



Building a Foundation for

# INNOVATION and GROWTH

1st Quarter Report September 30, 2021



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# CORPORATE INFORMATION

## Board of Directors

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

## Audit Committee

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

## HR&R Committee

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

## Company Secretary

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

We are pleased to present the un-audited condensed interim financial statements of the Company for the 1st quarter ended September 30, 2021.

## Industry Review

During the first quarter ended September 30, 2021, the Cement Industry witnessed a 3.92% (0.42m tons) growth in domestic market and a decline of 43.64% (1.2m tons) in exports, as compared with first quarter ended Sep 30, 2020. This resulted in an overall decline of 0.77m tons (5.67%) in total dispatches.

Below is the summary of the 1st quarter dispatches:

	Sep. 30, 2021	Sep. 30, 2020	Growth (Tons)	Growth (%)
Tons				
Local Dispatches	11,279,142	10,853,309	425,833	3.92%
Export Dispatches	1,545,830	2,742,563	(1,196,733)	-43.64%
Total Dispatches	12,824,972	13,595,872	(770,900)	-5.67%

## Business Review

KCCL achieved a growth of 3.17% (26,515 tons) in local sales volume. Production and sales data for the quarter is summarized as under:

	Sep. 30, 2021	Sep. 30, 2020	Growth (Tons)	Growth (%)
Tons				
Clinker Production	836,275	703,876	132,399	18.81%
Cement Production	868,410	893,203	(24,793)	-2.78%
Local Sales	862,919	836,404	26,515	3.17%
Export Sales	1,518	69,381	(67,863)	-97.81%
Total Sales	864,437	905,785	(41,348)	-4.56%

## Financial Performance

Financial Performance of the 1st quarter is as below;

	Sep. 30, 2021 (Rs.)	Sep. 30, 2020 (Rs.)	Change (Rs.)	Change (%)
Net Sales	6,803,713,489	5,174,169,104	1,629,544,385	31%
Gross Profit	2,260,720,897	958,523,530	1,302,197,367	136%
GP Ratio	33.23%	18.53%	15%	
Operating Profit	2,111,849,597	834,746,263	1,277,103,334	153%
OP Ratio	31.04%	16.13%	15%	
EBITDA	2,391,881,357	1,147,509,253	1,244,372,104	108%
Profit after tax	1,398,077,686	507,086,801	890,990,885	
Profit after tax Ratio	20.55%	9.80%	11%	
Earnings per share (Rs.)	6.96	2.52	4.44	176%

Low cost coal inventory during the quarter under review along with sustained cement prices in local market, helped the Company in improving its profits margins.

The Company is current on its all debt obligations.

## Greenfield Cement Production Line in Khushab, Punjab

The Company has obtained all the requisite regulatory approvals for setting up the Cement Plant. Acquisition of land is under progress and it is expected that contracts for supply of plant shall be executed and LC for import of plant & machinery shall be established by the end of 2nd quarter FY22.

## Future outlook

Increasing electricity cost, historically high coal prices and strong USD will affect the profitability of the company in foreseeable future. The company will try to pass on the cost increase to the consumer but it seems an uphill task because cement demand may dampen due to runaway inflation in costs of building materials.

## Acknowledgments

We appreciate all efforts and services put in by all the stakeholders of the Company.

Chief Executive of the Company is not for the time being in Pakistan, therefore, this directors' report has been signed by two directors instead of chief executive and a Director.

For and on behalf of the Board



Talha Saeed Ahmed  
Director



Muhammad Rehman Sheikh  
Director

Lahore: October 21, 2021

## ڈائریکٹرز جائزہ رپورٹ

ہم بصد مسرت پہلی سہ ماہی بختمہ 30 ستمبر، 2021ء سے متعلقہ کمپنی کے غیر آڈٹ شدہ بیوری مالیاتی گوشوارے پیش کرتے ہیں۔

