

REACHING NEW
HEIGHTS

1ST QUARTER REPORT SEPTEMBER 30, 2024



CONTENTS

| | | | | |
|-----------------------------------|--------------------------------|-------------------------|-----------------------------------|-----------------------------|
| 02 | 03 | 05 | 06 | 07 |
| Corporate Information | Directors' Review | ڈائریکٹرز جائزہ رپورٹ | Statement of Financial Position | Statement of Profit or Loss |
| 08 | 09 | 10 | 11 | |
| Statement of Comprehensive Income | Statement of Changes in Equity | Statement of Cash Flows | Notes to the Financial Statements | |

CORPORATE INFORMATION

Board of Directors

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

Audit Committee

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

HR&R Committee

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

Company Secretary

Ms. Iqra Khalid

Legal Advisor

Intiaz 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
Web: www.kohatcement.com

Bankers of the Company

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



DIRECTORS' REVIEW

The Directors of your Company are pleased to present the un-audited condensed Interim Financial Statements of the Company for the 1st quarter ended September 30, 2024.

Industry Review

Cement Industry showed a decline in total dispatches by 13.5% during the first quarter of FY-2025 as compared with the same period last year.

Domestic dispatches dropped significantly by 19.7%, with 8.13 million metric tons dispatched, down from 10.13 million metric tons in the same period last year. This decline in domestic demand is attributable to lower Public Sector Development Program utilization, the ongoing economic slowdown and increase in construction costs.

However, despite the challenges in the domestic market, the industry saw a positive trend in export sales. Exports surged by 22.4%, reaching 2.142 million tons, during the first quarter of FY-2025 as compared with the same period last year.

Below is the summary of dispatches of the cement sector:

| | Sep. 30, 2024 | Sep. 30, 2023 | Variance |
|-------------------|---------------|---------------|----------|
| | Metric Tons | | |
| Local Dispatches | 8,133,845 | 10,128,632 | (19.7)% |
| Export Dispatches | 2,142,665 | 1,751,239 | 22.4% |
| Total Dispatches | 10,276,510 | 11,879,871 | (13.5)% |

Operational Performance

Operational performance of your Company, is summarized as under:

| | Sep. 30, 2024 | Sep. 30, 2023 | Variance |
|--------------------|---------------|---------------|----------|
| | Metric Tons | | |
| Clinker Production | 626,851 | 606,348 | 3.4% |
| Cement Production | 613,708 | 749,386 | (18.1)% |
| Local Sales | 579,702 | 745,397 | (22.2)% |
| Export Sales | 11,918 | 16,226 | (26.5)% |
| Total Sales | 591,620 | 761,623 | (22.3)% |

Financial Performance

Financial Performance of your Company for the quarter is as below;

Rupees in Million

| | Sep. 30, 2024 | Sep. 30, 2023 | Variance |
|----------------------------|---------------|---------------|----------|
| Net Sales | 10,084 | 11,064 | (8.86)% |
| Gross Profit | 4,314 | 3,229 | 33.60% |
| Gross Profit Ratio | 42.78% | 29.19% | |
| Other Income | 1,471 | 865 | 70.06% |
| Operating Profit | 3,805 | 2,837 | 34.11% |
| EBITDA | 5,584 | 4,011 | 39.22% |
| Net Profit after tax | 3,439 | 2,229 | 54.28% |
| Net Profit after tax Ratio | 34.14% | 20.15% | |
| Earnings per share (Rs.) | 17.58 | 11.25 | |

Better sales prices and efficient cost management improved the gross profit of the Company which along with income on surplus cash funds resulted into significant increase in after tax profits as well as EPS of the Company.

The Company is current on its all debt obligations.

Greenfield Cement Production Line in Khushab, Punjab

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

Installation of Solar Power Plant

After the successful installation and commissioning of the 10MW solar power plant; the Company is setting up a further 10MW Solar Power Plant at its plant site in Kohat for which solar panels along with other major equipment have been procured. Whereas, the Contractor has been engaged for installation of 6MW system which shall be completed by December 2024.

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

Coal Fired Power Plant at Company's Plant Site, Kohat

The Board has approved setting up of 30MW (approx.) Coal Fired Power Plant at Company's plant site, Kohat. The contractors have been engaged and the process of opening a Letter of Credit is in progress. Installation and commissioning is anticipated to take eighteen months.

This plant will reduce the power consumption cost of the Company and shall also reduce reliance on National Grid.

Future Prospects

Amid high construction costs, heavy taxes and duties on property transactions, we don't foresee any growth in current financial year.

However, the Company is optimistically considering avenues to mitigate the prevailing challenges and to maximize business.

