644,363,498
<b>Earning / (Loss) per share (basic and diluted)</b>		(1.41)	10.81	(1.90)	3.21

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.



Chief Executive



Chief Financial Office



Director

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For nine months and quarter ended 31 March 2020

	Jul.01-Mar.31 2020 Rupees	Jul.01-Mar.31 2019 Rupees	Jan.01-Mar.31 2020 Rupees	Jan.01-Mar.31 2019 Rupees
Profit after taxation	(283,315,648)	2,171,259,266	(381,080,315)	644,363,498
<b>Other comprehensive income for the period</b>				
Items that will not be reclassified to statement of profit or loss:				
Equity investment at fair value through OCI - net changes in fair value	71,800	(149,800)	6,400	(47,401)
<b>Total comprehensive income for the period</b>	<b>(283,243,848)</b>	<b>2,171,109,466</b>	<b>(381,073,915)</b>	<b>644,316,097</b>

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.



Chief Executive



Chief Financial Office



Director

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For nine months ended 31 March 2020

	Note	Jul.01-Mar.31 2020 Rupees	Jul.01-Mar.31 2019 Rupees
<b>Cash flow from operating activities</b>			
Profit before taxation		(314,732,544)	3,099,241,304
Adjustments for:			
Depreciation on property, plant and equipment	9.1	518,813,782	445,550,707
Amortization on intangible assets		3,583,089	2,974,214
(Gain) / loss on disposal of property, plant and equipment		2,477,511	(916,557)
Interest on bank deposits and investments		(38,657,583)	(223,567,856)
Realized gain on investment at fair value through profit and loss		(96,855,117)	(17,604,136)
Net Change in fair value of investments at FVTPL		–	40,064,746
Foreign currency exchange gain		(32,130,555)	2,869,882
Provision for compensated absences		3,599,991	54,026,436
Provision for Workers' Welfare Fund		–	66,410,744
Provision for Workers' Profit Participation Fund		–	166,613,266
Finance cost		195,215,075	35,241,311
		556,046,193	571,662,757
<b>Cash generated from operations before working capital changes</b>		241,313,649	3,670,904,061
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(1,053,670,736)	431,092,756
Stock-in-trade		(86,223,214)	(200,473,660)
Trade debts		174,925,869	(118,509,794)
Advances, deposits, prepayments and other receivables		(125,477,643)	307,176,852
Increase / (decrease) in current liabilities:			
Trade and other payables		(105,149,350)	800,165,994
Contract liability - (Advances from customers)		(14,696,718)	2,971,913
		(1,210,291,792)	1,222,424,061
<b>Cash (used in) / generated from operations</b>		(968,978,142)	4,893,328,122
Compensated absences paid		(2,824,325)	(2,162,476)
Finance cost paid		(564,034,662)	(219,520,591)
Income tax paid		(361,050,863)	(768,235,477)
<b>Net cash (used in) / generated from operating activities</b>		(1,896,887,993)	3,903,409,578
<b>Cash flow from investing activities</b>			
Acquisition of property, plant and equipment		(814,885,290)	(11,703,256,458)
Proceeds from disposal of property, plant and equipment		5,043,358	2,335,265
Acquisition of intangible assets		(2,140,000)	(1,152,492)
Acquisition of investment property		(27,000)	(23,613,100)
Investment at fair value through profit and loss - net		1,743,786,697	1,135,569,963
Long term loans and advances - net		–	446
Profit on bank deposits		39,008,391	221,140,048
<b>Net cash generated from / (used in) investing activities</b>		970,786,156	(10,368,976,327)
<b>Cash flow from financing activities</b>			
Long term finances - secured - net		212,820,346	5,111,670,064
Short term finances - secured - net		898,480,512	243,000,000
Dividend paid		(499,290,204)	(762,846,833)
<b>Net cash generated from financing activities</b>		612,010,654	4,591,823,231
<b>Net decrease in cash and cash equivalents</b>		(314,091,183)	(1,873,743,518)
<b>Cash and cash equivalents at beginning of the period</b>		683,886,023	4,574,427,690
<b>Cash and cash equivalents at end of the period</b>	16	369,794,840	2,700,684,172

The annexed notes from 1 to 20 form an integral part of this 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 2020

