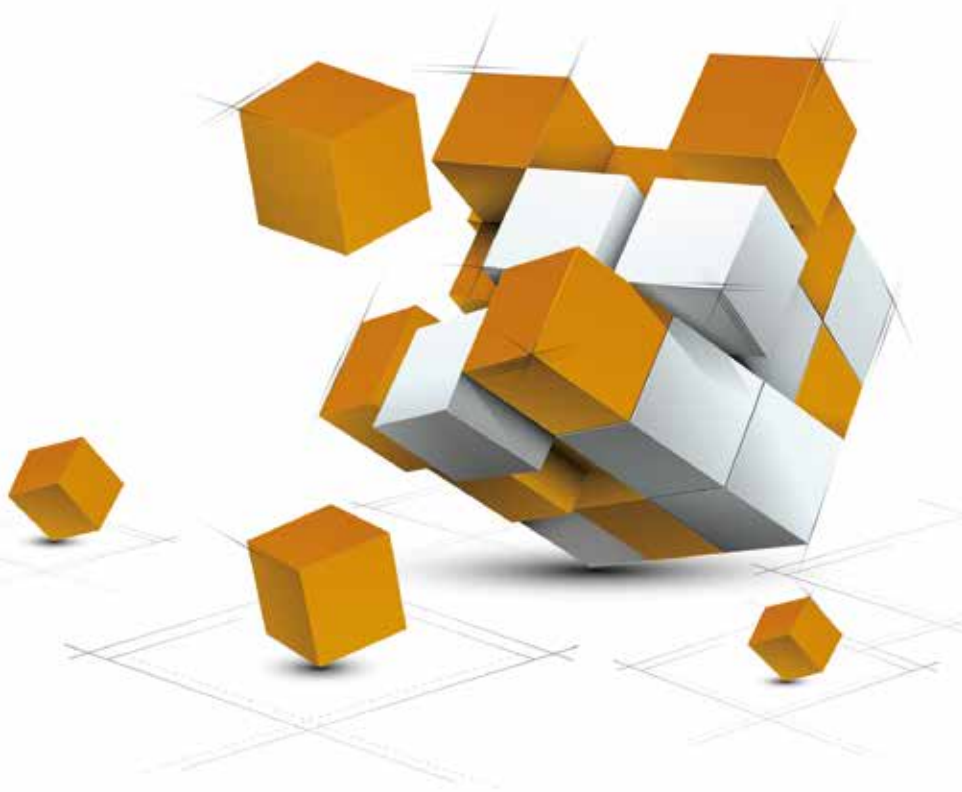




20
23 3rd Quarter Report
MARCH 31

EXPANDING OUR REACH



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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
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

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
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

DIRECTORS' REVIEW

Dear Shareholders,

The Directors of your Company gladly present the unaudited interim financial statements of your Company for the 3rd Quarter and Nine-Month period ended March 31, 2023.

Industry Review

The local dispatches of the Industry declined by 15.4% mainly because of economic meltdown in the country. The Industry exported 3 million tons depicting a decline of 34.5% from comparable period of last year (4.64 million tons). Cumulative dispatches of the industry were 33.6 million tons compared to 40.77 million tons last year showing a decrease of 17.6% in volumes.

Below is the quantitative data:

M. Tons

Dispatches	Third Quarter (Jan-Mar)			Nine Months (July-Mar)		
	FY 2023	FY 2022	Variance	FY 2023	FY 2022	Variance
Local	10.53	12.06	-12.7%	30.56	36.13	-15.4%
Exports	1.30	1.25	4.0%	3.04	4.64	-34.5%
Total	11.83	13.31	-11.1%	33.60	40.77	-17.6%

Company's financial and operational performance

Operational performance of your Company is summarized as under:

M. Tons

	Third Quarter (Jan-Mar)			Nine Months (July-Mar)		
	FY 2023	FY 2022	Variance	FY 2023	FY 2022	Variance
Clinker Production	710,650	806,791	-11.9%	2,137,260	2,432,667	-12.1%
Cement Production	758,308	910,126	-16.7%	2,324,145	2,710,546	-14.3%
Domestic Sales	761,731	925,866	-17.7%	2,304,943	2,723,090	-15.4%
Export Sales	9,435	2,150	338.8%	10,554	4,630	127.9%
Total Sales	771,166	928,016	-16.9%	2,315,497	2,727,720	-15.1%