Acknowledgments

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

For and on behalf of the Board

Nadeem Atta Sheikh
Chief Executive

Lahore: October 24, 2024

Talha Saeed Ahmed
Director

پاور پلانٹ لگا رہی ہے، جس کے لئے سولر پینلز اور دیگر اہم آلات بھی منگوائے جا چکے ہیں۔ جبکہ کنٹریکٹرز 6 میگا واٹ کے سولر پاور سسٹم کی تنصیب کر رہے ہیں، جو دسمبر 2024 تک مکمل ہو جائے گی۔

یہ سولر پاور پراجیکٹ پیش قدمی پر اٹھارہ مہینے تک مکمل کر دے گا، جو لاگت میں کمی اور درآمد کرے گا اور سربز اور پائیدار پاکستان کی جانب اہم قدم ہوگا۔

کوہاٹ ٹیکسٹائلز میں کوئلے سے چلنے والے پاور پلانٹ کی تنصیب کا منصوبہ: بورڈ نے کمپنی کے پلانٹ سائٹ، کوہاٹ میں 30 میگا واٹ (تقریباً) کول فائرڈ پاور پلانٹ لگانے کی منظوری دی ہے۔ کنٹریکٹرز نے کام کا آغاز کر دیا ہے اور لیٹر آف کریڈٹ کھولنے کا عمل جاری ہے۔

تنصیب اور پلانٹ کے فعال ہونے میں اٹھارہ ماہ لگنے کی توقع ہے۔ یہ پلانٹ کمپنی کی بجلی کی کھپت کم کرنے کے ساتھ پیش قدمی پر اٹھارہ مہینے تک مکمل کر دے گا۔

مستقبل کے امکانات:

بلند تعمیراتی لاگت، بھاری ٹیکسز اور جائیداد کی خرید و فروخت پر عائد ڈیوٹیز کی موجودگی میں ہم موجودہ سال میں ترقی کی پیش گوئی نہیں کر سکتے ہیں۔

تاہم کمپنی موجودہ دشواریوں کے اثرات کو کم کرنے اور کاروبار کو بڑھانے کے بہترین طریقوں پر غور کر رہی ہے۔

اظہار تشکر:

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

برائے و خانب بورڈ آف ڈائریکٹرز

طلحہ سعید احمد

ڈائریکٹر

ندیم عطاء شیخ

چیف ایگزیکٹو

لاہور: 24 اکتوبر، 2024

ڈائریکٹرز جائزہ رپورٹ

ہم بعد سترست 30 ستمبر، 2024ء کو ختم ہونے والی پہلی سہ ماہی کے لئے متعلقہ کمپنی کی غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

صنعتی جائزہ:

| شرح تبدیلی (%) | 30 ستمبر 2023ء | 30 ستمبر 2024ء | کل فروخت |
|----------------|----------------|----------------|---|
| | روپے (ملین) | | |
| (8.86%) | 11,064 | 10,084 | کلی فروخت |
| 33.60% | 3,229 | 4,314 | خام منافع |
| | 29.19% | 42.78% | شرح خام منافع |
| 70.06% | 865 | 1,471 | دیگر آمدنی |
| 34.11% | 2,837 | 3,805 | آپریٹنگ منافع |
| 39.22% | 4,011 | 5,584 | منافع قبل از مالی اخراجات ٹیکس، ڈیپریسیشن اور امور ٹرانزیشن |
| 54.28% | 2,229 | 3,439 | خالص منافع بعد از ٹیکس |
| | 20.15% | 34.14% | شرح خالص منافع بعد از ٹیکس |
| | 11.25 | 17.58 | فی شیئر آمدنی (روپے) |

بہتر قیمت فروخت اور لاگت کے موثر انتظام کی بدولت کمپنی کے خام منافع میں بہتری ہوئی، جبکہ اضافی فنڈز کی سرمایہ کاری سے حاصل ہونے والی آمدنی سے خالص منافع اور فی شیئر آمدنی میں بھی نمایاں اضافہ ہوا ہے۔

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

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

خوشاب، پنجاب میں نئے سینٹ پلانٹ کے منصوبے کے بنیادی ڈھانچے کے حوالے سے کام جاری ہے، جبکہ پلانٹ اور مشینری کی درآمد موجودہ معاشی صورتحال بہتر ہوتے ہی مکمل کر لی جائے گی۔

سولر پاور پلانٹ کی تنصیب کا منصوبہ:

کوہاٹ میں فیئٹری سائٹ پر 10 میگا واٹ کا سولر پاور پلانٹ کی کامیاب تنصیب اور کام کے آغاز کے بعد کمپنی کوہاٹ فیئٹری سائٹ پر مزید 10 میگا واٹ کا سولر

سینٹ انڈسٹری کی مالی سال 2025ء کی پہلی سہ ماہی کے دوران مجموعی ترسیلات میں گذشتہ مالی سال کی پہلی سہ ماہی کے مقابلے میں 13.5% کمی ہوئی ہے۔ مقامی ترسیلات میں نمایاں کمی واقع ہوئی ہے، جو 19.7% کم ہو کر 8.13 ملین میٹرک ٹن رہ گئیں، جبکہ گذشتہ سال اسی دورانیے میں یہ ترسیلات 10.13 ملین میٹرک ٹن تھیں۔ سینٹ کی مقامی طلب میں کمی کی اہم وجوہات میں عوامی ترقیاتی منصوبہ جات میں کمی، معاشی سست روی اور ترقیاتی لاگت میں اضافہ شامل ہے۔