	Reserves						
	Capital reserves			Revenue reserves			Total
	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profit	Total reserves	
				Rupees			
<b>Balance as at 30 June 2018 - audited</b>	1,545,086,900	49,704,951	329,114	70,000,000	16,311,616,659	16,431,650,724	17,976,737,624
<b>Total comprehensive income for the year</b>							
Profit for the nine months ended 31 March 2019	-	-	-	-	2,171,259,266	2,171,259,266	2,171,259,266
Other comprehensive loss for the 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
<b>Transactions with owners of the Company</b>							
Final cash dividend at Rs. 5.0 per share for 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)	-
<b>Balance as at 31 March 2019 - unaudited</b>	2,008,612,970	49,704,951	179,314	70,000,000	17,246,806,405	17,366,690,670	19,375,303,640
<b>Balance as at 30 June 2019 - audited</b>	2,008,612,970	49,704,951	117,914	70,000,000	17,544,203,029	17,684,025,894	19,672,638,864
<b>Total comprehensive income for the period</b>							
Loss for the nine months ended 31 March 2020	-	-	-	-	(283,315,648)	(283,315,648)	(283,315,648)
Other comprehensive income for the nine months ended 31 March 2020	-	-	71,800	-	-	71,800	71,800
	-	-	71,800	-	(283,315,648)	(283,243,848)	(283,243,848)
<b>Transactions with owners of the Company</b>							
Final cash dividend at Rs. 2.50 per share for the year ended 30 June 2019	-	-	-	-	(502,153,243)	(502,153,243)	(502,153,243)
<b>Balance as at 31 March 2020 - unaudited</b>	2,008,612,970	49,704,951	189,714	70,000,000	16,758,734,138	16,878,628,803	18,887,241,773

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.



Chief Executive



Chief Financial Office



Director

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

For nine months ended 31 March 2020

## 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.

The Company has successfully commenced commercial operations from its new grey cement line (including waste heat recovery power plant) having capacity of 7,800 tons per day with effect from 27 January 2020. After setting up of this additional line, the total installed Cement production capacity of the Company has enhanced from 2,953,500 tons per annum to 5,293,500 tons per annum.

- 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 the condensed interim statement of financial position of the Company, as at 31 March 2020 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 2019. 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 2019, 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 2019.
- 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.

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

For nine months ended 31 March 2020

## 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.

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 2019.

## 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 2019 except for the adoption of new standards effective as of 1 July 2019 as stated below:

### 4.1.1 Change in accounting policy

The Company has adopted IFRS 16 'Leases' from 01 July 2019 which is effective from the annual periods beginning on or after 01 January 2019. There are other new standards which are effective from 01 July 2019 but they do not have a material effect on the Company's condensed interim financial statements. The detail of new significant accounting policy adopted and the nature and effect of the change from previous accounting policy is set out below:

#### IFRS 16 - Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Company has elected to apply practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 01 January 2019.

#### As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognizes right of use assets and lease liabilities for material leases i.e. these leases are on balance sheet.

The Company presents right-of-use assets in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns.

The Company presents non-current and current portion of related lease liabilities in the statement of financial position considering their due dates for payment.

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

For nine months ended 31 March 2020

## Significant accounting policies

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company has used its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement.

The Company has elected not to recognize right of use assets and lease liabilities for leases that are of low value or with less than 12 months of lease term. The Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

## Transition

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Did not recognize right of use assets and liabilities for leases of low value items.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

## Impact on condensed interim financial statements

The Company has applied IFRS 16 using the modified retrospective approach. However none of the leases prior to 01 July 2019 have been considered as significant for purpose of application of IFRS 16 and accordingly the application of IFRS 16 has no impact on the opening retained earnings.

- 4.1.2** Other than those disclosed above in note 4.1.1, there were certain other new amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

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

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

For nine months ended 31 March 2020

## Amendments and interpretations of approved accounting standards

- IFRS 14 Regulatory Deferral Accounts 01 January 2020
- Amendment to IFRS 3 - Business Combinations – Definition of a Business 01 January 2020
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors 01 January 2020
- Revised Conceptual Framework for Financial Reporting. Tool for the IASB to develop standards and to assist the IFRS Interpretations. 01 January 2020
- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 01 January 2020

