



# RESOLUTE AMID CHALLENGES

1st Quarter Report September 30, 2020



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# CORPORATE INFORMATION

## Board of Directors

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

## Audit Committee

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

## HR&R Committee

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

## Company Secretary

Mr. Muhammad Asadullah Khan

## Legal Advisor

Imtiaz Siddiqui & Associates

## Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

## Share Registrar

Hameed Majeed Associates (PVT) Limited  
H.M. House,  
7-Bank Square, Lahore  
Tel: 042 - 37235081-82  
Fax: 042 - 37358817

## Registered Office and Works

Kohat Cement Company Limited  
Rawalpindi Road, Kohat.  
Tel: 0922 - 560990  
Fax: 0922 - 560405

## Head Office

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

## Bankers of the Company

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



# DIRECTORS' REVIEW

## Dear Shareholders,

We are pleased to present you the un-audited condensed interim financial statements of the Company for the 1st quarter ended September 30, 2020.

## Business Review

Cement Industry has witnessed an unprecedented cement offtake during 1st Quarter ended September 30, 2020 registering a growth of 21.88 % in overall cement dispatches. Local dispatches have clocked at 10.837 (2019: 9.120) million tons during the quarter posting a growth of 18.84%, whereas exports reached at 2.735 (2019: 2.016) million tons showing an increase of 35.67%.

## Production and Sales Volumes

By the grace of Almighty Allah, clinker production and cement sales volume of your Company have shown an overall increase of 85.5% and 71% respectively during the quarter under reference, summarized as under:

	M. Tons	
	Sep. 30, 2020	Sep. 30, 2019
Clinker Production	703,876	379,435
Cement Production	893,203	539,210
Local Sales	836,404	489,221
Export Sales	69,381	40,319
Total Sales	905,785	529,540

## Financial Performance

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

	(Rupees)	
	Sep. 30, 2020	Sep. 30, 2019
Net Sales	5,174,169,104	2,993,547,135
Gross Profit	958,523,530	115,811,360
GP Ratio	18.53%	3.87%
Operating Profit	834,746,263	125,928,902
OP Ratio	16.13%	4.21%
EBITDA	1,147,509,253	263,628,973
Net Profit after tax	507,086,801	88,164,573
Net Profit Ratio	9.80%	2.95%
Earnings per share (Rs.)	2.52	0.44

Government's stimulus packages to spur the construction sector have improved the cement off take in domestic market and have accordingly halted the downward trend of cement prices. Cement retention prices improved due to reduction in Excise Duty and variable cost which has had a positive impact on bottom line.

The Company is current on its all debt obligations.

## Future outlook

Infrastructure projects and the housing sector are the key drivers for consumption of cement. Going forward, consumption of cement from these two sectors is projected to increase because of projects under CPEC including economic zones, hydro power projects and government's plans under Naya Pakistan Housing Scheme. State Bank of Pakistan (SBP) has recently introduced finance facility for construction / acquisition of homes at reduced mark-up rates repayable in affordable monthly installments which shall further spur the cement demand.

## Acknowledgments

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

For and on behalf of the Board

**Nadeem Atta Sheikh**  
Chief Executive

**Aizaz Mansoor Sheikh**  
Chairman

Lahore: October 26, 2020

## ڈائریکٹرز جائزہ رپورٹ

معزز حصص داران،

کوہاٹ سینٹ کئینی لمیٹڈ (کئینی) کے ڈائریکٹرز بعد سرست پہلی سہ ماہی پختہ 30 ستمبر، 2020ء سے متعلقہ کئینی کے غیر آڈٹ شدہ بیوری مالیاتی گوشوارے پیش کرتے ہیں۔

کاروباری جائزہ:

30 ستمبر، 2020ء کو ختم ہونے والی پہلی سہ ماہی کے دوران سینٹ کی مجموعی ترسیلات میں 21.88% اضافے کے ساتھ سینٹ کی صنعت نے بے مثال ترقی کی ہے۔