Financial Performance

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

Rupees in Million

	Third Quarter (Jan-Mar)			Nine Months (July-Mar)		
	FY 2023	FY 2022	Variance	FY 2023	FY 2022	Variance
Net Sales	10,010	8,570	16.8%	29,825	23,585	26.5%
Gross Profit	2,241	2,505	-10.5%	7,969	7,248	9.9%
Gross Margin	22.39%	29.23%		26.72%	30.73%	
Operating Profit	2,480	2,441	1.6%	8,338	6,898	20.9%
EBITDA	2,759	2,722	1.4%	9,174	7,734	18.6%
EBITDA Margin	27.56%	31.76%		30.76%	32.79%	
PAT	1,624	1,646	1.4%	5,363	4,630	15.8%
Earnings per share (Rs)	8.08	8.19		26.70	23.05	

The profit margins have decreased in both 3rd quarter and the nine-month period as the increase of input costs which could not be fully passed on to the customers due to negative growth in cement demand amid high inflation.

The Company is current on its all debt obligations.

Future outlook

The current economic and political situation, unprecedented inflation, high interest rates, weakening PKR, low PSDP spending shall continue to hamper the cement demand in local market.

Ongoing Projects

Greenfield Cement Production Line, Khushab, Punjab – The land acquisition and infrastructure development work is progressing as per schedule whereas import of plant and machinery will be dependent upon the recovery in economic conditions and relaxation of import restrictions.

10 MW Solar Power Plant – Project of setting up a 10 MW Solar Power Plant at Company's plant site Kohat shall play a vital role in reducing energy cost and is expected to be completed by September 2023.

Acknowledgments

We appreciate our employees and all stakeholders and are thankful for their continuous efforts and work done for the uplift of our Company.

For and on behalf of the Board



Nadeem Atta Sheikh
Chief Executive



Talha Saeed Ahmad
Director

Lahore: April 27, 2023

ملین روپے

شرح تبدیلی	نومای (جولائی تا مارچ)		تیسری سرمایہ (جنوری تا مارچ)		تزیلات
	2022	2023	2022	2023	
شرح منافع قبل از مالی اخراجات، ٹیکس، ڈیپریسیشن اور امور نا تزیلیت	32.79%	30.76%	31.76%	27.56%	شرح منافع قبل از مالی اخراجات، ٹیکس، ڈیپریسیشن اور امور نا تزیلیت
منافع بعد از ٹیکس	15.8%	4,630	1.4%	1,624	منافع بعد از ٹیکس
فی شیئر آمدنی (روپے)	23.05	26.70	8.19	8.08	فی شیئر آمدنی (روپے)

پیداواری لاگت میں اضافے کی وجہ سے زیر جائزہ تیسری سرمایہ اور نومای میں شرح منافع میں کمی واقع ہوئی ہے جس کا بوجھ بڑھتی ہوئی مہنگائی اور سینٹ کی طلب میں کمی کی وجہ سے صارفین کو منتقل نہیں کیا گیا ہے۔

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

مستقبل کے امکانات:

موجودہ معاشی اور سیاسی صورتحال، بے تحاشہ مہنگائی، بلند شرح سود، روپے کی قدر میں کمی، پی ایس ڈی کی ترقی کے منصوبہ جات میں کمی جیسے عناصر مقامی مارکیٹ میں سینٹ کی طلب کو متاثر کرتے رہیں گے۔

زیر تکمیل منصوبہ جات:


گرین فیلڈ سینٹ پیداواری لائن، خوشاب، پنجاب۔ زمین کے حصول اور بنیادی ڈھانچے کی ترقی کا کام شیڈول کے مطابق آگے بڑھ رہا ہے جبکہ پلانٹ اور مشینری کی درآمد کا انحصار معاشی حالات کی بحالی اور درآمدی پابندیوں میں نرمی پر ہوگا۔

10 MW مشینی توانائی سے بننے والے پلانٹ۔ کمپنی کے پلانٹ سائٹ کو باٹ میں 10 MW کا سولر پاور پلانٹ لگانے کا منصوبہ ستمبر 2023 تک مکمل ہو جائے گا جو کہ توانائی کی لاگت کو کم کرنے میں اہم کردار ادا کرے گا۔

اتلہا تشکر:

ہم اپنے ملازمین اور تمام اسٹیک ہولڈرز کو سراہتے ہیں اور ان کی مسلسل کوششوں اور کمپنی کی بہتری کے لیے کیے گئے کاموں کے لئے شکر گزار ہیں۔

برائے دستخط بورڈ آف ڈائریکٹرز


طلیب سعید احمد
ڈائریکٹر


تلم سعید احمد
چیف ایگزیکٹو
لاہور: اپریل 2023ء

ڈائریکٹرز جائزہ رپورٹ

معزز حصص داران!