تاہم مقامی منڈی کی ان دشواریوں کے باوجود سینٹ کی برآمدات میں مثبت رجحان دیکھا گیا ہے۔ مالی سال 2025ء کی پہلی سہ ماہی کے دوران گذشتہ سال کے اسی دورانیے کی برآمدات کے مقابلے میں 22.4% اضافہ ہوا، جبکہ برآمدات کا حجم 2.142 ملین ٹن رہا۔

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

| شرح تبدیلی % | 30 ستمبر 2023ء | 30 ستمبر 2024ء | مقامی ترسیلات |
|--------------|----------------|----------------|---------------|
| | میٹرک ٹن | | |
| (19.7%) | 10,128,632 | 8,133,845 | مقامی ترسیلات |
| 22.4% | 1,751,239 | 2,142,665 | برآمدات |
| (13.5%) | 11,879,871 | 10,276,510 | کل ترسیلات |

پیداواری کارکردگی

زیر جائزہ سہ ماہی کے دوران پیداوار اور ترسیلات کا خلاصہ درج ذیل ہے:

| شرح تبدیلی (%) | 30 ستمبر 2023ء | 30 ستمبر 2024ء | کلنگری پیداوار |
|----------------|----------------|----------------|-----------------|
| | میٹرک ٹن | | |
| 3.4% | 606,348 | 626,851 | کلنگری پیداوار |
| (18.1%) | 749,386 | 613,708 | سینٹ کی پیداوار |
| (22.2%) | 745,397 | 579,702 | مقامی ترسیلات |
| (26.5%) | 16,226 | 11,918 | برآمدات |
| (22.3%) | 761,623 | 591,620 | کل فروخت |

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at September 30, 2024

| Note | (Un-audited) September 30 2024 Rupees | (Audited) June 30 2024 Rupees |
|--|--|--|
| EQUITY AND LIABILITIES | | |
| Authorized share capital | 3,000,000,000 | 3,000,000,000 |
| Issued, subscribed and paid-up capital | 1,958,612,970 | 1,958,612,970 |
| Reserves | 117,044,951 | 117,044,951 |
| Accumulated profit | 42,453,504,858 | 39,014,647,370 |
| | 44,529,162,779 | 41,090,305,291 |
| Non-current liabilities | | |
| Long term financing – secured | 5 922,153,100 | 1,118,642,478 |
| Long term deposits | 3,536,100 | 3,536,100 |
| Deferred liabilities | | |
| – deferred taxation | 5,613,945,926 | 5,505,823,994 |
| – compensated absences | 28,921,408 | 29,351,103 |
| | 6,568,556,534 | 6,657,353,675 |
| Current liabilities | | |
| Current portion of long term financing | 5 973,251,620 | 1,034,355,873 |
| Trade and other payables | 6 7,406,948,389 | 6,223,153,321 |
| Contract liability | 144,176,227 | 113,418,606 |
| Unclaimed dividend | 8,503,909 | 8,503,909 |
| Dividend payable | 36,835,022 | 36,835,022 |
| Short term borrowings – secured | 350,000,000 | - |
| Provision for taxation – net | 4,373,966,893 | 3,544,368,477 |
| Mark-up accrued on borrowings | 112,093,611 | 135,001,023 |
| | 13,405,775,671 | 11,095,636,231 |
| Contingencies and commitments | 7 | 64,503,494,984 |
| | 64,503,494,984 | 58,843,295,197 |
| ASSETS | | |
| Non current assets | | |
| Property, plant and equipment | 8 22,154,536,349 | 22,157,690,533 |
| Intangibles | 446,105 | 508,226 |
| Long term loans and advances | 28,272,701 | 21,170,394 |
| Long term deposits | 43,556,640 | 43,356,640 |
| Investment property | 4,326,361,559 | 4,326,361,559 |
| | 26,553,173,354 | 26,549,087,352 |
| Current assets | | |
| Stores, spares and loose tools | 4,600,398,265 | 5,785,683,486 |
| Stock-in-trade | 2,627,426,246 | 1,793,742,440 |
| Trade debts – unsecured, considered good | 1,512,298,314 | 2,110,247,902 |
| Short term investments | 9 25,783,073,924 | 20,279,745,954 |
| Loans, advances, deposits, prepayments and other receivables | 10 1,124,430,749 | 1,222,138,891 |
| Cash and bank balances | 11 2,302,694,132 | 1,102,649,172 |
| | 37,950,321,630 | 32,294,207,845 |
| | 64,503,494,984 | 58,843,295,197 |

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



Chief Financial Officer



Chief Executive



Director

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


For the three months ended 30 September 2024

| | Note | 01 July to 30 September 2024 Rupees | Restated 01 July to 30 September 2023 Rupees |
|---|------|--|--|
| Sales - net | 12 | 10,083,701,101 | 11,064,117,813 |
| Cost of sales | 13 | (5,770,151,673) | (7,834,894,725) |
| Gross profit | | 4,313,549,428 | 3,229,223,088 |
| Selling and distribution expenses | | (46,280,390) | (36,102,823) |
| Administrative and general expenses | | (180,781,923) | (111,126,545) |
| Other expenses | | (281,799,067) | (245,037,407) |
| | | (508,861,380) | (392,266,775) |
| Operating profit | | 3,804,688,048 | 2,836,956,313 |
| Other income | | 1,470,639,507 | 864,505,921 |
| Finance cost | | (115,617,205) | (203,054,071) |
| Profit before income tax and final tax | | 5,159,710,350 | 3,498,408,163 |
| Final tax | | (15,246,852) | (167,809,741) |
| Profit before taxation | | 5,144,463,498 | 3,330,598,422 |
| Taxation | | (1,705,606,010) | (1,101,200,349) |
| Profit after taxation | | 3,438,857,488 | 2,229,398,073 |
| Earning per share (basic and diluted) | 14 | 17.56 | 11.25 |