زیر جائزہ سہ ماہی کے دوران مقامی ترسیلات %18.84 اضافے کے ساتھ 10.837 (2019:9.120) ملین میٹرک ٹن ہیں، جبکہ برآمدات کا حجم %35.67 اضافے کے ساتھ 2.735 (2019:2.016) ملین میٹرک ٹن رہا۔

پیداواری کارکردگی:

خدا کے فضل سے زیر جائزہ سہ ماہی کے دوران آپ کی کئینی کے کلنگر کی پیداوار اور سینٹ کی ترسیلات میں بلز تیب %85.5 اور %71 اضافہ ہوا ہے، جس کا خلاصہ درج ذیل ہے:

	30 ستمبر، 2020ء	30 ستمبر، 2019ء
کلنگر کی پیداوار	703,876	379,435
سینٹ کی پیداوار	893,203	539,210
مقامی ترسیلات	836,404	489,221
برآمدات	69,381	40,319
کل فروخت	905,785	529,540

مالیاتی کارکردگی:

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

	30 ستمبر، 2020ء	30 ستمبر، 2019ء
کل فروخت	5,174,169,104	2,993,547,135
نام منافع	958,523,530	115,811,360
شرح نام منافع	18.53%	3.87%
آپریٹنگ منافع	834,746,263	125,928,902
شرح آپریٹنگ منافع	16.13%	4.21%
منافع قبل از مالی اخراجات، ٹیکس ڈیڈ پیسٹن اور امورائزیشن	1,147,509,253	263,628,973
منافع بعد از ٹیکس	507,086,801	88,164,573
شرح منافع بعد از ٹیکس	9.80%	2.95%
ٹی غیر آمدنی (روپے)	2.52	0.44

لاہور: 26 اکتوبر، 2020ء

تیسرا ترقی شعبے کی ترقی کے لئے پُرکشش حکومتی مراعات مقامی منڈی میں سینٹ کی مانگ میں بہتری کا باعث بنے ہیں۔ نتیجتاً سینٹ کی قیمتوں میں کمی کا رجحان رک گیا ہے۔ حکومتی عائد کردہ ایکسائز ڈیوٹی اور دیگر پیداواری لاگت میں کمی کی بدولت منافع میں بہتری ہوئی اور کاروبار پر مثبت اثرات ہوئے۔

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

مستقبل کے امکانات:

انفراسٹرکچر کے منصوبہ جات اور گھروں کی تعمیر کا شعبہ سینٹ کی طلب میں اضافے کے کلیدی محرکات ہیں، مذکورہ شعبوں کے حوالے سے CPEC کے تحت مختلف منصوبہ جات بشمول اقتصادی زونز اور اینڈرو پاور پراجیکٹس اور نیپا پاکستان ہاؤسنگ سکیم جیسے منصوبہ جات کی بدولت سینٹ کی کھپت میں اضافہ کی پیش گوئی کی جاسکتی ہے۔ نیٹ بینک آف پاکستان نے حال ہی میں گھر کی تعمیر اور خرید کے لئے کم شرح منافع پر آسان اقساط میں قابل واپسی قرضہ جات کی سہولت متعارف کی ہے، جس کی بدولت سینٹ کی مانگ میں اضافہ ہوگا۔

اظہار تشکر:

ہم اپنے تمام شراکت داروں اور ملازمین کی تمام محنتوں کا شکریہ ادا کرتے ہیں۔

برائے وقاب اور ڈائریکٹرز



اغرا زمنصور شیخ  
چیئرمین



ندیم عطاء شیخ  
چیف ایگزیکٹو

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

As at September 30, 2020

	Note	(Un-audited) September 30 2020 Rupees	(Audited) June 30 2020 Rupees
<b>EQUITY AND LIABILITIES</b>			
Authorized share capital		3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital		2,008,612,970	2,008,612,970
Reserves		119,950,065	119,746,265
Accumulated profit		17,105,400,889	16,598,314,088
		19,233,963,924	18,726,673,323
<b>Non-current liabilities</b>			
Long term financing - secured	5	5,294,250,476	5,439,226,142
Long term deposits and retention money		2,036,100	2,036,100
Deferred liabilities			
deferred taxation		1,555,451,860	1,461,247,800
compensated absences		19,653,438	21,241,356
		6,871,391,874	6,923,751,398
<b>Current liabilities</b>			
Current portion of long term financing	5	595,153,887	248,496,322
Trade and other payables	6	4,354,078,604	4,293,205,395
Contract liability		216,200,153	126,582,689
Unclaimed dividend		9,416,974	9,416,974
Dividend payable		38,553,788	38,597,374
Short term borrowings - secured		925,224,858	1,301,609,100
Mark-up accrued on borrowings		126,241,401	208,766,756
		6,264,869,665	6,226,674,610
Contingencies and commitments	7	-	-
		32,370,225,463	31,877,099,332
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	8	22,542,711,261	22,777,666,271
Intangibles		10,010,116	11,210,982
Long term deposits		38,326,640	38,326,640
Investment property	9	3,691,839,635	3,691,839,635
		26,282,887,652	26,519,043,528
<b>Current assets</b>			
Stores, spares and loose tools	10	2,498,955,131	2,250,156,437
Stock-in-trade		590,999,469	1,016,024,223
Trade debts - unsecured, considered good		508,180,198	494,315,206
Short term investments	11	160,334,400	160,130,600
Advances, deposits, prepayments and other receivables		599,296,410	425,391,226
Advance income tax - net		95,738,910	120,432,026
Cash and bank balances		1,633,833,293	891,606,087
		6,087,337,811	5,358,055,804
		32,370,225,463	31,877,099,332

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director

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

For the quarter ended 30 September 2020

	Note	Jul. 1-Sep. 30 2020 Rupees	Jul. 1-Sep. 30 2019 Rupees
Sales - net	12	5,174,169,104	2,993,547,135
Cost of sales	13	(4,215,645,574)	(2,877,735,775)
<b>Gross profit</b>		<b>958,523,530</b>	<b>115,811,360</b>
Selling and distribution expenses		(17,439,175)	(16,143,365)
Administrative and general expenses		(73,261,401)	(59,714,666)
Other income	14	16,868,265	102,252,686
Other expenses	15	(49,944,956)	(16,277,113)
		(123,777,267)	10,117,542
<b>Operating profit</b>		<b>834,746,263</b>	<b>125,928,902</b>
Finance cost		(138,276,628)	(7,796,949)
<b>Profit before taxation</b>		<b>696,469,635</b>	<b>118,131,953</b>
Taxation	16	(189,382,834)	(29,967,380)
<b>Profit after taxation</b>		<b>507,086,801</b>	<b>88,164,573</b>
<b>Earning per share (basic and diluted)</b>		<b>2.52</b>	<b>0.44</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director



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

For the quarter ended 30 September 2020

	Jul. 1-Sep. 30 2020 Rupees	Jul. 1-Sep. 30 2019 Rupees
Profit after taxation	507,086,801	88,164,573
<b>Other comprehensive Income/ (loss)</b>		
<i>Items that will not be reclassified to statement of profit or loss</i>		
Equity investments at FVOCI - net changes in fair value	153,800	(38,800)
<i>Items that are or may be reclassified to statement of profit or loss</i>		
Debt investments at FVOCI - net changes in fair value	50,000	-
<b>Total comprehensive income for the period</b>	<b>507,290,601</b>	<b>88,125,773</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For the quarter ended 30 September 2020