کوہاٹ سینٹ کھپنی لمیٹڈ کے ڈائریکٹرز بعد مسرت مالی سال 2022-23 کی 31 مارچ، 2023 کو ختم ہونے والی تیسری سہ ماہی اور نو ماہی سے متعلقہ غیر آڈٹ شدہ گوشوارے پیش کرتے ہیں۔

صنعتی کارکردگی:

ملکی معاشی بد حالی کی وجہ سے سینٹ انڈسٹری کی مقامی ترسیلات میں %15.4 کمی واقع ہوئی۔ سینٹ انڈسٹری کی برآمدات 2022 کے نو ماہ کے 4.64 ملین ٹن سے کم ہو کر 3 ملین ٹن رہ گئیں جو %34.5 کی کوٹا بھر کرتی ہیں۔ سینٹ انڈسٹری کی مجموعی ترسیلات پچھلے سال کی 40.77 ملین ٹن کے مقابلے میں 33.6 ملین ٹن رہی، جو کہ ترسیلات میں %17.6 کمی کو ظاہر کرتی ہے۔

سینٹ انڈسٹری کی ترسیلات کا خلاصہ درج ذیل ہے۔

میٹرک ٹن

ترسیلات	تیسری سہ ماہی (جنوری تا مارچ)		نو ماہی (جولائی تا مارچ)	
	2022	2023	2022	2023
مقامی	10.53	12.06	36.13	30.56
برآمدات	1.30	1.25	4.64	3.04
کل	11.83	13.31	40.77	33.60

پیداواری کارکردگی:

ذیل میں کھپنی کی پیداواری کارکردگی کا خلاصہ دیا گیا ہے:

میٹرک ٹن

ترسیلات	تیسری سہ ماہی (جنوری تا مارچ)		نو ماہی (جولائی تا مارچ)	
	2022	2023	2022	2023
کلنٹری پیداوار	710,650	806,791	2,432,667	2,137,260
سینٹ کی پیداوار	758,308	910,126	2,710,546	2,324,145
مقامی ترسیلات	761,731	925,866	2,723,090	2,304,943
برآمدات	9,435	2,150	4,630	10,554
ٹول ترسیلات	771,166	928,016	2,727,720	2,315,497

مالیاتی کارکردگی:

زیر جائزہ دورے میں کھپنی کی مالیاتی کارکردگی کا سرسری جائزہ ذیل میں دیا گیا ہے:

ملین روپے

ترسیلات	تیسری سہ ماہی (جنوری تا مارچ)		نو ماہی (جولائی تا مارچ)	
	2022	2023	2022	2023
کل فروخت	10,010	8,570	23,585	29,825
خام منافع	2,241	2,505	7,248	7,969
شرح خام منافع	22.39%	29.23%	30.73%	26.72%
آپریٹنگ منافع	2,480	2,441	6,898	8,338
منافع قبل از مالی اخراجات، ٹیکس، ڈیپریسیشن اور امونائزیشن	2,759	2,722	7,734	9,174

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2023

	Note	(Un-audited) 31 March 2023 Rupees	(Audited) 30 June 2022 Rupees
EQUITY AND LIABILITIES			
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		116,455,665	117,505,665
Accumulated profit		3,482,977,574	25,120,101,596
		32,608,046,209	27,246,220,231
Non-current liabilities			
Long term financing - secured	5	2,406,608,838	3,179,400,118
Long term deposits		2,536,100	2,036,100
Deferred liabilities			
- deferred taxation		4,077,545,447	3,407,373,618
- compensated absences		31,953,793	27,647,098
		6,518,644,178	6,616,456,934
Current liabilities			
Current portion of long term financing	5	1,034,358,120	1,071,912,356
Trade and other payables	6	6,074,984,467	5,525,221,208
Contract liability	7	283,125,637	264,984,408
Unclaimed dividend		8,535,357	8,535,357
Dividend payable		36,939,862	37,112,692
Provision for taxation - net		2,485,111,381	2,438,052,665
Mark-up accrued on borrowings		164,299,465	142,171,993
		10,087,354,289	9,487,990,679
Contingencies and commitments	8		
		49,214,044,676	43,350,667,844
ASSETS			
Non current assets			
Property, plant and equipment	9	22,293,658,349	21,331,296,362
Intangibles		1,834,454	2,701,357
Long term loans and advances		35,595,260	63,226,829
Long term deposits		43,356,640	43,356,640
Investment property		4,134,255,209	4,134,255,209
		26,508,699,912	25,574,836,397
Current assets			
Stores, spares and loose tools		5,189,014,224	4,214,829,636
Stock-in-trade		2,477,303,964	1,456,156,782
Trade debts - unsecured, considered good		765,751,333	916,039,469
Short term investments	10	13,068,401,242	10,124,095,693
Loans, advances, deposits, prepayments and other receivables		777,074,262	583,944,235
Cash and bank balances	11	427,799,739	480,765,632
		22,705,344,764	17,775,831,447
		49,214,044,676	43,350,667,844