### صنعتی کارکردگی:

30 ستمبر، 2021ء کو ختم ہونے والی پہلی سہ ماہی کے دوران گذشتہ سال 30 ستمبر، 2020ء کو ختم ہونے والی سہ ماہی کے مقابلے میں سینٹ انڈسٹری کی مقامی ترسیلات میں %39.2 (0.42 ملین میٹرک ٹن) اضافہ جبکہ برآمدات میں %43.64 (1.2 ملین میٹرک ٹن) کمی ہوئی ہے۔ نتیجتاً مجموعی ترسیلات میں %0.77 ملین میٹرک ٹن (%5.67) کی کمی واقع ہوئی ہے۔

زیر جائزہ سہ ماہی کے دوران انڈسٹری کی سینٹ کی ترسیلات کا خلاصہ درج ذیل ہے:

30 ستمبر، 2021ء	30 ستمبر، 2020ء	اضافہ	اضافہ
میٹرک ٹن			(%)
مقامی ترسیلات	11,279,142	10,853,309	425,833
برآمدات	1,545,830	2,742,563	(1,196,733)
کل ترسیلات	12,824,972	13,595,872	(770,900)

### کاروباری جائزہ:

کمپنی کی مقامی ترسیلات کے حجم میں %3.17 (26,515 میٹرک ٹن) کا اضافہ ہوا ہے۔ زیر جائزہ سہ ماہی کے دوران پیداوار اور ترسیلات کا خلاصہ درج ذیل ہے:

30 ستمبر، 2021ء	30 ستمبر، 2020ء	اضافہ	اضافہ
میٹرک ٹن			(%)
گھنٹی کی پیداوار	836,275	703,876	132,399
سینٹ کی پیداوار	868,410	893,203	(24,793)
مقامی ترسیلات	862,919	836,404	26,515
برآمدات	1,518	69,381	(67,863)
کل ترسیلات	864,437	905,785	(41,348)

### مالیاتی کارکردگی:

کمپنی کی مالیاتی کارکردگی درج ذیل ہے:

30 ستمبر، 2021ء	30 ستمبر، 2020ء	اضافہ	اضافہ
روپے			(%)
کل فروخت	6,803,713,489	5,174,169,104	1,629,544,385
مٹاؤ	2,260,720,897	958,523,530	1,302,197,367
خرشٹا خرچ	33,23%	18,53%	15%
آپریٹنگ خرچ	2,111,849,597	834,746,263	1,277,103,334
خرشٹا آپریٹنگ خرچ	31.04%	16.13%	15%
مٹاؤ کل زرعی	2,391,881,357	1,147,509,253	1,244,372,104
خرشٹا مٹاؤ	1,398,077,686	507,086,801	890,990,885
خرشٹا مٹاؤ	20.55%	9.80%	11%
مٹاؤ مٹاؤ	6.96	2.52	4.44

برائے وختیاب بورڈ آف ڈائریکٹرز

محمد رحمان شیخ

ڈائریکٹر

طلحہ سعید احمد

ڈائریکٹر

لاہور: 21 اکتوبر، 2021ء

زیر جائزہ سہ ماہی کے دوران کم قیمت کوٹنے کے ذخائر کے علاوہ مقامی منڈی میں سینٹ کی قیمتوں میں استحکام کی بدولت کمپنی کے منافع میں بہتری ہوئی۔

کمپنی اپنی مالیاتی ذمہ داریوں کی بروقت ادائیگی کر رہی ہے۔

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

کمپنی نے نئے سینٹ پلانٹ کی تنصیب کے حوالے سے درکار تمام قانونی اجازت نامے حاصل کر لئے ہیں۔ اس مقصد کے لئے زمین کا حصول جاری ہے اور امید ہے کہ مالی سال 2022ء کی دوسری سہ ماہی کے دوران پلانٹ کی خرید کے معاہدے بھی طے پا جائیں گے، اور پلانٹ اور مشینری کی درآمد کے لئے لیٹ آف کرڈٹ بھی لے لیا جائے گا۔