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


Chief Financial Officer


Chief Executive


Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the three months ended 30 September 2024

| | 01 July to 30 September 2024 Rupees | 01 July to 30 September 2023 Rupees |
|--|--|--|
| Profit after taxation | 3,438,857,488 | 2,229,398,073 |
| Other comprehensive income/(loss) for the period | | |
| <i>Items that will not be reclassified to statement of profit or loss:</i> | | |
| Equity investment at FVOCI - net changes in fair value | - | (220,714) |
| <i>Items that are or may be reclassified to statement of profit or loss:</i> | | |
| Debt investment at FVOCI - net changes in fair value | - | (15,000) |
| Total comprehensive income for the period | 3,438,857,488 | 2,229,162,359 |

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



Chief Financial Officer



Chief Executive



Director

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

For the three months ended 30 September 2024

| | Reserves | | | | | | |
|---|------------------|---------------|--------------------|------------------|--------------------|----------------|----------------|
| | Capital reserves | | | Revenue reserves | | | Total |
| | Share capital | Share premium | Fair value reserve | General reserve | Accumulated profit | Total reserves | |
| | Rupees | | | | | | |
| Balance as at 01 July 2023 | 2,008,612,970 | 49,704,951 | (2,424,286) | 70,000,000 | 30,484,151,337 | 30,601,432,002 | 32,610,044,972 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the three months ended 30 September 2023 | - | - | - | - | 2,229,398,073 | 2,229,398,073 | 2,229,398,073 |
| Other comprehensive loss for the three months ended 30 September 2023 | - | - | (235,714) | - | - | (235,714) | (235,714) |
| | - | - | (235,714) | - | 2,229,398,073 | 2,229,162,359 | 2,229,162,359 |
| Own shares purchased and cancelled | (50,000,000) | - | - | - | (363,245,172) | (363,245,172) | (413,245,172) |
| Balance as at 30 September 2023 - unaudited | 1,958,612,970 | 49,704,951 | (2,660,000) | 70,000,000 | 32,350,304,238 | 32,467,349,189 | 34,425,962,159 |
| Balance as at 01 July 2024 | 1,958,612,970 | 49,704,951 | (2,660,000) | 70,000,000 | 39,014,647,370 | 39,131,692,321 | 41,090,305,291 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the three months ended 30 September 2024 | - | - | - | - | 3,438,857,488 | 3,438,857,488 | 3,438,857,488 |
| Other comprehensive income for the three months ended 30 September 2024 | - | - | - | - | - | - | - |
| | - | - | - | - | 3,438,857,488 | 3,438,857,488 | 3,438,857,488 |
| Balance as at 30 September 2024 - unaudited | 1,958,612,970 | 49,704,951 | (2,660,000) | 70,000,000 | 42,453,504,858 | 42,570,549,809 | 44,529,162,779 |

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



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the three months ended 30 September 2024