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

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

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

	Note	01 July to 31 March 2023 Rupees	01 July to 31 March 2022 Rupees	01 Jan to 31 March 2023 Rupees	01 Jan to 31 March 2022 Rupees
Sales - net	12	29,824,575,200	23,584,583,666	10,010,223,154	8,569,771,226
Cost of sales	13	(21,856,066,095)	(16,336,568,338)	(7,769,119,667)	(6,064,709,716)
Gross profit		7,968,509,105	7,248,015,328	2,241,103,487	2,505,061,510
Selling and distribution expenses		(115,857,199)	(85,337,445)	(41,722,069)	(33,264,273)
Administrative and general expenses		(290,628,353)	(257,215,243)	(95,956,413)	(82,622,335)
Other income		1,341,645,973	401,334,906	541,337,925	193,413,261
Other expenses		(565,868,366)	(409,129,000)	(164,766,000)	(141,845,360)
		369,292,055	(350,346,782)	238,893,443	(64,318,707)
Operating profit		8,337,801,160	6,897,668,546	2,479,996,930	2,440,742,803
Finance cost		(511,205,823)	(380,217,271)	(168,783,278)	(143,862,918)
Profit before taxation		7,826,595,337	6,517,451,275	2,311,213,652	2,296,879,885
Taxation		(2,463,719,359)	(1,887,662,113)	(687,448,998)	(651,118,469)
Profit after taxation		5,362,875,978	4,629,789,162	1,623,764,654	1,645,761,416
Earning per share (basic and diluted)		26.70	23.05	8.08	8.19

The annexed notes from 1 to 17 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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

	01 July to 31 March 2023 Rupees	01 July to 31 March 2022 Rupees	01 Jan to 31 March 2023 Rupees	01 Jan to 31 March 2022 Rupees
Profit after taxation	5,362,875,978	4,629,789,162	1,623,764,654	1,645,761,416
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	(50,000)	(266,400)	20,200	24,600
<i>Items that are or may be reclassified to statement of profit or loss:</i>				
Debt investment at FVOCI - net changes in fair value	(1,000,000)	(1,210,000)	(1,565,000)	(1,210,000)
Total comprehensive income for the period	5,361,825,978	4,628,312,762	1,622,219,854	1,644,576,016

The annexed notes from 1 to 17 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 NINE MONTHS ENDED 31 MARCH 2023

01 July 2022 to
31 March
2023
Rupees

01 July 2021 to
31 March
2022
Rupees

	01 July 2022 to 31 March 2023 Rupees	01 July 2021 to 31 March 2022 Rupees
Cash flows from operating activities		
Profit before taxation	7,826,595,337	6,517,451,275
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	835,608,146	832,363,696
Amortization on intangible assets	866,903	3,777,853
Gain on disposal of property, plant and equipment	(3,678,627)	(9,206,718)
Profit on bank deposits and investments-Conventional	(301,053,438)	(160,367,463)
Profit on bank deposits and investments-Shariah compliant	(34,990,197)	(40,729,795)
Realized gain on investment at fair value through profit and loss	(23,541,382)	(4,072,792)
Net change in fair value of financial assets at FVTPL	(90,194,348)	(54,822,457)
Dividend income	(881,371,246)	(127,700,850)
Foreign currency exchange loss	133,638	41,947
Provision for loss allowance against trade debts	12,556,105	(597,966)
Provision for compensated absences	8,068,665	6,321,354
Provision for Workers' Welfare Fund	131,729,949	60,195,136
Provision for Workers' Profit Participation Fund	418,859,226	346,191,917
Finance cost	511,205,823	380,217,271
	584,199,217	1,231,611,133
Cash generated from operations before working capital changes	8,410,794,554	7,749,062,408
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(974,184,588)	121,180,588
Stock-in-trade	(1,021,147,182)	(72,962,512)
Trade debts	137,732,031	(384,861,902)
Advances, deposits, prepayments and other receivables	(189,553,512)	(239,646,638)
<i>(Decrease) / increase in current liabilities:</i>		
Trade and other payables	90,683,236	(7,200,158)
Contract liability	18,141,229	7,382,976
	(1,938,328,786)	(576,107,646)
Cash generated from operations	6,472,465,768	7,172,954,762
Compensated absences paid	(3,761,971)	(3,694,288)
Finance cost paid	(486,092,620)	(363,359,601)
Payment made to Workers' Welfare Fund	(81,209,290)	(44,441,426)
Payment made to Workers' Profit Participation Fund	(10,433,500)	-
Income tax paid	(1,746,488,814)	(325,386,347)
Net cash generated from operating activities	4,144,479,573	6,436,073,100
Cash flow from investing activities		
Acquisition of property, plant and equipment	(1,800,026,676)	(199,847,560)
Proceeds from disposal of property, plant and equipment	5,735,170	13,396,560
Acquisition of intangible assets	-	(939,920)
Acquisition of investment property	-	(169,050)
Short term investments - net	(2,831,619,817)	(5,465,352,126)
Dividend received on short term investments	881,371,246	127,700,850
Long term loans and advances - net	27,631,569	-
Long term deposits	500,000	(156,264,955)
Profit on bank deposits	332,467,120	196,489,496
	(3,383,941,389)	(5,484,986,705)
Net cash used in investing activities		
Cash flow from financing activities		
Repayment of long term finances	(813,331,247)	(973,085,578)
Disbursement of short term borrowings	-	398,000,000
Repayment of short term borrowing	-	(498,000,000)
Dividend paid	(172,830)	(286,369)
	(813,504,077)	(1,073,371,947)
Net cash used in financing activities		
Net decrease in cash and cash equivalents	(52,965,893)	(122,285,552)
Cash and cash equivalents at beginning of the period	480,765,632	1,197,729,351
Cash and cash equivalents at end of the period	427,799,739	1,075,443,799