	Note	(Un-audited) March 31 2020 Rupees	(Audited) June 30 2019 Rupees
<b>5 Long term finances - secured</b>			
<b>Syndicated term finance - WHR</b>			
Opening		142,105,256	426,315,784
Paid during the period / year		(142,105,256)	(284,210,528)
Less: Current maturity presented under current liabilities		–	(142,105,256)
		–	–
<b>Term finance - Line-4</b>			
Opening		5,282,253,128	–
Disbursement during the period	5.1	1,135,426,440	5,777,430,226
Repaid during the period		(775,768,590)	(495,177,098)
		5,641,910,978	5,282,253,128
Less: Current maturity presented under current liabilities	5.2	(1,034,358,120)	(862,115,396)
Less: Transaction cost		(21,953,785)	(20,207,270)
		4,585,599,073	4,399,930,462

**5.1** This includes Rs. 600 million (30 June 2019: Rs. Nil) drawn from Samba Bank Limited during the period under a long term finance facility to finance the construction of new 7,800 tons per day grey cement line. This facility carries mark up at the rate of 3 months KIBOR plus 1.05% per annum which is payable quarterly in arrears. The principal is repayable in 28 equal quarterly installments started from 30 September 2019. This facility is secured by way of first parri passu charge of Rs. 800 million over all present and future fixed assets of the Company and personal guarantees of sponsoring directors. Whereas, the balance disbursement is drawn from the facilities as reported in note 6.2 & 6.3 of annual audited financial statements for the year ended 30 June 2019.

**5.2** Considering the impact of COVID-19 on Company's operations and overall economic conditions of the Country, the Company has applied its lenders for deferment of one year principal repayments in term of SBP Circular No: BPRD Circular Letter No. 13 dated March 26, 2020.

In case, the bank approves the deferral request of the company, there will be no repayment of principal amount during next twelve months against this current portion of Rs.1.034 billion.

Further, as per the financing documents, the Company is required to comply with certain financial covenants which mainly include current ratio, minimum debt service coverage ratio, gearing ratio and maximum leverage ratio, which would be assessed by the banks annually on the basis of annual audited financial statements. The company has also requested its lenders to defer testing of financial covenants till 30 June 2021.

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

For nine months ended 31 March 2020

	Note	(Un-audited) March 31 2020 Rupees	(Audited) June 30 2019 Rupees
<b>6 Trade and other payables</b>			
Trade creditors - Local	6.1	861,872,954	257,486,897
Trade creditors - imports		1,711,908	26,502,151
Contractors' bills payable		26,412,575	344,779,736
Accrued liabilities		242,534,067	304,745,017
Payable to Workers' Profit Participation Fund		1,349,151,588	1,349,151,588
Payable to Workers' Welfare Fund		838,217	73,661,979
Payable to Provident Fund Trust		3,208,779	2,987,471
		2,485,730,088	2,359,314,839
<i>Payable to Government on account of:</i>			
Income tax deducted at source		11,260,132	8,293,619
Sales tax		80,144,300	–
Federal excise duty		406,139,804	246,230,224
Royalty and excise duty		84,410,958	68,758,783
		581,955,194	323,282,626
Retention money payable		346,927,986	857,470,136
Securities deposits		4,729,192	4,549,192
Other payables		275,871,025	255,842,654
		627,528,203	1,117,861,982
		3,695,213,485	3,800,459,447

- 6.1** This includes Rs. 422.61 million (30 June 2019: nil) payable to M/s Ultra Pack (Private) Limited, related party of the Company.

	Note	(Un-audited) March 31 2020 Rupees	(Audited) June 30 2019 Rupees
<b>7 Short term borrowings - secured</b>			
Mark-up based borrowings from conventional banks:			
Export refinances	7.1	308,000,000	243,000,000
Short term finances	7.2	833,480,512	–
		1,141,480,512	243,000,000

- 7.1** This facility is availed from a commercial bank, under mark-up arrangement carrying mark-up at SBP export refinance rate plus 1% (30 June 2019 : SBP export refinance rate plus 0.25% ) per annum and are available for a period of 180 days and can be rolled over for a further period of 180 days.

- 7.2** Short term finances excluding ERF available from different commercial banks amount to Rs. 2,255 million (30 June 2019: Rs. 750 million). These facilities carry mark-up rate ranging from 3 to 6 month kibar plus 0.75% to 1.5% (30 June 2019: 3 month kibar plus 1% to 1.5%) per annum.