| | 01 July to 30 September 2024 Rupees | 01 July to 30 September 2023 Rupees |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before income tax and final tax | 5,159,710,350 | 3,498,408,163 |
| <i>Adjustments for:</i> | | |
| Depreciation on property, plant and equipment | 309,064,848 | 309,043,345 |
| Amortization on intangible assets | 62,121 | 266,745 |
| Gain on disposal of property, plant and equipment | (739,134) | - |
| Profit on bank deposits and loans - Conventional | (58,180,568) | (25,613,681) |
| Profit on bank deposits - Shariah compliant | (19,590,682) | (13,364,465) |
| Realized gain on investment at fair value through profit and loss | (374,956,181) | (5,788,928) |
| Net change in fair value of financial assets at FVTPL | (927,688,259) | (151,242,110) |
| Dividend income | (43,562,434) | (661,429,252) |
| Foreign currency exchange loss | 129,031 | 212,028 |
| Provision for loss allowance against trade debts | 1,524,244 | 20,274,294 |
| Provision for compensated absences | 4,363,729 | 4,396,961 |
| Provision for Workers' Welfare Fund | 78,701,153 | 37,833,122 |
| Provision for Workers' Profit Participation Fund | 200,844,639 | 186,117,963 |
| Finance cost | 115,617,205 | 203,054,071 |
| | (714,410,288) | (96,239,907) |
| Cash generated from operations before working capital changes | 4,445,300,062 | 3,402,168,256 |
| <i>(Increase) / decrease in current assets:</i> | | |
| Stores, spares and loose tools | 1,185,285,221 | 410,235,618 |
| Stock-in-trade | (833,683,806) | 662,930,775 |
| Trade debts | 596,425,344 | (285,068,856) |
| Advances, deposits, prepayments and other receivables | 100,221,810 | (211,740,054) |
| <i>(Decrease) / increase in current liabilities:</i> | | |
| Trade and other payables | 904,120,245 | 1,022,109,821 |
| Contract liability | 30,757,621 | (97,093,988) |
| | 1,983,126,435 | 1,501,373,316 |
| Cash generated from operations | 6,428,426,497 | 4,903,541,572 |
| Compensated absences paid | (4,793,424) | (3,660,619) |
| Finance cost paid | (137,529,375) | (209,465,733) |
| Final taxes paid | (15,246,852) | (167,809,741) |
| Income tax paid | (767,885,662) | (179,589,252) |
| Net cash generated from operating activities | 5,502,971,184 | 4,343,016,227 |
| Cash flow from investing activities | | |
| Acquisition of property, plant and equipment | (305,938,530) | (298,639,424) |
| Proceeds from disposal of property, plant and equipment | 767,000 | - |
| Acquisition of investment property | - | (140,000) |
| Short term investments - net | (4,200,683,530) | (4,306,422,908) |
| Dividend received on short term investments | 43,562,434 | 661,429,252 |
| Long term loans and advances - net | (7,102,307) | 1,686,957 |
| Long term deposits | (200,000) | - |
| Profit on bank deposits and loans | 75,257,582 | 42,968,498 |
| Net cash used in investing activities | (4,394,337,351) | (3,899,117,625) |
| Cash flow from financing activities | | |
| Repayment of long term finances | (258,588,873) | (258,588,968) |
| Disbursement of short term borrowings | 350,000,000 | - |
| Own shares purchased for cancellation | - | (413,245,172) |
| Dividend paid | - | (117,826) |
| Net cash generated from / (used in) financing activities | 91,411,127 | (671,951,966) |
| Net increase / (decrease) in cash and cash equivalents | 1,200,044,960 | (228,053,364) |
| Cash and cash equivalents at beginning of the period | 1,102,649,172 | 933,537,193 |
| Cash and cash equivalents at end of the period | 2,302,694,132 | 705,483,829 |

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



Chief Financial Officer



Chief Executive



Director

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

For the three months ended 30 September 2024

1 Reporting entity

- 1.1 Kohat Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now "Companies Act, 2017") and is listed on Pakistan Stock Exchange. The Company is engaged in production and sale of cement. Head Office of the Company is situated at 36-37 P, Gulberg-II, Lahore, further the registered office and production facility is situated at Rawalpindi Road, Kohat, Pakistan. The Company is in the process of acquiring further land in District Khushab Punjab Pakistan, for installation of its new grey cement line.
- 1.2 ANS Capital (Private) Limited is the holding company of the Company and holds 110,482,320 (30 June 2024: 110,482,320) ordinary shares of the Company comprising 56.41% of its 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 30 September 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows 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 2024. 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 2024, whereas comparatives of condensed interim statement of profit or loss, statement of comprehensive income, statement of cash flows 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 2023.
- 2.5 These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

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

For the three months ended 30 September 2024

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 2024.

4 Statement of consistency in accounting policies

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 2024.

| | Note | (Un-audited) September 30 2024 Rupees | (Audited) June 30 2024 Rupees |
|---|------|--|--|
| 5 Long term finances - secured | | | |
| Term finance - Line-4 (Conventional) | | | |
| Opening | | 2,158,032,979 | 3,192,388,854 |
| Repaid during the period / year | | (258,588,873) | (1,034,355,875) |
| | | 1,899,444,106 | 2,158,032,979 |
| Less: Current maturity | | (973,251,620) | (1,034,355,873) |
| Less: Transaction cost | | (4,039,386) | (5,034,628) |
| | | 922,153,100 | 1,118,642,478 |
| 6 Trade and other payables | | | |
| Trade creditors - local | 6.1 | 693,737,976 | 847,755,790 |
| Trade creditors - imports | | 708,816,909 | 933,691,081 |
| Contractors' bills payable | | 88,049,715 | 46,432,357 |
| Accrued liabilities | | 713,763,608 | 420,400,000 |
| Payable to Workers' Profit Participation Fund | | 2,637,968,186 | 2,437,123,547 |
| Payable to Workers' Welfare Fund | | 251,692,400 | 172,991,247 |
| Payable to Provident Fund Trust | | 7,839,161 | 5,663,132 |
| | | 5,101,867,955 | 4,864,057,154 |
| <i>Payable to Government on account of:</i> | | | |
| Income tax deducted at source | | 25,039,027 | 31,031,857 |
| Federal excise duty | | 824,775,324 | 158,853,304 |
| Sales tax payable | | 493,724,039 | 284,227,145 |
| Royalty and excise duty | | 181,557,161 | 121,780,345 |
| | | 1,525,095,551 | 595,892,651 |
| Retention money payable | | 8,603,146 | 7,739,457 |
| Other payables | | 771,381,737 | 755,464,059 |
| | | 779,984,883 | 763,203,516 |
| | | 7,406,948,389 | 6,223,153,321 |

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

For the three months ended 30 September 2024

- 6.1** This includes amounts payable to related parties Ultra Pack (Private) Limited amounting to Rs. 19.403 million (30 June 2024: Rs. 191.312 million) and Ultra Kraft (Private) Limited amounting to Rs. 29.087 million (30 June 2024: Rs. 19.63 million).

