

1st Quarter Report September 30, 2016

# EMBRACING *Tomorrow*





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# Corporate Information

## Board of Directors

Mr. Aizaz Mansoor Sheikh	Chief Executive
Mr. Nadeem Atta Sheikh	Executive Director
Mr. M. Atta Tanseer Sheikh	Independent Director
Mrs. Hafsa Nadeem	Non-Executive Director
Ms. Aminah Aizaz Sheikh	Non-Executive Director
Mr. Muhammad Rehman Sheikh	Non-Executive Director
Mr. Hasan Tariq Atta	Non-Executive Director

## Audit Committee

Mr. M. Atta Tanseer Sheikh	Chairman
Ms. Aminah Aizaz Sheikh	
Mr. Muhammad Rehman Sheikh	

## HR&R Committee

Mr. Muhammad Rehman Sheikh	Chairman
Mr. Aizaz Mansoor Sheikh	
Mr. M. Atta Tanseer Sheikh	

## Company Secretary

Mr. Khurram Shahzad, FCA

## 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  
Email: [finance@kohatcement.com](mailto:finance@kohatcement.com)

## Head Office

37- P Gulberg - II, Lahore.  
Tel: (042) 11 111 5225  
Fax: (042) 3575 4990  
Email: [mis@kohatcement.com](mailto:mis@kohatcement.com)

## Bankers of the Company

Standard Chartered Bank (Pak) Ltd  
Askari Bank Limited  
The Bank of Punjab  
The Bank of Khyber  
Soneri Bank Limited  
Allied Bank Limited  
United Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Habib Bank Limited  
Bank Alfalah Limited

# Directors' Review

The Directors of your Company take pleasure in presenting the quarterly report together with the un-audited condensed interim financial statements of your Company for the 1st quarter ended September 30, 2016.

## Production and Sales Volumes

Summary of production and sales is detailed below:

	M. Tons	
	Quarter ended Sep. 30, 2016	Quarter ended Sep. 30, 2015
Clinker Production	446,863	435,436
Cement Production	462,917	483,349
Local Sales	433,507	424,153
Export Sales	36,482	52,809
Total Sales	469,989	476,962

## Financial Performance

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

	(Rupees)	
	Sep. 30, 2016	Sep. 30, 2015
Net sales revenue	3,193,907,277	3,242,217,883
Gross profit	1,534,397,454	1,448,834,433
Admin and selling expenses	(71,759,635)	(73,144,823)
Other expenses	(105,292,100)	(104,600,663)
Other income	103,100,957	106,048,805
Finance costs	(23,754,033)	(9,387,764)
Taxation	(444,929,558)	(422,018,941)
Profit after taxation	991,763,085	945,731,047
Earnings per share (Rs.)	6.42	6.12

Decrease in power cost due to electricity generation from Waste Heat Recovery Power Plant is the primary reason for the improved gross and net margins during the quarter under review.

The Company is current on its all debt obligations.

## On Going Projects

New Cement Mill of 105 tph of your Company is expected to be operational by December 2017.

## Future Outlook

Infrastructure Projects under China Pak Economic Corridor (CPEC) and PSDP are most likely to continue the healthy Cement demand in the local market which shall result in increased volumes and attractive profits for the Company.

## Acknowledgments

The Board of Directors of your Company wishes to recognize the efforts of all the stakeholders and employees of the Company who contributed their level best towards the uplift of your Company.

For and on behalf of the Board



Aizaz Mansoor Sheikh  
Chief Executive

Lahore: October 27, 2016

## ڈائریکٹرز جائزہ رپورٹ

### زیر ترمیم منصوبہ جات:

105 ٹن فی گھنٹہ کی پیداواری صلاحیت کی حامل سینٹ مل کی ترمیم جاری ہے جو دسمبر 2017 تک نفاذ ہو جائے گی۔

### مستقبل کے امکانات:

پاک چین اقتصادی راہداری اور PSDP کے تحت بنیادی ملکی ڈھانچے کی تعمیر کے منصوبوں کی بدولت مستقبل قریب میں مقامی منڈی میں سینٹ کی طلب میں اضافے کا امکان ہے، جس کی وجہ سے کھپنی کے تجارتی حجم اور منافع میں بھی قابل قدر اضافہ متوقع ہے۔

### اہلہ نظر:

کھپنی کی انتظامیہ کھپنی کے تمام شرائط و داروں اور ملازمین کی کاوشوں کو سراہتے ہیں جنہوں نے کھپنی کی ترقی میں اپنا کردار ادا کیا ہے۔