### مستقبل کے امکانات:

بجلی کی بڑھتی ہوئی لاگت، کوٹنے کی قیمتوں اور ڈالر کی قدر میں بے تحاشا اضافہ مستقبل قریب میں کمپنی کے منافع کو متاثر کر سکتے ہیں۔ کوشش ہوگی کہ لاگت میں اضافے کو صارفین تک منتقل کر دیا جائے، تاہم یہ ایک مشکل کام ہوگا، کیونکہ تعمیراتی سامان کی قیمتوں میں مسلسل اضافے سے سینٹ کی طلب میں کمی متوقع ہے۔

### انتظامیہ:

ہم اپنے تمام شراکت داروں اور ملازمین کی تمام مخلصانہ کوششوں کو دل سے سراہتے ہیں۔

کمپنی کے چیف ایگزیکٹو ایلی پاکستان میں موجود نہیں ہیں اس لئے ڈائریکٹرز جائزہ رپورٹ پر چیف ایگزیکٹو اور ایک ڈائریکٹر کی بجائے دو ڈائریکٹرز کی جانب سے دستخط کئے گئے ہیں۔

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

As at September 30, 2021

	Note	(Un-audited) 30 September 2021 Rupees	(Audited) 30 June 2021 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		118,896,865	119,105,065
Accumulated profit		21,493,899,022	20,095,821,336
		23,621,408,857	22,223,539,371
<b>Non-current liabilities</b>			
Long term financing - secured	5	4,111,945,716	4,405,765,306
Deferred grant		—	1,328,937
Long term deposits		2,036,100	2,036,100
Deferred liabilities			
- deferred taxation		2,115,175,971	1,857,649,347
- compensated absences		22,472,904	24,358,436
		6,251,630,691	6,291,138,126
<b>Current liabilities</b>			
Current portion of long term financing	5	1,184,575,084	1,147,020,843
Trade and other payables	6	5,492,565,672	4,985,385,529
Contract liability	7	161,251,682	137,091,500
Unclaimed dividend		8,559,447	8,559,447
Dividend payable		37,483,894	37,638,105
Short term borrowings - secured	8	216,500,000	498,000,000
Provision for taxation - net		924,377,559	635,934,543
Mark-up accrued on borrowings		112,542,382	122,613,973
		8,137,855,720	7,572,243,940
Contingencies and commitments	9		
		38,010,895,268	36,086,921,437
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	10	21,874,196,822	22,051,984,013
Intangibles		6,427,564	6,725,911
Long term deposits		43,326,640	43,326,640
Investment property		4,136,186,159	4,136,086,159
		26,060,137,185	26,238,122,723
<b>Current assets</b>			
Stores, spares and loose tools		3,739,656,086	3,070,769,101
Stock-in-trade		1,426,039,803	1,112,776,266
Trade debts - unsecured, considered good		904,780,600	983,568,223
Short term investments	11	4,087,992,327	2,999,496,423
Advances, deposits, prepayments and other receivables		545,937,053	484,459,350
Cash and bank balances	12	1,246,352,214	1,197,729,351
		11,950,758,083	9,848,798,714
		38,010,895,268	36,086,921,437

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

Chief Executive of the Company is not for the time being in Pakistan, therefore in terms of section 232 of the Companies Act 2017, these condensed interim financial statements have been signed by two Directors and CFO instead of Chief Executive, Director and CFO.



Director



Chief Financial Officer



Director

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

For three months ended 30 September 2021

	Note	01 July to 30 September 2021 Rupees	01 July to 30 September 2020 Rupees
Sales - net	13	6,803,713,489	5,174,169,104
Cost of sales	14	(4,542,992,592)	(4,215,645,574)
<b>Gross profit</b>		<b>2,260,720,897</b>	<b>958,523,530</b>
Selling and distribution expenses		(23,082,378)	(17,439,175)
Administrative and general expenses		(78,120,521)	(73,261,401)
Other income		78,745,952	16,868,265
Other expenses		(126,414,353)	(49,944,956)
		(148,871,300)	(123,777,267)
<b>Operating profit</b>		<b>2,111,849,597</b>	<b>834,746,263</b>
Finance cost		(118,851,268)	(138,276,628)
<b>Profit before taxation</b>		<b>1,992,998,329</b>	<b>696,469,635</b>
Taxation	15	(594,920,643)	(189,382,834)
<b>Profit after taxation</b>		<b>1,398,077,686</b>	<b>507,086,801</b>
<b>Earning per share (basic and diluted)</b>		<b>6.96</b>	<b>2.52</b>