	Note	Jul. 1-Sep. 30 2020 Rupees	Jul. 1-Sep. 30 2019 Rupees
<b>Cash flow from operating activities</b>			
Profit before taxation		696,469,635	118,131,953
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment	8.1	311,562,124	136,597,583
Amortization on intangible assets		1,200,866	1,102,488
Interest on bank deposits and investments	14	(1,130,017)	(2,761,687)
Realized gain from investments at FVTPL /FVOCI	14	(1,202,302)	(11,584,674)
Profit/Dividends on bank deposits and investments	14	(10,545,606)	(12,515,078)
Net change in fair value of financial assets at FVTPL	14	–	(12,966,415)
Foreign currency exchange gain	14	(1,559,976)	(23,844,337)
Provision for compensated absences		899,085	1,199,997
Provision for Workers' Welfare Fund	15	6,359,160	2,499,878
Provision for Workers' Profit Participation Fund	15	36,990,989	6,349,044
Gain on disposal on property, plant and equipment		(1,486,105)	–
Provision for loss allowance against trade debts		4,995,482	7,338,191
Finance cost		138,276,628	7,796,949
		484,360,328	99,211,939
<b>Cash generated from operations before working capital changes</b>		1,180,829,963	217,343,892
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		(248,798,694)	(534,169,307)
Stock-in-trade		425,024,754	298,273,751
Trade debts		(18,860,474)	1,605,789
Advances, deposits, prepayments and other receivables		(173,990,771)	(146,874,111)
<i>Increase in current liabilities:</i>			
Trade and other payables		19,083,035	54,697,792
Contract liability		89,617,464	26,845,640
		92,075,314	(299,620,445)
<b>Cash generated from operations</b>		1,272,905,277	(82,276,553)
Compensated absences paid		(2,487,003)	(2,444,534)
Finance cost paid		(220,801,983)	(185,696,847)
Income tax paid		(70,485,658)	(116,968,684)
<b>Net cash generated from/ (used in) operating activities</b>		979,130,633	(387,386,618)
<b>Cash flow from investing activities</b>			
Acquisition of property, plant and equipment		(76,896,009)	(477,979,964)
Proceeds from disposal of property, plant and equipment		1,775,000	–
Acquisition of intangible assets		–	(1,837,500)
Acquisition of investment property		–	(27,000)
Short term investments - net		–	233,310,778
Long term loans and advances - net		–	13,202
Long term deposits and retention money - net		–	5,079,268
Profit/Dividends on bank deposits and investments		12,963,511	15,599,231
<b>Net cash used in investing activities</b>		(62,157,498)	(225,841,985)
<b>Cash flow from financing activities</b>			
Disbursements of long term finances - secured		201,681,899	1,131,689,431
Repayment of long term finances - secured		–	(329,642,162)
Repayment of short term borrowings		(376,384,242)	(243,000,000)
Dividend paid		(43,586)	(864,325)
<b>Net cash (used in)/ generated from financing activities</b>		(174,745,929)	558,182,944
<b>Net increase/(decrease) in cash and cash equivalents</b>		742,227,206	(55,045,659)
<b>Cash and cash equivalents at beginning of the period</b>		1,001,606,087	683,886,023
<b>Cash and cash equivalents at end of the period</b>	17	1,743,833,293	628,840,364

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director

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

For the quarter ended 30 September 2020

	Capital reserves			Revenue reserves			Total
	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profit	Total reserve	
Balance as at 30 June 2019 - audited	2,008,612,970	49,704,951	117,914	70,000,000	17,544,203,029	17,664,025,894	19,672,638,864
<b>Total comprehensive income for the period</b>							
Profit for quarter ended 30 September 2019	-	-	-	-	88,164,573	88,164,573	88,164,573
Other comprehensive loss for quarter ended 30 September 2019	-	-	(38,800)	-	-	(38,800)	(38,800)
	-	-	(38,800)	-	88,164,573	88,125,773	88,125,773
Balance as at 30 September 2019 - unaudited	2,008,612,970	49,704,951	79,114	70,000,000	17,632,367,602	17,752,151,667	19,760,764,637
Balance as at 30 June 2020 - audited	2,008,612,970	49,704,951	41,314	70,000,000	16,598,314,088	16,718,060,353	18,726,673,323
<b>Total comprehensive income for the period</b>							
Profit for quarter ended 30 September 2020	-	-	-	-	507,086,801	507,086,801	507,086,801
Other comprehensive income for quarter ended 30 September 2020	-	-	203,800	-	-	203,800	203,800
	-	-	203,800	-	507,086,801	507,290,601	507,290,601
Balance as at 30 September 2020 - unaudited	2,008,612,970	49,704,951	245,114	70,000,000	17,105,400,889	17,225,350,954	19,233,963,924