7 Contingencies and commitments

7.1 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 2024.

| | Note | (Un-audited) September 30 2024 Rupees | (Audited) June 30 2024 Rupees |
|--|------|--|--|
| 7.2 Commitments | | | |
| <i>In respect of letters of credit for:-</i> | | | |
| - Stores and spares | | 191,068,876 | 208,585,518 |
| <i>Others:</i> | | | |
| - Guarantee issued by Company in favour of bank on behalf of an associated company | 10 | 390,000,000 | 390,000,000 |
| | | 581,068,876 | 598,585,518 |
| 8 Property, plant and equipment | | | |
| Operating fixed assets | 8.1 | 21,024,730,586 | 21,157,313,928 |
| Capital work in progress | 8.2 | 1,129,805,763 | 1,000,376,605 |
| | | 22,154,536,349 | 22,157,690,533 |
| 8.1 Operating fixed assets | | | |
| Opening written down value | | 21,157,313,928 | 20,286,414,882 |
| Add: Additions during the period / year (cost) | | | |
| Freehold Land | | - | 12,712,132 |
| Factory buildings | | 3,793,637 | 78,904,786 |
| Housing colony | | 465,823 | 154,650,227 |
| Plant, machinery and equipment | | 375,000 | 1,615,619,070 |
| Furniture, fixtures and office equipment | | 24,356 | 9,083,001 |
| Computers and printers | | 1,747,749 | 36,731,236 |
| Light vehicles | | 85,180,045 | 145,486,405 |
| Laboratory equipment | | 84,922,762 | - |
| | | 176,509,372 | 2,053,186,857 |
| Less: Disposals during the period / year (written down value) | | | |
| Housing colony | | - | (454,448) |
| Computers and printers | | - | (58,149) |
| Light vehicles | | (27,866) | (47,523) |
| | | (27,866) | (560,120) |
| Less: Depreciation charge for the period / year | | (309,064,848) | (1,181,727,691) |
| Closing written down value | | 21,024,730,586 | 21,157,313,928 |

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

For the three months ended 30 September 2024

| | (Un-audited) September 30 2024 Rupees | (Audited) June 30 2024 Rupees |
|--|--|--|
| 8.2 Capital work in progress | | |
| Balance at beginning of the period / year | 1,000,376,605 | 1,943,019,581 |
| Add: Additions during the period / year | 133,688,618 | 791,567,020 |
| Less: Transfers to fixed assets during the period / year | (4,259,460) | (1,734,209,996) |
| | 1,129,805,763 | 1,000,376,605 |
| 9 Short term investments | | |
| FVOCI - debt instrument | | |
| Term Finance Certificates | 100,000,000 | 100,000,000 |
| Accumulated fair value loss | (2,660,000) | (2,660,000) |
| | 97,340,000 | 97,340,000 |
| FVTPL | | |
| Investments in Mutual Funds (Income & Money Market) | | |
| Shariah compliant | 3,708,056,178 | 6,631,635,350 |
| Conventional | 20,676,669,513 | 12,398,103,501 |
| | 24,384,725,691 | 19,029,738,851 |
| Listed equity securities | | |
| Cost | 641,631,746 | 549,497,061 |
| Accumulated fair value gain | 659,376,487 | 603,170,042 |
| | 1,301,008,233 | 1,152,667,103 |
| | 25,685,733,924 | 20,182,405,954 |
| | 25,783,073,924 | 20,279,745,954 |

10 This includes an amount of Rs. 502 million (30 June 2024: Rs. 502 million) receivable against short-term running finance (STRF) and Rs. 27.901 million (30 June 2024: Rs. 29.787 million) on account of accrued mark-up on above mentioned STRF and commission on the Corporate Guarantee as mentioned in note 7.2 in favour of Ultra Kraft (Private) Limited, an associated company.

11 Cash and bank balances

These include Rs. 446.11 million (30 June 2024: Rs. 278.76 million) placed under Shariah permissible arrangement. Remaining deposits are placed with conventional financial institutions.