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

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Director



Chief Financial Officer



Director



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

For three months ended 30 September 2021

	01 July to 30 September 2021 Rupees	01 July to 30 September 2020 Rupees
Profit after taxation	1,398,077,686	507,086,801
<b>Other comprehensive (loss) / income for the period</b>		
Items that will not be reclassified to statement of profit or loss:		
Equity investment at FVOCI		
- net changes in fair value	(208,200)	153,800
Items that are or may be reclassified to statement of profit or loss:		
Debt investment at FVOCI		
- net changes in fair value	—	50,000
<b>Total comprehensive income for the period</b>	<b>1,397,869,486</b>	<b>507,290,601</b>

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**Director**

Building a Foundation for  
**INNOVATION**  
and **GROWTH**



**Chief Financial Officer**



**Director**

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

For three months ended 30 September 2021

	01 July 2021 to 30 September 2021	01 July 2020 to 30 September 2020
Note	Rupees	Rupees
<b>Cash flow from operating activities</b>		
Profit before taxation	1,992,998,329	696,469,635
Adjustments for:		
Depreciation on property, plant and equipment	278,793,493	311,562,124
Amortization on intangible assets	1,238,267	1,200,866
(Gain) / loss on disposal of property, plant and equipment	–	(1,486,105)
Profit on bank deposits and investments-Conventional	(4,238,427)	(1,130,017)
Profit on bank deposits and investments-Shariah compliant	(12,254,399)	(10,545,606)
Realized gain on investment at fair value through profit and loss	(2,303,805)	(1,202,302)
Net change in fair value of financial assets at FVTPL	(2,344,873)	–
Foreign currency exchange gain	(42,154)	(1,559,976)
Provision for loss allowance against trade debts	1,308,643	4,995,482
Provision for compensated absences	1,146,527	899,085
Provision for Workers' Welfare Fund	19,115,008	6,359,160
Provision for Workers' Profit Participation Fund	105,900,702	36,990,989
Finance cost	118,851,268	138,276,628
	505,170,250	484,360,328
<b>Cash generated from operations before working capital changes</b>	2,498,168,579	1,180,829,963
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(668,886,985)	(248,798,694)
Stock-in-trade	(313,263,537)	425,024,754
Trade debts	77,478,980	(18,860,474)
Advances, deposits, prepayments and other receivables	(61,030,059)	(173,990,771)
Increase in current liabilities:		
Trade and other payables	391,932,246	19,083,035
Contract liability	24,160,182	89,617,464
	(549,609,173)	92,075,314
<b>Cash generated from operations</b>	1,948,559,406	1,272,905,277
Compensated absences paid	(3,032,059)	(2,487,003)
Finance cost paid	(127,927,615)	(220,801,983)
Income tax paid	(48,951,003)	(70,485,658)
<b>Net cash generated from operating activities</b>	1,768,648,729	979,130,633
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment	(110,731,961)	(76,896,009)
Proceeds from disposal of property, plant and equipment	–	1,775,000
Acquisition of intangible assets	(939,920)	–
Acquisition of investment property	(100,000)	–
Short term investments - net	(974,055,426)	–
Profit on bank deposits	16,045,182	12,963,511
<b>Net cash used in investing activities</b>	(1,069,782,125)	(62,157,498)
<b>Cash flow from financing activities</b>		
Repayment of long term finances	(258,589,530)	–
Disbursement of long term finances	–	201,681,899
Disbursement of short term borrowings	216,500,000	–
Repayment of short term borrowing	(498,000,000)	(376,384,242)
Dividend paid	(154,211)	(43,586)
<b>Net cash used in financing activities</b>	(540,243,741)	(174,745,929)
Net increase in cash and cash equivalents	158,622,863	742,227,206
Cash and cash equivalents at beginning of the period	1,197,729,351	1,001,606,087
<b>Cash and cash equivalents at end of the period</b>	1,356,352,214	1,743,833,292