برائے دماغ اور ڈائریکٹرز



اعزاز منصور

چیف ایگزیکٹو

لاہور: 27 اکتوبر، 2016

کوہاٹ سینٹ کھپنی لمیٹڈ (کھپنی) کے ڈائریکٹرز بعد مسرت اپنے ممبران کے لئے کھپنی سہ ماہی مختصر 30 ستمبر، 2016ء سے متعلقہ کھپنی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

### پیداوار اور ترسیل کا حجم:

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

	30 ستمبر، 2015	30 ستمبر، 2016
میٹرک ٹن		
کلکٹر کی پیداوار	435,436	446,863
سینٹ کی پیداوار	483,349	462,917
اندرون ملک فروخت	424,153	433,507
برآمدات	52,809	36,482
کل فروخت	476,962	469,989

### مالیاتی کارکردگی:

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

	30 ستمبر، 2015	30 ستمبر، 2016
(روپے)		
کل فروخت	3,242,217,883	3,193,907,277
خام منافع	1,448,834,433	1,534,397,454
ایڈمنسٹریشن اور سٹراخرجات	(73,144,823)	(71,759,635)
دیگر اخراجات	(104,600,663)	(105,292,100)
دیگر آمدنی	106,048,805	103,100,957
مالیاتی لاگت	(9,387,764)	(23,754,033)
ٹیکس	(422,018,941)	(444,929,558)
منافع بعد از ٹیکس	945,731,047	991,763,085
فی شیئر آمدنی (روپے شیئر)	6.12	6.42

کھپنی کے ملکیتی و ایٹ ہیٹ ریکوری ہاور پلانٹ (Waste heat recovery power plant) سے کم لاگت میں بجلی کی پیداوار کی وجہ سے مجموعی طور پر کھپنی کی توانائی کی لاگت میں کمی ممکن ہوئی جو کہ زیر جائزہ سہ ماہی میں کھپنی کے خام اور خاص منافع میں بھی بہتری کی اہم وجہ ہے۔

کھپنی اپنی مالیاتی و مداریوں کی بروقت ادائیگی کر رہی ہے۔

# Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2016

	Note	(Un-audited) Sep 30, 2016 Rupees	(Audited) June 30, 2016 Rupees
<b>EQUITY &amp; LIABILITIES</b>			
Authorized share capital		3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital		1,545,086,900	1,545,086,900
Reserves		120,715,465	120,565,665
Accumulated profit		13,096,200,451	12,104,437,366
		14,762,002,816	13,770,089,931
<b>Non-current liabilities</b>			
Long term finances - secured	5	639,473,680	710,526,312
Long term deposits		2,036,100	2,036,100
Deferred liabilities			
- deferred taxation		1,604,259,482	1,589,847,454
- compensated absences		9,774,975	10,859,150
		2,255,544,237	2,313,269,016
<b>Current liabilities</b>			
Current maturity of long term finances	5	284,210,528	284,210,528
Trade and other payables	6	2,551,828,941	2,366,178,359
Short term borrowings - secured		398,000,000	598,000,000
Mark-up accrued on borrowings		6,895,990	13,394,584
		3,240,935,459	3,261,783,471
<b>Contingencies and commitments</b>			
	7	-	-
		20,258,482,512	19,345,142,418
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	8	7,807,660,795	7,871,755,963
Intangibles		796,219	593,775
Long term loans and advances		97,481	137,937
Long term deposits		98,266,640	98,266,640
Investment Property	9	2,328,406,808	2,156,011,898
		10,235,227,943	10,126,766,213
<b>Current assets</b>			
Stores, spares and loose tools	10	1,299,740,047	1,452,649,245
Stock in trade		655,797,673	628,906,348
Trade debts - unsecured considered good		317,670,010	258,810,589
Short term investments	11	5,910,154,618	5,563,776,412
Advances, deposits, prepayments and other receivables		496,266,911	679,052,490
Advance income tax - net		116,787,558	161,546,212
Cash and bank balances	12	1,226,837,752	473,634,909
		10,023,254,569	9,218,376,205
		20,258,482,512	19,345,142,418

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



Chief Executive



Director

## Condensed Interim Profit and Loss Account (Un-audited)

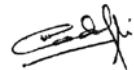
For the quarter ended September 30, 2016