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Chief Financial Officer

  
Director

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

For the quarter ended 30 September 2020

## 1 Reporting entity

- 1.1** Kohat Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged in the production and sale of cement. The registered office of the Company is situated at Rawalpindi Road, Kohat, Pakistan.
- 1.2** ANS Capital (Private) Limited is the holding company of the Company and holds 110,482,320 ordinary shares of the Company comprising 55% of its total paid up share capital.

## 2 Basis of preparation

- 2.1** These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company, as at 30 September 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof.
- 2.2** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
  - Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.3** These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June 2020. 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 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 2020, 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 extracted from unaudited condensed interim financial statements of the Company for the three months period ended 30 September 2019.
- 2.5** These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

## 3 Judgments and estimates

The preparation of these 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.

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

For the quarter ended 30 September 2020

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended 30 June, 2020.

## 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, 2020.

	Note	(Un-audited) September 30 2020 Rupees	(Audited) June 30 2020 Rupees
<b>5 Long term financing - secured</b>			
Syndicated term finance - WHR (Conventional)			
Opening Balance		–	142,105,256
Paid during the period / year		–	(142,105,256)
		–	–
Less: Current maturity presented under current liabilities		–	–
		–	–
<i>Term finance - Line-4 (Conventional)</i>			
Opening Balance		5,606,196,692	5,282,253,128
Disbursements during the period/year		–	1,135,426,440
Paid during the period/year		–	(811,482,876)
		5,606,196,692	5,606,196,692
Less: Transaction cost		(19,963,296)	(20,958,540)
Less: Current maturity		(481,464,774)	(222,875,244)
		5,104,768,622	5,362,362,908
<i>Term finance - RFWS Scheme</i>			
Opening Balance		102,484,312	–
Disbursements during the period/year		200,686,655	102,484,312
Paid during the period/year		–	–
	5.1	303,170,967	102,484,312
Less: Current maturity		(113,689,113)	(25,621,078)
		189,481,854	76,863,234
		5,294,250,476	5,439,226,142

**5.1** This represents the long term finance facility obtained by the Company from Habib Bank Limited and Bank of Punjab, having approved limit of Rs. 195 million and 183.5 million respectively. This facility has been offered by State Bank of Pakistan to support businesses to continue payment of wages and salaries to their workers and employees in the aftermath of the COVID-19 outbreak called the Refinance Scheme for the Payment of Wages and Salaries (RFWS). This facility carries markup at the rate of SBP rate + 3% and is repayable in 8 equal quarterly installments starting

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

For the quarter ended 30 September 2020

from 01 January 2021. This facility is secured against first parri passu charge over all present and future fixed assets of the Company with 25% margin.

	Note	(Un-audited) September 30 2020 Rupees	(Audited) June 30 2020 Rupees
<b>6 Trade and other payables</b>			
Trade creditors - Local	6.1	854,083,881	724,716,328
Trade creditors - imports		294,619,382	366,584,643
Contractors' bills payable		168,853,288	187,147,806
Accrued liabilities		354,192,749	235,383,171
Payable to Workers' Profit Participation Fund		1,386,142,577	1,349,151,588
Payable to Workers' Welfare Fund		6,359,160	-
Payable to Provident Fund Trust		3,755,767	3,627,351
		3,068,006,804	2,866,610,886
<i>Payable to Government on account of:</i>			
Income tax deducted at source		11,241,627	11,177,272
Federal excise duty		463,329,214	512,098,004
Sales tax - net		118,602,573	193,450,230
Royalty and excise duty		93,208,452	80,530,131
		686,381,866	797,255,637
Retention money payable		339,975,742	361,628,116
Security deposits		4,579,192	4,729,192
Other payables		255,135,000	262,981,564
		599,689,934	629,338,872
		4,354,078,604	4,293,205,395

**6.1** This includes Rs. 393,493,029 (30 June 2020: 426,129,879) payable to M/s Ultra Pack (Private) Limited, related party of the Company.