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

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Director



Chief Financial Officer



Director

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

For three months ended 30 September 2021

	Reserves						Total
	Capital reserves			Revenue reserves			
	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profit	Total reserve	
	Rupees						
Balance as at 01 July 2020	2,008,612,970	49,704,951	41,314	70,000,000	16,598,314,088	16,718,060,353	18,726,673,323
Total comprehensive income for the period							
Profit for the three months ended 30 September 2020	-	-	-	-	507,086,801	507,086,801	507,086,801
Other comprehensive income for the three months ended 30 September 2020	-	-	203,800	-	-	203,800	203,800
	-	-	203,800	-	507,086,801	507,290,601	507,290,601
Balance as at 30 September 2020 - unaudited	2,008,612,970	49,704,951	245,114	70,000,000	17,105,400,889	17,225,350,954	19,233,963,924
Balance as at 01 July 2021	2,008,612,970	49,704,951	(599,886)	70,000,000	20,095,821,336	20,214,926,401	22,223,539,371
Total comprehensive income for the period							
Profit for the three months ended 30 September 2021	-	-	-	-	1,398,077,686	1,398,077,686	1,398,077,686
Other comprehensive loss for the three months ended 30 September 2021	-	-	(208,200)	-	-	(208,200)	(208,200)
	-	-	(208,200)	-	1,398,077,686	1,397,869,486	1,397,869,486
Balance as at 30 September 2021 - unaudited	2,008,612,970	49,704,951	(808,086)	70,000,000	21,493,899,022	21,612,795,887	23,621,408,857

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Director



Chief Financial Officer



Director

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

For three months ended 30 September 2021

## 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.
- 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 comprises the condensed interim statement of financial position of the Company, as at 30 September 2021 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
  - Provision 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 audited financial statements for the year ended 30 June 2021. 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 2021, 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 three months period ended 30 September 2020.
- 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 three months ended 30 September 2021

## 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 annual audited financial statements for the year ended 30 June 2021.

## 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 annual audited financial statements for the year ended 30 June 2021.

	Note	(Un-audited) September 30 2021 Rupees	(Audited) June 30 2021 Rupees
<b>5 Long term finances - secured</b>			
<b>Term finance - Line-4 (Conventional)</b>			
Opening		5,383,321,448	5,606,196,692
Repaid during the period		(258,589,530)	(222,875,244)
		5,124,731,918	5,383,321,448
Less: Current maturity		(1,034,358,120)	(1,034,358,120)
Less: Transaction cost		(15,982,318)	(16,977,562)
		4,074,391,480	4,331,985,766
<b>Term finance - RFWS Scheme</b>			
Opening Balance		187,771,200	102,484,312
Disbursements during the period/year		—	197,949,611
Repaid during the period/year		—	(112,662,723)
		187,771,200	187,771,200
Less: Unamortized Government Grant	5.1	—	(1,328,937)
Less: Current maturity		(150,216,964)	(112,662,723)
		37,554,236	73,779,540
		4,111,945,716	4,405,765,306
<b>5.1 Unamortized Government Grant</b>			
Opening Balance		6,599,474	—
Transactions during the period /year		—	17,185,972
Amortization during the period /year		(2,190,018)	(10,586,498)
		4,409,456	6,599,474
Less: Current maturity		(4,409,456)	(5,270,537)
Unamortized balance of deferred grant		—	1,328,937