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

For nine months ended 31 March 2020

## 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 2019.

	Note	(Un-audited) March 31 2020 Rupees	(Audited) June 30 2019 Rupees
<b>8.2 Commitments</b>			
<i>In respect of letters of credit for:</i>			
- stores and spares		77,456,882	47,138,291

## 9 Property, plant and equipment

Operating fixed assets	9.1	22,602,199,190	8,008,186,210
Capital work in progress	9.2	147,275,240	13,865,772,369
		22,749,474,430	21,873,958,579

### 9.1 Operating fixed assets

Opening written down value		8,008,186,210	7,960,021,087
<i>Add: Additions during the period / year (cost)</i>			
Freehold Land		154,688,800	—
Factory buildings		320,847,094	203,807,125
Office and other building		—	3,477,555
Housing colony		—	61,218,788
Plant, machinery and equipment including plant civil structures		14,568,049,549	354,296,646
Power Installations		—	2,100,000
Furniture, fixtures and office equipment		13,262,295	25,963,062
Computers and printers		1,715,849	6,019,194
Weighing Scale		19,855,429	3,650,000
Light vehicles		40,632,370	17,275,759
Heavy vehicles		—	3,907,606
Laboratory equipment		1,296,245	42,988
		15,120,347,631	681,758,723
<i>Less: Disposals during the period / year (written down value)</i>			
Plant, machinery and equipment		(5,589,803)	(46,489,135)
Light vehicles		(1,931,067)	(1,496,164)
Laboratory equipment		—	(427,191)
		(7,520,869)	(48,412,490)
<i>Less: Depreciation charge for the period / year</i>		(518,813,782)	(585,181,110)
Closing written down value		22,602,199,190	8,008,186,210

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

For nine months ended 31 March 2020

	Note	(Un-audited) March 31 2020 Rupees	(Audited) June 30 2019 Rupees
<b>9.2 Capital work in progress</b>			
Balance at beginning of the period / year		13,865,772,369	1,153,040,980
Add: Additions during the period / year		1,168,621,093	13,264,278,060
Less: Transfers to fixed assets during the period / year		(14,887,118,222)	(551,546,671)
		147,275,240	13,865,772,369
<b>10 Investment property</b>			
Opening balance		3,691,839,635	3,655,622,685
Additions during the period / year		27,000	36,216,950
	10.1	3,691,866,635	3,691,839,635

**10.1** The latest valuation of investment property was carried out as at 30 June 2019, and according to that the market value of investment property, excluding additions during the period of Rs. 0.027 million, was Rs. 5,420.92 million. The fair value measurement for the investment property has been categorized as a level 3 fair value based on the inputs to the valuation techniques used.

	(Un-audited) March 31 2020 Rupees	(Audited) June 30 2019 Rupees
<b>11 Short term investments</b>		
<b>FVOCI - listed equity securities</b>		
<i>Gharibwal Cement Limited:</i>		
Cost	89,286	89,286
Accumulated fair value gain	189,714	117,914
	279,000	207,200
<b>FVOCI - debt instrument</b>		
Term Finance Certificates	50,000,000	50,000,000
<b>FVTPL</b>		
Income mutual funds - Shariah compliant	—	575,426,241
Money Market Mutual Funds	—	1,071,505,339
	—	1,646,931,580
<b>Amortized Cost - debt instrument</b>		
Investment in term deposit receipts	110,000,000	250,000,000
	160,279,000	1,947,138,780

## 12 Cash and bank balances

These include Rs. 149.27 million (June 30, 2019: Rs. 72.176 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 2020