## 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 2020.

	(Un-audited) September 30 2020 Rupees	(Audited) June 30 2020 Rupees
<b>7.2 Commitments</b>		
<i>In respect of letters of credit for:</i>		
- stores and spares	291,542,189	331,251,083



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

For the quarter ended 30 September 2020

	Note	(Un-audited) September 30 2020 Rupees	(Audited) June 30 2020 Rupees
<b>8 Property, plant and equipment</b>			
Operating fixed assets	8.1	22,303,269,785	22,613,088,249
Capital work in progress	8.2	239,441,476	164,578,022
		22,542,711,261	22,777,666,271
<b>8.1 Operating fixed assets</b>			
Opening written down value		22,613,088,249	8,008,186,210
<i>Add: Additions during the period / year (cost)</i>			
Freehold land		–	154,688,800
Factory buildings		–	334,942,746
Plant-Civil structure		–	3,962,475,970
Plant-Machinery and equipment		–	10,874,270,582
Furniture, fixtures and office equipment		911,490	14,831,224
Computers and printers		971,065	3,214,965
Weighing Scale		–	20,188,599
Light vehicles		–	40,632,370
Laboratory equipment		150,000	3,050,272
		2,032,555	15,408,295,528
<i>Less: Disposals/adjustments/transfers during the period / year (written down value)</i>			
Plant-Machinery and equipment		–	(5,589,805)
Computers and printers		–	(92,094)
Light vehicles		(288,895)	(3,439,009)
		(288,895)	(9,120,908)
<i>Less: Depreciation charge for the period / year</i>		(311,562,124)	(794,272,581)
Closing written down value		22,303,269,785	22,613,088,249
<b>8.2 Capital work in progress</b>			
Balance at beginning of the period / year		164,578,022	13,865,772,369
Add: Additions during the period / year		74,863,454	1,449,873,688
Less: Transfers to fixed assets during the period / year		–	(15,151,068,035)
		239,441,476	164,578,022

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

For the quarter ended 30 September 2020

	Note	(Un-audited) September 30 2020 Rupees	(Audited) June 30 2020 Rupees
<b>9 Investment property</b>			
Opening balance		3,691,839,635	3,691,839,635
Additions during the period / year		-	-
	9.1	3,691,839,635	3,691,839,635

**9.1** Investment property comprises of land that are held for capital appreciation. The latest valuation of investment property was carried out as at 30 June 2020, and according to that the approximate market value of investment property is Rs. 5,733.54 million and aggregate forced sale value of Rs. 4,864.23 million. The Company owns investment properties measuring 1011.72 kanals located at different locations in District Lahore. The fair value measurement for the investment property has been categorized as a level 3 fair value based on the inputs to the valuation techniques used.

## 10 Stores, spares and loose tools

This includes stores in transit valuing Rs. 658.011 million (30-June-2020: Rs. 519.4 million).

	Note	(Un-audited) September 30 2020 Rupees	(Audited) June 30 2020 Rupees
<b>11 Short term investments</b>			
<b>FVOCI - listed Equity Securities</b>			
Gharibwal Cement Limited		479,400	325,600
<b>FVOCI - debt instrument</b>			
Term Finance Certificates		49,855,000	49,805,000
<b>Amortized Cost - debt instrument</b>			
Term Deposit Receipts - Shairah Compliant	11.1	110,000,000	110,000,000
		160,334,400	160,130,600