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

For three months ended 30 September 2021

	Note	(Un-audited) September 30 2021 Rupees	(Audited) June 30 2021 Rupees
<b>6 Trade and other payables</b>			
Trade creditors - Local	6.1	931,554,810	927,496,291
Trade creditors - imports		706,414,162	627,661,254
Contractors' bills payable		71,527,888	117,088,053
Accrued liabilities		755,664,067	532,063,547
Payable to Workers' Profit Participation Fund		1,630,546,297	1,524,645,595
Payable to Workers' Welfare Fund		63,546,540	44,431,532
Payable to Provident Fund Trust		4,606,383	2,585,757
		4,163,860,147	3,775,972,029
Payable to Government on account of:			
Income tax deducted at source		11,883,574	13,690,463
Federal excise duty		484,782,004	526,685,449
Sales tax payable		269,044,986	176,335,503
Royalty and excise duty		156,202,724	95,205,340
		921,913,288	811,916,755
Retention money payable		125,359,156	124,179,153
Securities deposits		4,673,527	4,679,192
Other payables		276,759,554	268,638,400
		5,492,565,672	4,985,385,529

## 7 Contract liability

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

	(Un-audited) September 30 2021 Rupees	(Audited) June 30 2021 Rupees
<b>8 Short term borrowings - secured</b>		
Mark-up based borrowings from conventional banks:		
Export refinances	216,500,000	498,000,000

## 9 Contingencies and commitments

### 9.1 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 2021.

	(Un-audited) September 30 2021 Rupees	(Audited) June 30 2021 Rupees
<b>9.2 Commitments</b>		
In respect of:		
- letters of credit for stores and spares	138,510,784	218,217,598

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

For three months ended 30 September 2021

		(Un-audited) September 30 2021 Rupees	(Audited) June 30 2021 Rupees
	Note		
<b>10 Property, plant and equipment</b>			
Operating fixed assets	10.1	21,486,588,894	21,753,605,354
Capital work in progress	10.2	387,607,929	298,378,659
		21,874,196,822	22,051,984,013
<b>10.1 Operating fixed assets</b>			
Opening written down value		21,753,605,354	22,613,088,249
Add: Additions / (adjustments) during the period / year (cost)			
Freehold Land		—	6,290,580
Factory buildings		3,049,143	374,702,372
Housing colony		—	21,706,969
Plant - Civil structures		—	—
Plant, machinery and equipment			
- additions		—	100,713,713
- adjustments	10.3	(9,725,659)	(188,795,984)
Furniture, fixtures and office equipment		2,247,165	9,389,315
Computers and printers		1,231,063	3,789,134
Weighing Scale		—	(295,576)
Light vehicles		14,975,320	38,597,559
Laboratory equipment		—	4,970,329
		11,777,032	371,068,411
Less: Disposals during the period / year (written down value)			
Power Installations		—	(10,781)
Light vehicles		—	(4,732,895)
		—	(4,743,676)
Less: Depreciation charge for the period / year		(278,793,492)	(1,225,807,630)
Closing written down value		21,486,588,894	21,753,605,354
<b>10.2 Capital work in progress</b>			
Balance at beginning of the period / year		298,378,659	164,578,022
Add: Additions during the period / year		89,229,270	553,542,432
Less: Transfers to fixed assets during the period / year		—	(419,741,795)
		387,607,929	298,378,659

**10.3** Adjustments in plant and machinery represents settlement of suppliers balances on account of claims under the contracts.

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

For three months ended 30 September 2021

	(Un-audited) September 30 2021 Rupees	(Audited) June 30 2021 Rupees
<b>11 Short term investments</b>		
<b>FVOCI - listed equity securities</b>		
<b>Gharibwal Cement Limited:</b>		
Cost	89,286	89,286
Accumulated fair value gain	481,914	690,114
	571,200	779,400
<b>FVOCI - debt instrument</b>		
Term Finance Certificates	48,710,000	48,710,000
<b>FVTPL</b>		
Investments in Mutual Funds		
Money Market Mutual Funds - Shariah Compliant	2,461,188,627	2,849,902,666
Income Mutual Funds - Shariah Compliant	—	100,104,357
	2,461,188,627	2,950,007,023
Government of Pakistan Market Treasury Bills	1,467,522,500	—
<b>Amortized Cost - debt instrument</b>		
Term Deposit Receipts - Shariah Compliant	110,000,000	—
	4,087,992,327	2,999,496,423

## 12 Cash and bank balances

These include Rs. 346.873 million (30 June 2021: Rs. 345.917 million) placed under Shariah permissible arrangement. Remaining deposits are placed with conventional financial institutions.