	Note	(Un-audited) July 1 - Sep 30 2016 Rupees	(Un-audited) July 1 - Sep 30 2015 Rupees
Sales - net	13	3,193,907,277	3,242,217,883
Cost of goods sold	14	1,659,509,823	1,793,383,450
<b>Gross profit</b>		1,534,397,454	1,448,834,433
Selling and distribution expenses		31,430,655	39,757,862
Administrative and general expenses		40,328,980	33,386,961
Other operating income	15	(103,100,957)	(106,048,805)
Other operating charges	16	105,292,100	104,600,663
		73,950,778	71,696,681
<b>Operating profit</b>		1,460,446,676	1,377,137,752
Finance cost		23,754,033	9,387,764
<b>Profit before taxation</b>		1,436,692,643	1,367,749,988
Taxation	17	444,929,558	422,018,941
<b>Profit after taxation</b>		991,763,085	945,731,047
<b>Earnings per share (basic and diluted)</b>		6.42	6.12

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



Chief Executive



Director



## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended September 30, 2016

	(Un-audited) July 1 - Sep 30 2016 Rupees	(Un-audited) July 1 - Sep 30 2015 Rupees
<b>Profit after taxation</b>	991,763,085	945,731,047
<b>Other Comprehensive income</b>		
Items that may be reclassified subsequently to profit and loss account		
<b>Available for sale financial assets</b>		
- net change in fair value	149,800	6,565,000
<b>Total comprehensive income for the period</b>	<b>991,912,885</b>	<b>952,296,047</b>

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



Chief Executive



Director

# Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended September 30, 2016

Note	(Un-audited)	(Un-audited)
	July 1 - Sep 30 2016 Rupees	July 1 - Sep 30 2015 Rupees
<b>Cash flow from operating activities</b>		
Profit before taxation	1,436,692,643	1,367,749,988
Adjustments for non-cash and other items:		
Depreciation on property, plant and equipment	111,658,860	98,299,495
Amortization on intangible assets	77,556	110,439
(Profit)/Loss on sale of property, plant and equipment	(1,053,234)	3,460,126
Profit/mark-up on bank deposits, TDR and MTB	(53,892,432)	(90,703,032)
Compensated absences	520,284	1,072,728
Unrealized Gain on Investments	(37,049,818)	(15,005,644)
Realized Gain on Mutual Funds	(10,885,047)	–
Provision for Workers' Welfare Fund	27,955,363	25,511,011
Provision for Workers' Profit Participation Fund	77,086,737	73,329,526
Finance cost	23,754,033	9,387,764
	138,172,302	105,462,413
	1,574,864,945	1,473,212,401
<i>(Increase)/decrease in current assets</i>		
Stores, spares and loose tools	152,909,198	11,232,638
Stock in trade	(26,891,325)	(10,109,939)
Trade debts	(58,859,421)	(41,483,746)
Advances, deposits, prepayments and other receivables	172,629,846	(52,784,452)
<i>Increase in current liabilities</i>		
Trade and other payables	80,608,482	23,403,543
	320,396,780	(69,741,956)
<b>Cash generated from operations</b>	1,895,261,725	1,403,470,445
Finance cost paid	(30,252,627)	(158,483,360)
Compensated absences paid	(1,604,459)	(1,356,096)
Income tax paid	(385,758,876)	(790,570,230)
<b>Net cash inflow from operating activities</b>	1,477,645,763	453,060,759
<b>Cash flow from investing activities</b>		
Fixed capital expenditure	(47,610,458)	(107,116,781)
Purchase of Intangibles	(280,000)	(517,275)
Sale proceeds of property, plant and equipment	1,100,000	–
Purchase of Investment Property	(172,394,910)	(40,000)
Profit/mark-up on bank deposits, TDR and MTB	90,339,218	70,625,400
Purchase of short term investments - net	(839,114,953)	(1,200,000,000)
Decrease/(increase) in long term loans and advances	40,456	(363,038)
Decrease in long term deposits	–	2,971,058
<b>Net cash used in investing activities</b>	(967,920,647)	(1,234,440,636)
<b>Cash flow from financing activities</b>		
Repayments of long term finances	(71,052,632)	(134,752,632)
Repayment of Export Re- Finance	(200,000,000)	–
<b>Net cash used in financing activities</b>	(271,052,632)	(134,752,632)
<b>Net increase/(decrease) in cash and cash equivalents</b>	238,672,484	(916,132,509)
<b>Cash and cash equivalents - at the beginning of the period</b>	6,036,461,321	6,224,445,981
<b>Cash and cash equivalents - at the end of the period</b>	18 6,275,133,805	5,308,313,472