The annexed notes from 1 to 17 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 NINE MONTHS ENDED 31 MARCH 2023

	Reserves						Total
	Capital reserves			Revenue reserves			
	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profit	Total reserves	
	Rupees						
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 nine months ended 31 March 2022	-	-	-	-	4,629,789,162	4,629,789,162	4,629,789,162
Other comprehensive loss for the nine months ended 31 March 2022	-	-	(1,476,400)	-	-	(1,476,400)	(1,476,400)
	-	-	(1,476,400)	-	4,629,789,162	4,628,312,762	4,628,312,762
Balance as at 31 March 2022 - unaudited	2,008,612,970	49,704,951	(2,076,286)	70,000,000	24,725,610,498	24,843,239,163	26,851,852,133
Balance as at 01 July 2022	2,008,612,970	49,704,951	(2,199,286)	70,000,000	25,120,101,596	25,237,607,261	27,246,220,231
Total comprehensive income for the period							
Profit for the nine months ended 31 March 2023	-	-	-	-	5,362,875,978	5,362,875,978	5,362,875,978
Other comprehensive loss for the nine months ended 31 March 2023	-	-	(1,050,000)	-	-	(1,050,000)	(1,050,000)
	-	-	(1,050,000)	-	5,362,875,978	5,361,825,978	5,361,825,978
Balance as at 31 March 2023 - unaudited	2,008,612,970	49,704,951	(3,249,286)	70,000,000	30,482,977,574	30,599,433,239	32,608,046,209

The annexed notes from 1 to 17 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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

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 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 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 ordinary shares of the Company comprising 55% of its total paid up share capital.
- 1.3** The shareholders of the Company in EOGM held on 21 February 2023 have approved purchase / buy-back of 5,000,000 of Company's own issued ordinary shares through the Pakistan Stock Exchange Limited (PSX), which shall be cancelled. The purchase period commenced from March 1, 2023 and shall end on August 19, 2023.

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 2023 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 2022. 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 2022, 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 2022.
- 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.

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 2022.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

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 2022.

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

Amendments and interpretations of approved accounting standards

- Amendments to IAS 1 - Classification of liabilities as current or non-current	01 January 2024
- Amendments to IAS 1 - Non-current liabilities with covenants	01 January 2024
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	01 January 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	01 January 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
- Amendment to IFRS 16 - Lease Liability in a Sale and Leaseback	01 January 2024

	Note	(Un-audited) 31 March 2023 Rupees	(Audited) June 30 2022 Rupees
5 Long term finances - secured			
Term finance - Line-4 (Conventional)			
Opening		4,226,754,822	5,383,321,448
Repaid during the period / year		(775,777,011)	(1,156,566,626)
		3,450,977,811	4,226,754,822
Less: Current maturity		(1,034,358,120)	(1,034,358,120)
Less: Transaction cost		(10,010,853)	(12,996,584)
		2,406,608,838	3,179,400,118
Term finance - RFWS Scheme			
Opening		37,554,236	187,771,200
Repaid during the period/year		(37,554,236)	(150,216,964)
		-	37,554,236
Less: Unamortized Government Grant	5.1	-	-
Less: Current maturity		-	(37,554,236)
		-	-
		2,406,608,838	3,179,400,118
5.1 Unamortized Government Grant			
Opening		436,617	6,599,474
Amortization during the period /year		(436,617)	(6,162,857)
		-	436,617
Less: Current maturity		-	(436,617)
		-	-
Unamortized balance of deferred grant		-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