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

For the three months ended 30 September 2024

| Note | (Un-audited) 01 July to 30 September 2024 Rupees | (Un-audited) 01 July to 30 September 2023 Rupees |
|--|--|--|
| 12 Sales - net | | |
| Local sales - gross | 14,885,619,952 | 15,038,249,050 |
| Export sales | 140,566,053 | 209,549,648 |
| | 15,026,186,005 | 15,247,798,698 |
| Less: Sales tax | (2,534,607,918) | (2,571,477,396) |
| Federal excise duty | (2,318,806,320) | (1,490,794,300) |
| Discounts / rebates / commission | (89,070,666) | (121,409,189) |
| | (4,942,484,904) | (4,183,680,885) |
| | 10,083,701,101 | 11,064,117,813 |
| 13 Cost of sales | | |
| Raw materials consumed | 389,111,014 | 336,766,578 |
| Packing materials consumed | 498,091,584 | 690,957,555 |
| Power and fuel | 1,292,956,546 | 1,604,816,125 |
| Coal and gas | 3,219,690,519 | 3,612,767,887 |
| Stores and spares consumed | 314,191,172 | 239,893,126 |
| Salaries, wages and other benefits | 228,088,780 | 196,083,191 |
| Royalty and excise duty | 236,512,316 | 122,749,796 |
| Rent, rates and taxes | 15,359,106 | 16,278,552 |
| Repairs and maintenance | 51,742,133 | 68,835,112 |
| Insurance | 18,041,512 | 12,500,711 |
| Depreciation | 297,462,237 | 306,172,320 |
| Loading and freight charges | 49,904,393 | 29,543,657 |
| Other expenses | 70,648,454 | 45,559,321 |
| | 6,681,799,766 | 7,282,923,931 |
| <i>Work-in-process:</i> | | |
| At beginning of the period | 723,387,446 | 1,563,113,179 |
| At end of the period | (1,509,128,880) | (1,044,683,832) |
| Cost of goods manufactured | 5,896,058,332 | 7,801,353,278 |
| <i>Finished goods:</i> | | |
| At beginning of the period | 671,167,588 | 825,190,561 |
| At end of the period | (794,895,632) | (789,988,927) |
| | 5,772,330,288 | 7,836,554,912 |
| Less: Cost attributable to own cement consumption and others | (2,178,615) | (1,660,187) |
| | 5,770,151,673 | 7,834,894,725 |

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

For the three months ended 30 September 2024

| | Note | (Un-audited) 01 July to 30 September 2024 Rupees | (Un-audited) 01 July to 30 September 2023 Rupees |
|--|-------------|--|--|
| 14 Earnings per share - basic and diluted | Unit | | |
| Profit for the year after taxation | Rupees | 3,438,857,488 | 2,229,398,073 |
| Weighted average number of ordinary shares | Numbers | 195,861,297 | 198,143,906 |
| Earnings per share | Rupees | 17.56 | 11.25 |

15 Financial instruments-fair values

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

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

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

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

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

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

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

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

For the three months ended 30 September 2024

| | Note | Fair value through other comprehensive income | Fair value through profit or loss | Carrying Amount | | Fair value | | |
|---|------|---|-----------------------------------|------------------------------------|---|----------------|---------|---------|
| | | | | Financial assets at amortised cost | Financial liabilities at amortized cost | Level 1 | Level 2 | Level 3 |
| Rupees | | | | | | | | |
| On-Balance sheet financial Instruments | | | | | | | | |
| 30 September 2024 (Un-Audited) | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| Investments | | 97,340,000 | 25,885,733,924 | - | - | 25,783,073,924 | - | - |
| Financial assets at amortised cost | | | | | | | | |
| Long term deposits | | - | - | 43,556,640 | - | - | - | - |
| Trade debts - unsecured, considered good | | - | - | 1,512,298,314 | - | - | - | - |
| Deposits, and other receivables | | - | - | 667,265,087 | - | - | - | - |
| Cash and bank balances | | - | - | 2,302,694,132 | - | - | - | - |
| | 15.1 | - | - | 4,525,814,173 | - | - | - | - |
| Financial liabilities measured at fair value | | | | | | | | |
| Financial liabilities measured at amortised cost | | | | | | | | |
| Long term financing | | - | - | - | 1,895,404,720 | - | - | - |
| Long term deposits | | - | - | - | 3,538,100 | - | - | - |
| Trade and other payables | | - | - | - | 2,575,732,288 | - | - | - |
| Short term borrowings | | - | - | - | 350,000,000 | - | - | - |
| Mark-up accrued on borrowings | | - | - | - | 112,093,611 | - | - | - |
| Dividend payable | | - | - | - | 36,835,022 | - | - | - |
| Unclaimed Dividend | | - | - | - | 8,503,909 | - | - | - |
| | 15.1 | - | - | - | 4,982,105,630 | - | - | - |

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

For the three months ended 30 September 2024

| | Note | Fair value | | | Carrying Amount | | | Fair value | | | |
|---|------|---|-----------------------------------|------------------------------------|---|---------|---------|----------------|---------|---------|---------|
| | | Fair value through other comprehensive income | Fair value through profit or loss | Financial assets at amortised cost | Financial liabilities at amortised cost | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| | | | | | | | | | | | |
| On-Balance sheet financial instruments | | | | | | | | | | | |
| 30 June 2024 (Audited) | | | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | | | |
| Investments | | 97,340,000 | 20,182,405,954 | - | - | - | - | 20,279,745,954 | - | - | |
| Financial assets at amortised cost | | | | | | | | | | | |
| Long term deposits | | - | - | 43,356,640 | - | - | - | - | - | - | |
| Trade debts - unsecured, considered good | | - | - | 2,110,247,902 | - | - | - | - | - | - | |
| Deposits, and other receivables | | - | - | 789,742,929 | - | - | - | - | - | - | |
| Cash and bank balances | | - | - | 1,102,648,172 | - | - | - | - | - | - | |
| | 15.1 | - | - | 4,025,996,643 | - | - | - | - | - | - | |
| Financial liabilities measured at fair value | | | | | | | | | | | |
| Financial liabilities measured at amortised cost | | | | | | | | | | | |
| Long term financing | | - | - | - | 2,152,998,351 | - | - | - | - | - | |
| Long term deposits | | - | - | - | 3,538,100 | - | - | - | - | - | |
| Trade and other payables | | - | - | - | 2,281,309,180 | - | - | - | - | - | |
| Mark-up accrued on borrowings | | - | - | - | 135,001,023 | - | - | - | - | - | |
| Dividend payable | | - | - | - | 36,835,022 | - | - | - | - | - | |
| Unclaimed Dividend | | - | - | - | 8,503,909 | - | - | - | - | - | |
| | 15.1 | - | - | - | 4,618,183,585 | - | - | - | - | - | |