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



Chief Executive



Director

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

For the quarter ended September 30, 2016

	Share capital	Capital reserves		Revenue reserves			Total
		Share premium	Fair value reserve	General reserve	Accumulated profit	Total reserve	
				General reserve	Accumulated profit	Total reserve	Total
				Rupees			
<b>Balance as at 30 June 2015 - audited</b>	1,545,086,900	49,704,951	45,522,161	70,000,000	9,086,940,116	9,252,167,228	10,797,254,128
<b>Total comprehensive income</b>							
Profit for the quarter ended 30 September 2015	–	–	–	–	945,731,047	945,731,047	945,731,047
Other comprehensive income for the quarter ended 30 September 2015	–	–	6,565,000	–	–	6,565,000	6,565,000
	–	–	6,565,000	–	945,731,047	952,296,047	952,296,047
<b>Balance as at September 30, 2015 - unaudited</b>	1,545,086,900	49,704,951	52,087,161	70,000,000	10,032,671,163	10,204,463,275	11,749,550,175
<b>Balance as at 30 June 2016 - audited</b>	1,545,086,900	49,704,951	860,714	70,000,000	12,104,437,366	12,225,003,031	13,770,089,931
<b>Total comprehensive income</b>							
Profit for the quarter ended 30 September 2016	–	–	–	–	991,763,085	991,763,085	991,763,085
Other comprehensive income for the quarter ended 30 September 2016	–	–	149,800	–	–	149,800	149,800
	–	–	149,800	–	991,763,085	991,912,885	991,912,885
<b>Balance as at September 30, 2016 - unaudited</b>	1,545,086,900	49,704,951	1,010,514	70,000,000	13,096,200,451	13,216,915,916	14,762,002,816

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



Chief Executive



Director

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

For the quarter ended September 30, 2016

## 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 Ordinance, 1984) and is listed on Pakistan Stock Exchange. The Company is engaged in the production and sale of cement. The registered office is situated at Rawalpindi Road, Kohat, Pakistan.
- 1.2 ANS Capital (Pvt.) Ltd. is the holding company of Kohat Cement and holds 84,986,400 ordinary shares of the Company comprising 55% of the total paid up capital.

## 2 Basis of preparation

- 2.1 These condensed interim financial statements comprise the balance sheet of the Company, as at 30 September 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof.
- 2.2 These condensed interim financial statements of the Company for the 1st Quarter ended 30 September 2016 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.3 These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2016.
- 2.4 The condensed interim financial statements are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

## 3 Judgments and estimates

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual financial statements for the year ended 30 June 2016.

## 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 financial statements for the year ended 30 June 2016 .

	(Un-audited) Sep 30, 2016 Rupees	(Audited) June 30, 2016 Rupees
<b>5 Long term finances - Secured</b>		
Syndicated Term Finance - ("STF WHR")	923,684,208	994,736,840
Less: Current maturity presented under current liabilities	(284,210,528)	(284,210,528)
	639,473,680	710,526,312

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

For the quarter ended September 30, 2016

	(Un-audited) Sep 30, 2016 Rupees	(Audited) June 30, 2016 Rupees
<b>6 Trade and other payables</b>		
Trade Creditors	326,316,201	550,792,058
Contractors' bills payable	20,754,431	11,460,519
Accrued liabilities	208,402,434	160,777,877
Advances from customers	58,369,665	106,777,914
Payable to Workers' Profit Participation Fund	942,910,624	865,823,887
Payable to Workers' Welfare Fund	114,902,847	86,947,484
Payable to Provident Fund Trust	1,906,951	2,113,023
Taxes and duties payable	500,120,362	207,848,696
Securities and retention money	186,409,766	186,648,042
Unclaimed dividends	6,321,866	5,769,951
Dividend payable	25,323,416	25,404,392
Other Payables	160,090,378	155,814,516
	<b>2,551,828,941</b>	<b>2,366,178,359</b>

### 7 Contingencies and commitments

#### 7.1 Contingencies

There is no material change in the contingent liabilities of the company since the last annual balance sheet date.