**11.1** This carry mark-up rate 5.75% (30-Jun-2020 6.5%) per annum and have maturity date up till October 04, 2020.

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

For the quarter ended 30 September 2020

	(Un-audited) Jul. 1-Sep. 30 2020 Rupees	(Un-audited) Jul. 1-Sep. 30 2019 Rupees
<b>12 Sales - net</b>		
Gross Sales		
Local Sales	7,384,941,732	4,510,741,909
Export sales	416,634,141	261,910,164
	7,801,575,873	4,772,652,073
Less: Sales tax	(1,237,844,989)	(762,396,993)
Federal excise duty	(1,254,606,585)	(978,441,140)
Discount / rebate / commission	(134,955,195)	(38,266,805)
	(2,627,406,769)	(1,779,104,938)
	5,174,169,104	2,993,547,135
<b>12.1 Disaggregation of revenue</b>		
<b>12.1.1 Type of customers - Gross revenue</b>		
Contracts with government customers	956,773,282	241,153,595
Contracts with non government customers	6,844,802,591	4,531,498,478
	7,801,575,873	4,772,652,073
<b>12.1.2 Geographical region - Gross revenue</b>		
Pakistan	7,384,941,732	4,510,741,909
Afghanistan	416,634,141	261,910,164
	7,801,575,873	4,772,652,073
<b>13 Cost of Sales</b>		
Raw materials consumed	256,037,619	153,408,051
Packing materials consumed	413,075,117	257,098,283
Power and fuel	859,024,234	666,748,666
Coal and gas	1,496,374,610	988,998,497
Stores and spares consumed	179,589,389	105,045,421
Salaries, wages and other benefits	132,256,894	113,957,450
Royalty and excise duty	68,437,341	39,353,769
Rent, rates and taxes	7,210,565	7,808,806
Repairs and maintenance	29,828,747	22,875,433
Insurance	10,170,357	9,135,143
Depreciation	310,073,486	134,965,597
Loading and freight charges	16,788,408	7,473,072
Other expenses	25,330,079	46,325,167
	3,804,196,846	2,553,193,355
Inventory adjustment:		
Work-in-process:	360,976,180	383,014,487
Finished goods:	58,143,533	(50,604,975)
	419,119,713	332,409,512
Less: Cost attributable to self cement consumption	(7,670,985)	(7,867,092)
	4,215,645,574	2,877,735,775

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

For the quarter ended 30 September 2020

	(Un-audited) Jul. 1-Sep. 30 2020 Rupees	(Un-audited) Jul. 1-Sep. 30 2019 Rupees
<b>14 Other income</b>		
<b>Income from financial assets - Conventional:</b>		
Interest on bank deposits and investments	1,130,017	2,761,687
Realized gain on investment at FVOCI	1,202,302	1,841,014
Interest on Employees' loans	-	3,652
<b>Income from financial assets - Shariah compliant:</b>		
Profit on bank deposits and investments	9,485,267	12,515,078
Net change in fair value of financial assets at FVTPL	-	12,966,415
Realized gain on investment at FVTPL	-	9,743,660
Dividend received from investment in mutual funds	1,060,339	33,189,468
<b>Income from non-financial assets:</b>		
Income from sale of scrap	910,554	5,336,985
Foreign Currency Exchange Gain	1,559,976	23,844,337
Gain on disposal of property, plant and equipment	1,486,105	-
Miscellaneous	33,705	50,390
	<b>16,868,265</b>	<b>102,252,686</b>
<b>15 Other expenses</b>		
Donations	1,599,325	90,000
Provision for loss allowance against trade debts	4,995,482	7,338,191
Workers' Profit Participation Fund	36,990,989	6,349,044
Worker's Welfare Fund	6,359,160	2,499,878
	<b>49,944,956</b>	<b>16,277,113</b>
<b>16 Taxation</b>		
for the year		
- Current	95,178,774	50,596,303
- Deferred	94,204,060	(20,628,923)
	<b>189,382,834</b>	<b>29,967,380</b>
	(Un-audited) September 30 2020 Rupees	(Un-audited) September 30 2019 Rupees
<b>17 Cash and cash equivalents</b>		
Cash and bank balances	1,633,833,293	518,840,364
Term deposit receipts	110,000,000	110,000,000
	<b>1,743,833,293</b>	<b>628,840,364</b>
<b>18 Fair value of financial instruments</b>		

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value.