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

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

For the three months ended 30 September 2024

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

| | For the three months ended 30 September 2024 | | | | |
|--|--|-----------------------|-----------------------------------|------------------|---------------|
| | Equity and Liabilities | | | | Total |
| | Long term finances | Short term borrowings | Own shares purchase and cancelled | Dividend payable | |
| Rupees | | | | | |
| Balance as at 01 July 2024 | 2,152,998,351 | - | - | 45,338,931 | 2,198,337,282 |
| Changes from financing activities | | | | | |
| Repayment of loans and finances - secured | (258,588,873) | - | - | - | (258,588,873) |
| Disbursement of short term finances - secured | - | 350,000,000 | - | - | 350,000,000 |
| Total changes from financing cash flows | (258,588,873) | 350,000,000 | - | - | 91,411,127 |
| Other changes | | | | | |
| Amortization of Transaction cost | 995,242 | - | - | - | 995,242 |
| Total liability related other changes | 995,242 | - | - | - | 995,242 |
| Closing as at 30 September 2024 | 1,895,404,720 | 350,000,000 | - | 45,338,931 | 2,290,743,651 |

| | For the three months ended 30 September 2023 | | | | |
|--|--|-----------------------|-----------------------------------|------------------|---------------|
| | Equity and Liabilities | | | | Total |
| | Long term finances | Short term borrowings | Own shares purchase and cancelled | Dividend payable | |
| Rupees | | | | | |
| Balance as at 01 July 2023 | 3,183,373,248 | - | (456,701,404) | 45,475,220 | 2,772,147,064 |
| Changes from financing activities | | | | | |
| Repayment of long term finances - secured | (258,588,968) | - | - | - | (258,588,968) |
| Dividend paid | - | - | - | (117,826) | (117,826) |
| Own shares purchased for cancellation | - | - | (413,245,172) | - | (413,245,172) |
| Total changes from financing cash flows | (258,588,968) | - | (413,245,172) | (117,826) | (671,951,966) |
| Other changes | | | | | |
| Own shares cancelled | - | - | 869,946,576 | - | 869,946,576 |
| Amortization of Transaction cost | 995,243 | - | - | - | 995,243 |
| Total liability related other changes | 995,243 | - | 869,946,576 | - | 870,941,819 |
| Closing as at 30 September 2023 | 2,925,779,523 | - | - | 45,357,394 | 2,971,136,917 |

17 Related parties

17.1 Following are the related parties with whom the Company had entered into transactions during the period:

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

For the three months ended 30 September 2024

| Sr. no. | Name of Related Party | Relationship with the Company | Direct Shareholding in the Company |
|---------|---------------------------------|-----------------------------------|------------------------------------|
| 1 | Ultra Pack (Private) Limited | Common control | Nil |
| 2 | Nutribel (Private) Limited | Common directorship | Nil |
| 3 | Ultra Kraft (Private) Limited | Common control | Nil |
| 4 | Employees' Provident Fund Trust | Post employment contribution plan | Nil |
| 5 | Kohat Cement Educational Trust | Common directorship / trustee | 0.08% |

17.2 Balances and transactions with related parties

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

| | (Un-audited) 01 July to 30 September 2024 Rupees | (Un-audited) 01 July to 30 September 2023 Rupees |
|---|--|--|
| Transactions with Associated Undertakings | | |
| Purchases in ordinary course of business | 384,160,376 | 591,057,993 |
| Sales of asset | 767,000 | - |
| Loan disbursement | - | 82,000,000 |
| Commission / markup charges | 27,900,791 | 12,067,097 |
| Transactions with Directors | | |
| Managerial remuneration and other benefits | 44,245,636 | 26,428,663 |
| Chairman remuneration | 19,426,673 | 28,608,242 |
| Meeting fee | 445,000 | 445,000 |
| Transactions with other key management personnel | | |
| Managerial remuneration and other benefits | 73,910,631 | 26,282,483 |
| Other related parties | | |
| Contribution to company provident fund | 8,344,898 | 6,347,724 |
| Contribution to KCCL Education Trust | 1,400,000 | 1,050,000 |

17.3 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.

18 General

18.1 Figures have been rounded off to the nearest rupee.


18.2 These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 24, 2024.



Chief Financial Officer



Chief Executive



Director

kohatcement.com

37-P, Gulberg II, Lahore, Pakistan

Tel: +92 -42-11-111-KCCL (5225) Fax: +92-423-5754084, 5874990

Email: mis@kohatcement.com

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