	Note	(Un-audited) Sep 30, 2016 Rupees	(Audited) June 30, 2016 Rupees
<b>7.2 Commitments in respect of for:</b>			
Letters of credit			
- Capital expenditure		316,898,080	316,746,816
- Other than capital expenditure		37,455,771	55,596,274
Investment Property		527,250,000	527,250,000
		<b>881,603,851</b>	<b>899,593,090</b>
<b>8 Property, plant and equipment</b>			
Operating Fixed Assets	8.1	7,617,389,301	7,698,456,586
Capital Work in Progress	8.2	190,271,494	173,299,377
		<b>7,807,660,795</b>	<b>7,871,755,963</b>

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

For the quarter ended September 30, 2016

	(Un-audited) Sep 30, 2016 Rupees	(Audited) June 30, 2016 Rupees
<b>8.1 Operating Fixed Assets</b>		
Opening written down value	7,698,456,586	6,465,042,583
<i>Additions (Cost)</i>		
Factory buildings and plant civil structure	–	297,596,266
Office and other building	–	9,862,300
Housing colony	–	32,258,871
Plant, machinery and equipment	28,619,149	1,671,861,201
Furniture, fixtures and office equipment	784,170	17,396,483
Computers and printers	1,235,022	6,059,250
Light vehicles	–	65,793,099
Laboratory equipment	–	471,774
	30,638,341	2,101,299,244
<i>Disposals (Net book value)</i>		
Plant, machinery and equipment	–	(3,460,126)
Furniture, fixtures and office equipment	–	(103,116)
Light vehicles	(46,766)	(2,052,522)
	(46,766)	(5,615,764)
<i>Transfer to Investment Property</i>		
Freehold land	–	(422,856,350)
<i>Depreciation charge for the period</i>	(111,658,860)	(439,413,127)
Closing written down value	7,617,389,301	7,698,456,586
<b>8.2 Capital Work in Progress</b>		
Opening Balance	173,299,377	1,699,137,416
Additions during the period	29,651,840	391,512,221
Transfers to fixed assets during the period	(12,679,723)	(1,917,350,260)
	190,271,494	173,299,377
<b>9 Investment Property</b>		
Opening Balance	2,156,011,898	476,749,671
Additions during the period	172,394,910	1,256,405,877
Transfer from fixed assets during the period	–	422,856,350
	2,328,406,808	2,156,011,898

According to latest independent valuer report the approximate market value of investment property is Rs. 2,820.76 million (June 30, 2016 Rs. 2,648.37 million).

### 10 Stores, spares and loose tools

These include store in transit amounting to Rs. 353.57 million (June 30, 2016: Rs. 507.82 million).

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

For the quarter ended September 30, 2016

	Note	(Un-audited) Sep 30, 2016 Rupees	(Audited) June 30, 2016 Rupees
<b>11 Short term investments</b>			
<i>Available-for-sale</i>			
Equity securities of listed company		1,099,800	950,000
<i>Through profit &amp; loss account</i>			
Investment in mutual funds		860,758,765	–
Investment in Market Treasury Bills	11.1	4,356,296,053	–
<i>Loans and receivables</i>			
Investment in term deposit receipts	11.1	692,000,000	4,716,818,777
Investment in Market Treasury Bills	11.1	–	696,007,635
Investment certificates	11.1	–	150,000,000
		5,910,154,618	5,563,776,412

11.1 These represent deposits made and securities placed with conventional financial institutions.

### 12 Cash and bank balances

These include Rs. 35.98 million (June 30, 2016: Rs. 14.95 million) placed under Shariah permissible arrangement. Remaining deposits are placed with conventional banks.

	(Un-audited) July 1 - Sep 30 2016 Rupees	(Un-audited) July 1 - Sep 30 2015 Rupees
<b>13 Sales - net</b>		
Local sales - gross	4,122,172,647	3,742,821,224
Export sales	196,273,445	347,335,811
	4,318,446,092	4,090,157,035
Less: Sales tax	667,841,642	616,022,516
Federal Excise duty	433,507,200	176,071,656
Rebate / commission on cement sales	23,189,973	55,844,980
	1,124,538,815	847,939,152
	3,193,907,277	3,242,217,883