	(Un-audited) 01 July 2021 to 30 September 2021 Rupees	(Un-audited) 01 July 2020 to 30 September 2020 Rupees
<b>13 Sales - net</b>		
Local sales - gross	9,800,049,368	7,384,941,732
Less: Sales tax	(1,610,118,702)	(1,237,844,989)
Federal excise duty	(1,294,377,000)	(1,254,606,585)
	(2,904,495,702)	(2,492,451,574)
	6,895,553,666	4,892,490,158
Export sales	9,100,545	416,634,141
	6,904,654,211	5,309,124,299
Less: Discount / rebate / commission	(100,940,722)	(134,955,195)
	6,803,713,489	5,174,169,104

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

For three months ended 30 September 2021

	(Un-audited) 01 July 2021 to 30 September 2021 Rupees	(Un-audited) 01 July 2020 to 30 September 2020 Rupees
<b>14 Cost of sales</b>		
Raw materials consumed	297,527,618	256,037,619
Packing materials consumed	479,849,617	413,075,117
Fuel and power	1,027,945,666	859,024,234
Coal and gas	2,219,430,995	1,496,374,610
Stores, spares and loose tools consumed	158,841,340	179,589,389
Salaries, wages and other benefits	146,084,105	132,256,894
Royalty and excise duty	156,471,621	68,437,341
Rent, rates and taxes	8,410,707	7,210,565
Repairs and maintenance	29,274,391	29,828,747
Insurance	13,355,722	10,170,357
Depreciation	276,473,956	310,073,486
Loading and freight charges	17,493,335	16,788,408
Other expenses	35,107,529	25,330,079
	4,866,266,602	3,804,196,846
Work-in-process:		
At beginning of the period	565,970,725	664,762,089
At end of the period	(846,071,463)	(303,785,909)
Cost of goods manufactured	4,586,165,864	4,165,173,026
Finished goods:		
At beginning of the period	373,218,643	246,109,361
At end of the period	(407,763,687)	(187,965,828)
	4,551,620,820	4,223,316,559
Less: Cost attributable to own cement consumption	(8,628,228)	(7,670,985)
	4,542,992,592	4,215,645,574
<b>15 Taxation</b>		
Current		
- for the year	337,394,017	95,178,774
Deferred		
- for the year	257,526,626	94,204,060
	594,920,643	189,382,834

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

For three months ended 30 September 2021

	(Un-audited) September 30 2021 Rupees	(Un-audited) September 30 2020 Rupees
<b>16 Cash and cash equivalents</b>		
Cash and bank balances	1,246,352,214	1,633,833,293
Term deposit receipts	110,000,000	110,000,000
	<b>1,356,352,214</b>	<b>1,743,833,293</b>

## 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 arm's length basis.

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

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

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

## For three months ended 30 September 2021

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

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

For three months ended 30 September 2021

	Note	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									
On-Balance sheet financial instruments									
30 June 2021 (Audited)									
Financial assets measured at fair value									
Investments		49,489,400	2,950,007,023	-	-	2,999,496,423	2,999,496,423	-	-
Financial assets at amortised cost									
Long term deposits		-	-	43,326,640	-	43,326,640	-	-	-
Trade debts - unsecured, considered good		-	-	983,568,223	-	983,568,223	-	-	-
Deposits, and other receivables		-	-	150,166,872	-	150,166,872	-	-	-
Cash and bank balances		-	-	1,197,729,351	-	1,197,729,351	-	-	-
	17.1	-	-	2,374,791,086	-	2,374,791,087	-	-	-
Financial liabilities measured at fair value									
		-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost									
Long term financing		-	-	-	5,552,786,137	5,552,786,137	-	-	-
Long term deposits		-	-	-	2,036,100	2,036,100	-	-	-
Trade and other payables		-	-	-	2,344,544,794	2,344,544,794	-	-	-
Short term borrowings		-	-	-	498,000,000	498,000,000	-	-	-
Mark-up accrued on borrowings		-	-	-	122,613,973	122,613,973	-	-	-
Dividend payable		-	-	-	37,638,105	37,638,105	-	-	-
Unclaimed Dividend		-	-	-	8,559,447	8,559,447	-	-	-
	17.1	-	-	-	8,566,178,556	8,566,178,556	-	-	-