	(Un-audited) Jul.01-Mar.31 2020 Rupees	(Un-audited) Jul.01-Mar.31 2019 Rupees
<b>13 Sales - net</b>		
Local sales - gross	14,622,905,415	17,300,645,724
Less: Sales tax	(2,504,790,412)	(2,873,934,982)
Federal excise duty	(3,326,913,120)	(2,565,130,950)
	(5,831,703,532)	(5,439,065,932)
Export sales	8,791,201,883	11,861,579,792
	582,854,762	490,721,897
	9,374,056,645	12,352,301,689
Less: Rebate/ Commission on cement sales	(243,720,683)	(110,362,833)
Less: Test run sales capitalized during the period	(557,242,508)	-
	8,573,093,454	12,241,938,856
<b>14 Cost of sales</b>		
Raw materials consumed	566,474,465	569,501,290
Packing materials consumed	865,523,253	865,386,100
Fuel and power	2,301,040,371	1,691,123,945
Coal and gas	3,969,487,611	4,493,057,305
Stores, spares and loose tools consumed	320,882,380	367,447,867
Salaries, wages and other benefits	314,668,534	341,000,072
Royalty and excise duty	150,503,317	168,038,766
Rent, rates and taxes	17,691,102	19,873,504
Repairs and maintenance	71,280,493	73,935,440
Insurance	28,949,049	29,297,452
Depreciation	513,883,420	440,257,908
Other expenses	159,927,727	138,285,383
	9,280,311,722	9,197,205,032
<i>Work-in-process:</i>		
At beginning of the period	592,673,300	491,773,853
At end of the period	(536,619,726)	(651,775,639)
Cost of goods manufactured	9,336,365,295	9,037,203,246
<i>Finished goods:</i>		
At beginning of the period	80,776,779	92,067,529
At end of the period	(199,054,928)	(148,628,140)
	9,218,087,146	8,980,642,635
Less: Cost attributable to own cement consumption	(22,135,082)	(170,536,399)
Less: Test run production capitalized during the period	(561,113,175)	-
	8,634,838,889	8,810,106,236
<b>15 Taxation</b>		
Current		
- for the year	152,485,765	1,012,973,069
- prior	-	-
	152,485,765	1,012,973,069
Deferred	(183,902,661)	(84,991,031)
	(31,416,896)	927,982,038

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

For nine months ended 31 March 2020

- 15.1** Income Tax Return for the Tax Year 2019 has been filed by claiming Tax Credit amounting to Rs. 1,413,253,299/- U/S 65B of the Income Tax Ordinance, 2001 (ITO, 2001) at the rate of 10% on investments made in the purchase of plant and machinery for setting up grey cement line of 7,800/- tpd and on some additional assets during the Financial Year 2019. Changes brought through Finance Act, 2019 amending the provisions of Section 65B taking away the vested rights of the Company in respect of past and closed transactions have been challenged before the honorable Lahore High Court, Lahore through filing Constitutional Writ Petition wherein the Company's stance is strongly probable to be accepted. However, the aforesaid tax credit has not been accounted for by the Company in these financial statements pending the final decision of the Court.

	Note	(Un-audited) March 31 2020 Rupees	(Audited) March 31 2019 Rupees
<b>16</b>	<b>Cash and cash equivalents</b>		
	Cash and bank balances	259,794,840	400,684,172
	Term deposit receipts	110,000,000	2,300,000,000
		369,794,840	2,700,684,172

## 17 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 ann'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 nine months ended 31 March 2020

	Carrying Amount				Fair value		
	Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2 Level 3
	Rupees						
Note							
<b>On-Balance sheet financial instruments</b> <b>31 March 2020 (Un-Audited)</b>							
<b>Financial assets measured at fair value</b>							
Investments	50,279,000	-	-	-	50,279,000	279,000	50,000,000
<b>Financial assets at amortised cost</b>							
Long term loans to employees	-	-	-	-	-	-	-
Long term deposits	-	-	38,326,640	-	38,326,640	-	-
Trade debts - unsecured, considered good	-	-	539,134,634	-	539,134,634	-	-
Short term investments	-	-	110,000,000	-	110,000,000	-	-
Deposits, and other receivables	-	-	184,238,365	-	184,238,365	-	-
Cash and bank balances	-	-	259,794,840	-	259,794,840	-	-
17.1	-	-	1,131,514,479	-	1,131,514,479	-	-
<b>Financial liabilities measured at fair value</b>							
<b>Financial liabilities measured at amortised cost</b>							
Long term financing	-	-	-	5,619,957,193	5,619,957,193	-	-
Long term deposits	-	-	-	2,036,100	2,036,100	-	-
Trade and other payables	-	-	-	1,847,679,444	1,847,679,444	-	-
Short term borrowings	-	-	-	1,141,480,512	1,141,480,512	-	-
Mark-up accrued on borrowings	-	-	-	227,385,785	227,385,785	-	-
17.1	-	-	-	8,838,539,034	8,838,539,034	-	-

**17.1** The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or replace 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 2020