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

For the quarter ended September 30, 2016

	(Un-audited) July 1 - Sep 30 2016 Rupees	(Un-audited) July 1 - Sep 30 2015 Rupees
<b>14 Cost of goods sold</b>		
Raw materials consumed	141,886,184	135,926,380
Packing materials consumed	164,719,291	199,008,511
Power and fuel	363,676,835	443,985,517
Coal and gas	663,891,203	686,324,871
Stores and spares consumed	93,229,342	86,251,960
Salaries, wages and other benefits	70,775,949	60,627,486
Royalty and excise duty	50,063,076	46,639,341
Rent, rates and taxes	4,809,899	4,455,235
Repairs and maintenance	30,608,959	21,531,417
Insurance	6,652,626	4,731,173
Depreciation	110,226,400	97,273,286
Other expenses	17,003,438	14,247,012
	1,717,543,202	1,801,002,189
Work-in-process as at beginning of the period	405,860,370	168,067,955
Work-in-process as at end of the period	(488,644,878)	(160,252,233)
Cost of goods manufactured	1,634,758,694	1,808,817,911
Opening stock of finished goods	124,546,558	103,016,133
	1,759,305,252	1,911,834,044
Closing stock of finished goods	(98,622,028)	(117,622,417)
	1,660,683,224	1,794,211,627
Less: Cost attributable to self cement consumption	(1,173,401)	(828,177)
	1,659,509,823	1,793,383,450
<b>15 Other income</b>		
<i>Income from financial assets</i>		
Interest on bank deposits and investments under mark-up based arrangement with conventional banks	53,730,525	86,021,561
Profit on bank deposits - arrangements permissible under Shariah	144,136	4,645,546
Profit from SNGPL loan	17,771	35,925
Unrealized gain on investment through profit & loss account of Shariah non-compliant arrangements	37,049,818	15,005,644
Gain on sale of investment in Mutual Funds of Shariah non-compliant arrangements	10,885,047	-
Interest on Employees' loans	8,207	20,991
<i>Income from non-financial assets</i>		
Income from sale of scrap	143,591	124,720
Profit on sale of assets	1,053,234	-
Miscellaneous	68,628	194,418
	103,100,957	106,048,805
<b>16 Other Charges</b>		
Workers Profit Participation Fund	77,086,737	73,329,526
Workers Welfare Fund	27,955,363	25,511,011
Donations	250,000	2,300,000
Loss on disposal of fixed assets	-	3,460,126
	105,292,100	104,600,663



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

For the quarter ended September 30, 2016

	(Un-audited) July 1 - Sep 30 2016 Rupees	(Un-audited) July 1 - Sep 30 2015 Rupees
<b>17 Taxation</b>		
Current - for the year	430,517,530	403,004,518
Deferred - for the year	14,412,028	19,014,423
	444,929,558	422,018,941
	(Un-audited) Sep 30, 2016 Rupees	(Un-audited) Sep 30, 2015 Rupees
<b>18 Cash and cash equivalents</b>		
Cash and bank balances	1,226,837,752	1,239,882,472
Term deposit receipts	692,000,000	1,855,000,000
Market Treasury Bills	4,356,296,053	2,213,431,000
	6,275,133,805	5,308,313,472

### 19 Transactions with related parties

The related parties comprise associated companies, Directors of the company, key management staff and staff retirement funds. Significant transactions with related parties during the quarter are as follows:

		(Un-audited) July 1 - Sep 30 2016 Rupees	(Un-audited) July 1 - Sep 30 2015 Rupees
	<b>Nature of transactions</b>		
<i>Transactions with associated companies due to common directorship</i>			
Palace Enterprises (Pvt.) Limited	Services Received	152,586	112,902
Art Vision (Pvt.) Ltd	Sale of Cement	-	8,184,897
Ultra Pack (Private) Limited	Sale of Cement	2,469,916	-
<i>Others</i>			
Employee Provident Fund Trust	Contribution	2,635,158	2,187,805
Kohat Cement Educational Trust	Contribution	214,320	21,600
<i>Remuneration including benefits and perquisites of:</i>			
- Chief Executive	Remuneration	12,283,082	7,616,249
- Executive Director	Remuneration	7,762,500	7,616,249
- Other Executives of the Company [No. of persons 23 (2015: 23)]	Remuneration	33,485,454	29,275,260

**19.1** The Company also provides the Chief Executive, Directors and Executives with free use of company maintained cars.

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

For the quarter ended September 30, 2016

## 20 General

### 20.1 Subsequent Event

The Board of Directors of the Company has approved interim dividend of Rs. 4 per share in their meeting held on October 27, 2016.

### 20.2 Date of authorization for issue

These un-audited condensed interim financial statements were authorized for issue by the Board of Directors of the Company on October 27, 2016.



Chief Executive




Director



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