	(Un-audited) 31 March 2023	(Audited) June 30 2022
Note	Rupees	Rupees
6 Trade and other payables		
Trade creditors - Local	1,568,446,322	1,270,981,043
Trade creditors - imports	115,081,991	10,578,754
Contractors' bills payable	34,516,161	43,471,738
Accrued liabilities	1,002,403,191	782,403,716
Payable to Workers' Profit Participation Fund	2,271,109,717	1,862,683,991
Payable to Workers' Welfare Fund	131,751,155	81,230,496
Payable to Provident Fund Trust	5,631,623	4,305,593
	5,128,940,160	4,055,655,331
<i>Payable to Government on account of:</i>		
Income tax deducted at source	22,004,027	31,732,396
Federal excise duty	466,863,804	564,334,129
Sales tax payable	(31,885,961)	430,489,164
Royalty and excise duty	136,362,289	118,127,550
	593,344,159	1,144,683,239
Retention money payable	13,161,774	10,853,254
Securities deposits	7,280,223	5,023,527
Other payables	332,258,151	309,005,857
	352,700,148	324,882,638
	6,074,984,467	5,525,221,208

7 Contract liability

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

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 2022 except the following:

- 8.1.1** Penalty of Rs. 36.95 million was imposed by DCIR under section 33(17) of the Sales Tax Act, 1990 ("the Act") for alleged violation of section 3(2) of the Act, which requires the Company to print retail price on cement bags. The levy of penalty is arbitrary and against the facts and legal position of the case and hence deleted by the honourable Appellate Tribunal Inland Revenue (ATIR). The order of ATIR has been agitated by the Department through filing a reference before the honourable Lahore High Court, which is pending adjudication. However, an amount of Rs. 33 million has already been deposited by the Company under protest.

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

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

	Note	(Un-audited) 31 March 2023 Rupees	(Audited) June 30 2022 Rupees
8.2 Commitments			
<i>In respect of letters of credit for:</i>			
- Capital Expenditures		–	315,340,200
- Stores and Spares		232,533,401	199,068,614
		232,533,401	514,408,814
<i>Others:</i>			
- Guarantee issued by Company in favor of bank on behalf of the associated company		390,000,000	390,000,000
		622,533,401	904,408,814
9 Property, plant and equipment			
Operating fixed assets	9.1	20,543,145,328	21,200,398,415
Capital work in progress	9.2	1,750,513,021	130,897,947
		22,293,658,349	21,331,296,362
9.1 Operating fixed assets			
Opening written down value		21,200,398,415	21,753,605,354
<i>Add: Additions / (adjustments) during the period / year (cost)</i>			
Freehold Land		93,073,647	165,683,110
Factory buildings		4,998,613	101,032,295
Office and other buildings		–	2,061,664
Housing colony		–	4,629,139
Plant - Civil structures additions		–	253,622,026
adjustments		–	(26,620,192)
Plant, machinery and equipment additions		41,951,601	28,677,252
adjustments		–	(9,725,659)
Furniture, fixtures and office equipment		3,671,276	8,202,739
Computers and printers		7,537,969	4,275,923
Light vehicles		25,763,373	36,194,836
Laboratory equipment		3,415,123	510,000
		180,411,602	568,543,134
<i>Less: Disposals during the period / year (written down value)</i>			
Housing colony		(605,757)	–
Furniture, fixtures and office equipment		–	(33,084)
Computers and printers		(71,375)	(166,218)
Light vehicles		(1,379,411)	(8,485,429)
		(2,056,543)	(8,684,731)
Less: Depreciation charge for the period / year		(835,608,146)	(1,113,065,342)
Closing written down value		20,543,145,328	21,200,398,415

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

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

	(Un-audited) 31 March 2023 Rupees	(Audited) June 30 2022 Rupees
9.2 Capital work in progress		
Balance at beginning of the period / year	130,897,947	273,939,559
Add: Additions during the period / year	1,654,363,469	205,902,529
Less: Transfers to fixed assets during the period / year	(34,748,395)	(348,944,141)
	1,750,513,021	130,897,947
10 Short term investments		
FVOCI - listed equity securities		
Cost	89,286	89,286
Accumulated fair value gain	250,714	300,714
	340,000	390,000
FVOCI - debt instrument		
Term Finance Certificates	100,000,000	100,000,000
Accumulated fair value loss	(3,500,000)	(2,500,000)
	96,500,000	97,500,000
FVTPL		
<i>Investments in Mutual Funds</i>		
Income Mutual Funds - Shariah Compliant	-	50,321,703
Money Market Mutual Funds - Conventional	7,404,569,794	1,968,960,717
	7,404,569,794	2,019,282,420
Government of Pakistan Market Treasury Bills	4,999,303,250	7,804,071,500
Listed equity securities		
Cost	597,709,707	209,009,200
Accumulated fair value loss	(30,021,509)	(6,157,427)
	567,688,198	202,851,773
	12,971,561,242	10,026,205,693
	13,068,401,242	10,124,095,693