**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 three months ended 30 September 2021

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

	For the three months ended 30-Sep-2021			
	Liabilities			Total
	Long term finances	Short term borrowings	Dividend payable	
	Rupees			
Balance as at 01 July 2021	5,552,786,149	498,000,000	46,197,552	6,096,983,701
Changes from financing activities				
Repayment of long term finances - secured	(258,589,530)	–	–	(258,589,530)
Disbursement of short term borrowings	–	216,500,000	–	216,500,000
Repayment of short term borrowings	–	(498,000,000)	–	(498,000,000)
Dividend paid	–	–	(154,211)	(154,211)
Total changes from financing cash flows	(258,589,530)	(281,500,000)	(154,211)	(540,243,741)
Other changes				
Amortization of government grant and transaction cost	2,324,181	–	–	2,324,181
Total liability related other changes	2,324,181	–	–	2,324,181
Closing as at 30 September 2021	5,296,520,800	216,500,000	46,043,341	5,559,064,141

	For the three months ended 30-Sep-2020			
	Liabilities			Total
	Long term finances	Short term borrowings	Dividend payable	
	Rupees			
Balance as at 01 July 2020	5,687,722,464	1,301,609,100	48,014,348	7,037,345,912
Changes from financing activities				
Disbursement of long term finances - secured	201,681,899	–	–	201,681,899
Repayment of short term borrowings	–	(376,384,242)	–	(376,384,242)
Dividend paid	–	–	(43,586)	(43,586)
Total changes from financing cash flows	201,681,899	(376,384,242)	(43,586)	(174,745,929)
Closing as at 30 September 2020	5,889,404,363	925,224,858	47,970,762	6,862,599,983

## 19 Transactions with related parties

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

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

For three months ended 30 September 2021

			(Un-audited) 01 July to 30 September 2021 Rupees	(Un-audited) 01 July to 30 September 2020 Rupees
Parties	Relationship	Nature of transactions		
Transactions with related parties				
Employees' Provident Fund Trust	Post employment benefit plan	Contribution	5,663,107	5,159,776
Kohat Cement Educational Trust	Common Directorship / Trustee	Contribution	871,662	1,214,291
Ultra Pack (Private) Limited	Common Control	Purchase of packing material	330,639,898	332,409,663
Ultra Kraft (Private) Limited	Common Control	Sale of cement	3,725,759	-
Nutribel (Private) Limited	Common directorship	Sale of cement	-	460,931
Palace Enterprises (Private) Limited	Common directorship	Purchase of Power Generator	3,500,000	-
Chief Executive	Key Management Personnel	Remuneration paid	24,578,493	16,354,035
Other executives	Key Management Personnel	Remuneration paid	25,954,553	17,066,639
			(Un-audited) 30 September 2021 Rupees	(Audited) 30 June 2021 Rupees
Parties	Relationship	Nature of transactions		
Balances with other related parties				
Employees' Provident Fund Trust	Post employment benefit plan	Payable	4,606,383	2,585,757
Ultra Pack (Private) Limited	Common Control	Trade creditors	386,846,633	343,820,942
Ultra Kraft (Private) Limited	Common Control	Trade debtors	1,323,000	-
Nutribel (Private) Limited	Common directorship	Trade debtors	-	2,034

**19.1** The Company has paid Rs. 18.88 million (30 Sep.2020: Rs. 23.39 million ) to the Chairman on account of his remuneration and also paid Rs. 0.325 million (30 Sep.2020: 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 21-10-2021.

Chief Executive of the Company is not for the time being in Pakistan, therefore in terms of section 232 of the Companies Act 2017, these condensed interim financial statements have been signed by two Directors and CFO instead of Chief Executive, Director and CFO.



Director



Chief Financial Officer



Director



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