	Carrying Amount			Fair value				
	Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note	Rupees							
On-Balance sheet financial Instruments								
30 June 2019(Audited)								
Financial assets measured at fair value								
Investments	50,207,200	1,646,931,580	-	-	1,697,138,780	1,647,138,780	50,000,000	-
Financial assets at amortised cost								
Long term loans to employees	-	-	190,885	-	190,885	-	-	-
Long term deposits	-	-	38,326,640	-	38,326,640	-	-	-
Trade debts - unsecured, considered good	-	-	714,060,503	-	714,060,503	-	-	-
Short term investments	-	-	250,000,000	-	250,000,000	-	-	-
Deposits, and other receivables	-	-	131,625,224	-	131,625,224	-	-	-
Cash and bank balances	-	-	433,886,023	-	433,886,023	-	-	-
17.1	-	-	1,568,089,275	-	1,568,089,275	-	-	-
Financial liabilities measured at fair value								
Financial liabilities measured at amortised cost								
Long term financing	-	-	-	5,404,151,114	5,404,151,114	-	-	-
Long term deposits	-	-	-	106,893,805	106,893,805	-	-	-
Trade and other payables	-	-	-	2,046,826,591	2,046,826,591	-	-	-
Short term borrowings	-	-	-	243,000,000	243,000,000	-	-	-
Mark-up accrued on borrowings	-	-	-	102,829,378	102,829,378	-	-	-
17.1	-	-	-	7,903,700,888	7,903,700,888	-	-	-

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



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

For nine months ended 31 March 2020

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

	31-Mar-20			
	Liabilities			Total
	Long term finances	Short term borrowings	Dividend payable	
	Rupees			
Balance as at 30 June 2019 (Audited)	5,404,151,114	243,000,000	45,151,309	5,692,302,423
Changes from financing activities				
Long term finances - secured - net	215,806,079	–	–	215,806,079
Short term finances - secured - net	–	898,480,512	–	898,480,512
Dividend paid	–	–	(499,290,204)	(499,290,204)
Total changes from financing cash flows	215,806,079	898,480,512	(499,290,204)	614,996,387
Other changes				
Dividend declared	–	–	502,153,243	502,153,243
Total liability related other changes	–	–	502,153,243	502,153,243
Closing as at 31 March 2020 (Un-audited)	5,619,957,193	1,141,480,512	48,014,348	6,809,452,053

	31-Mar-19			
	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				
Long term finances - secured - net	5,111,670,064	–	–	5,111,670,064
Disbursement of short term borrowings	–	243,000,000	–	243,000,000
Repayment of short term borrowings	–	–	–	-
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

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

For nine months ended 31 March 2020

## 19 Transactions with related parties

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

Parties	Percentage of Holding	Relationship	Nature of Transactions	(Un-audited) Jul-01-Mar.31 2020 Rupees	(Un-audited) Jul-01-Mar.31 2019 Rupees
<b>Transactions with related parties</b>					
ANS Capital (Private) Limited.	55.00%	Holding Company	Dividend paid	276,205,800	424,932,000
Contribution to Provident Fund Trust		Post employment benefit plan	Contribution	14,025,969	12,116,465
Kohat Cement Educational Trust		Common Directorship/ Trustee	Contribution	4,576,770	3,209,873
Kohat Cement Educational Trust	0.08%		Dividend paid	380,114	584,790
Ultra Pack (Private) Limited		Common Control	Purchase of packing material	719,977,721	614,082,220
Palace Enterprises (Private) Limited		Common directorship	Accommodation services	127,853	142,567
Mrs. Hijab Tariq	16.74%	Major Share Holder (also a director as on 31 March 2020)	Dividend paid	84,079,180	129,352,585
Key Management Personnel		Executive Director	Remuneration paid	-	37,841,478
Key Management Personnel		Chief Executive	Remuneration paid	49,683,331	38,497,743
Key Management Personnel		Directors	Dividend paid	1,889,111	1,238,860
Key Management Personnel		Other executive	Remuneration paid	60,132,944	56,817,882
Key Management Personnel		Other executive	Dividend paid	95,575	50,885
<b>Balances with other related parties</b>					
Provident Fund Trust		Post employment benefit plan	Payable	3,208,779	2,954,503
Ultra Pack (Private) Limited			Trade creditors	422,612,328	87,919,258



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

For nine months ended 31 March 2020

- 19.1** The Company has paid Rs.56.68 million (31 March 2019: Rs. nil) to the Chairman on account of his remuneration and also paid Rs. 1,250,000 (31 March 2019: Rs. nil ) to the non-executive directors being the fee for attending Board and Committee meetings.

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.

## 20 General

- 20.1** Figures have been rounded off to the nearest rupee.
- 20.2** Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary.
- 20.3** These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on April 23, 2020.



Chief Executive



Chief Financial Office



Director



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