11 Cash and bank balances

These include Rs.187.943 million (30 June 2022: Rs. 31.211 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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

	(Un-audited) 01 July 2022 to 31 March 2023	(Un-audited) 01 July 2021 to 31 March 2023
	Rupees	Rupees
12 Sales - net		
Local sales - gross	40,500,319,054	33,373,547,430
Export sales	135,488,078	31,829,352
	40,635,807,132	33,405,376,782
Less: Sales tax	(6,795,751,013)	(5,470,244,864)
Federal excise duty	(3,596,483,215)	(4,084,634,775)
Discount / rebate / commission	(418,997,704)	(265,913,477)
	(10,811,231,932)	(9,820,793,116)
	29,824,575,200	23,584,583,666
13 Cost of sales		
Raw materials consumed	1,207,649,738	918,507,673
Packing materials consumed	1,741,044,101	1,603,664,973
Fuel and power	4,564,469,593	3,704,451,292
Coal and gas	12,345,919,570	7,561,308,803
Stores, spares and loose tools consumed	646,777,841	519,484,336
Salaries, wages and other benefits	534,404,408	459,901,568
Royalty and excise duty	413,854,116	452,948,277
Rent, rates and taxes	36,811,426	30,336,585
Repairs and maintenance	134,141,156	105,651,744
Insurance	39,691,581	40,470,194
Depreciation	826,233,339	823,750,720
Loading and freight charges	111,446,198	78,780,706
Other expenses	127,602,424	106,050,122
	22,730,045,491	16,405,306,993
Work-in-process:		
At beginning of the period	737,992,650	565,970,725
At end of the period	(1,251,054,948)	(646,272,557)
Cost of goods manufactured	22,216,983,193	16,325,005,161
Finished goods:		
At beginning of the period	359,946,311	373,218,643
At end of the period	(710,186,483)	(346,544,789)
	21,866,743,021	16,351,679,015
Less: Cost attributable to own cement consumption and others	(10,676,926)	(15,110,677)
	21,856,066,095	16,336,568,338

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

14 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).
- 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:

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 equity shares prices used for financial assets held by the company is current bid price.

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

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

	Note	Carrying amount			Fair value		
		Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Level 1	Level 2
On-Balance sheet financial instruments							
31 March 2023 (Un-Audited)							
Financial assets measured at fair value							
Investments		96,840,000	12,971,561,242	-	-	13,068,401,242	-
Financial assets at amortised cost							
Long term deposits		-	-	43,356,640	-	43,356,640	-
Trade debts - unsecured, considered good		-	-	765,751,333	-	765,751,333	-
Deposits, and other receivables		-	-	146,847,351	-	146,847,351	-
Cash and bank balances		-	-	427,799,739	-	427,799,739	-
	14.1	-	-	1,383,755,063	-	1,383,755,063	-
Financial liabilities measured at fair value							
Financial liabilities measured at amortised cost							
Long term financing		-	-	-	3,440,966,958	-	-
Long term deposits		-	-	-	2,536,100	-	-
Trade and other payables		-	-	-	2,750,543,006	-	-
Mark-up accrued on borrowings		-	-	-	164,299,465	-	-
Dividend payable		-	-	-	36,939,862	-	-
Unclaimed Dividend		-	-	-	8,535,357	-	-
	14.1	-	-	-	6,403,820,748	-	-

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

FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

	Carrying amount			Fair value				
	Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3
	Rupees							
	Note							
On-Balance sheet financial instruments								
30 June 2022 (Audited)								
Financial assets measured at fair value								
Investments	97,890,000	10,026,205,693	-	-	-	10,124,095,693	10,124,095,693	-
Financial assets at amortised cost								
Long term deposits	-	-	43,356,640	-	-	43,356,640	-	-
Trade debts - unsecured, considered good	-	-	916,039,469	-	-	916,039,469	-	-
Deposits, and other receivables	-	-	114,084,103	-	-	114,084,103	-	-
Cash and bank balances	-	-	480,765,632	-	-	480,765,632	-	-
	-	-	1,554,245,844	-	-	1,554,245,844	-	-
14.1								
Financial liabilities measured at fair value								
Financial liabilities measured at amortised cost								
Long term financing	-	-	-	4,251,312,474	4,251,312,474	-	-	-
Long term deposits	-	-	-	2,036,100	2,036,100	-	-	-
Trade and other payables	-	-	-	2,141,949,186	2,141,949,186	-	-	-
Mark-up accrued on borrowings	-	-	-	142,171,993	142,171,993	-	-	-
Dividend payable	-	-	-	37,112,692	37,112,692	-	-	-
Unclaimed Dividend	-	-	-	8,535,357	8,535,357	-	-	-
	-	-	-	6,583,117,802	6,583,117,802	-	-	-
14.1								

14.1 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 NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

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

	For the nine months ended 31 March 2023			
	Liabilities			Total
	Long term finances	Short term borrowings	Dividend payable	
Rupees				
Balance as at 01 July 2022	4,251,312,474	-	45,648,049	4,296,960,523
Changes from financing activities				
Repayment of long term finances - secured	(813,331,247)	-	-	(813,331,247)
Dividend paid	-	-	(172,829)	(172,829)
Total changes from financing cash flows	(813,331,247)	-	(172,829)	(813,504,076)
Other changes				
Amortization of Transaction cost	2,985,731	-	-	2,985,731
Total liability related other changes	2,985,731	-	-	2,985,731
Closing as at 31 March 2023	3,440,966,958	-	45,475,220	3,486,442,178
	For the nine months ended 31 March 2022			
	Liabilities			
	Long term finances	Short term borrowings	Dividend payable	Total
	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	(973,085,578)	-	-	(973,085,578)
Disbursement of short term borrowings	-	398,000,000	-	398,000,000
Repayment of short term borrowings	-	(498,000,000)	-	(498,000,000)
Dividend paid	-	-	(286,369)	(286,369)
Total changes from financing cash flows	(973,085,578)	(100,000,000)	(286,369)	(1,073,371,947)
Other changes				
Amortization of government grant and transaction cost	4,314,669	-	-	4,314,669
Total liability related other changes	4,314,669	-	-	4,314,669
Closing as at 31 March 2022	4,584,015,240	398,000,000	45,911,183	5,027,926,423

16 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 THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2023

			(Un-audited) 01 July to 31 March 2023 Rupees	(Un-audited) 01 July to 31 March 2022 Rupees
	Relationship	Nature of transactions	Note	
Transactions with related parties				
Employees' Provident Fund Trust	Post employment benefit plan	Contribution		18,133,233
Kohat Cement Educational Trust	Common Directorship / Trustee	Contribution		3,850,000
Ultra Pack (Private) Limited	Common Control	Purchase of packing material		1,343,312,243
Ultra Kraft (Private) Limited	Common Control	Sale of cement		-
Ultra Kraft (Private) Limited	Common Control	Purchase of packing material		17,499,250
Ultra Kraft (Private) Limited	Common Control	Short term working capital loan	16.3	160,000,000
Ultra Kraft (Private) Limited	Common Control	Commission/markup		8,411,945
Palace Enterprises (Private) Limited	Common directorship	Purchase of Power Generator		-
Chief Executive	Key Management Personnel	Remuneration paid		84,514,489
Other executives	Key Management Personnel	Remuneration paid		88,937,296
			(Un-audited) 31 March 2023 Rupees	(Audited) 30 June 2022 Rupees
Balances with other related parties				
Employees' Provident Fund Trust	Post employment benefit plan	Payable		5,631,623
Ultra Pack (Private) Limited	Common Control	Trade creditors		259,600,000
Ultra Kraft (Private) Limited	Common Control	Trade creditors		20,590,115
Ultra Kraft (Private) Limited	Common Control	Short term working capital loan		166,068,685

16.1 The Company has paid Rs. 79.13 million (31 Mar.2022: Rs. 56.95 million) to the Chairman on account of his remuneration and also paid Rs. 1.860 million (31 Mar. 2022: Rs. 1 million) to the six non-executive directors being the fee for attending Board and Committee meetings.

16.2 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.

16.3 In terms of section 199 of the Companies Act, 2017 the Company in its AGM held on October 27, 2022 has approved investment by way of short-term running finance up to Rs. 600 million in Ultra Kraft (Private) Limited, an associated company, to meet its working capital requirements. As of 31 March 2023, the Company has disbursed Rs. 160 million to Ultra Kraft (Private) Limited. The loan is for one year period starting from 29 October 2022 and carry mark up rate of 3 MK plus 1.5%.

17 General

17.1 Figures have been rounded off to the nearest rupee.

17.2 These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on April 27, 2023.



Chief Financial Officer



Chief Executive



Director



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