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

For the quarter ended 30 September 2020

	Note	Carrying Amount				Fair value			
		Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<b>On-Balance sheet financial instruments on 30 September 2020 (Un-audited)</b>									
<b>Financial assets measured at fair value</b>									
Short term investments		50,334,400	-	-	-	50,334,400	50,334,400	-	
		50,334,400	-	-	-	50,334,400	50,334,400	-	
<b>Financial assets measured at amortized cost</b>									
Long term loans to employees		-	-	-	-	-	-	-	
Long term deposits		-	-	38,326,640	-	38,326,640	-	-	
Trade debts - unsecured, considered good		-	-	508,180,198	-	508,180,198	-	-	
Short term investments		-	-	110,000,000	-	110,000,000	-	-	
Advances, deposits and other receivables		-	-	118,395,004	-	118,395,004	-	-	
Cash and bank balances		-	-	1,633,833,293	-	1,633,833,293	-	-	
	18.1	-	-	2,408,735,135	-	2,408,735,135	-	-	
<b>Financial liabilities measured at fair value</b>									
<b>Financial liabilities measured at amortized cost</b>									
Long term financing		-	-	-	5,889,404,363	5,889,404,363	-	-	
Long term deposits		-	-	-	2,036,100	2,036,100	-	-	
Trade and other payables		-	-	-	2,271,439,234	2,271,439,234	-	-	
Short term borrowings		-	-	-	925,224,858	925,224,858	-	-	
Mark-up accrued on borrowings		-	-	-	126,241,401	126,241,401	-	-	
	18.1	-	-	-	9,214,345,956	9,214,345,956	-	-	

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

For the quarter ended 30 September 2020

	Carrying Amount			Fair value				
	Fair value through comprehensive income	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Rupees							
	Note							
On-Balance sheet financial instruments on 30 June 2020 (Audited)								
<b>Financial assets measured at fair value</b>								
Short term investments	50,130,600	-	-	-	50,130,600	50,130,600	-	-
	50,130,600	-	-	-	50,130,600	50,130,600	-	-
<b>Financial assets measured at amortized cost</b>								
Long term loans to employees	-	-	-	-	-	-	-	-
Long term deposits	-	-	38,326,640	-	38,326,640	-	-	-
Trade debts - unsecured, considered good	-	-	494,315,206	-	494,315,206	-	-	-
Short term investments	-	-	110,000,000	-	110,000,000	-	-	-
Advances, deposits and other receivables	-	-	154,325,757	-	154,325,757	-	-	-
Cash and bank balances	-	-	891,606,087	-	891,606,087	-	-	-
	-	-	1,688,573,680	-	1,688,573,680	-	-	-
18.1	-	-	-	-	-	-	-	-
<b>Financial liabilities measured at fair value</b>								
<b>Financial liabilities measured at amortized cost</b>								
Long term financing	-	-	-	5,687,722,464	5,687,722,464	-	-	-
Long term deposits	-	-	-	2,036,100	2,036,100	-	-	-
Trade and other payables	-	-	-	2,138,541,627	2,138,541,627	-	-	-
Short term borrowings	-	-	-	1,301,609,100	1,301,609,100	-	-	-
Mark-up accrued on borrowings	-	-	-	208,766,756	208,766,756	-	-	-
	-	-	-	9,338,676,047	9,338,676,047	-	-	-
18.1	-	-	-	-	-	-	-	-

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



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

For the quarter ended 30 September 2020

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

	For the Quarter ended 30 September 2020			
	Liabilities			Total
	Long term finances	Short term borrowings	Dividend payable	
Rupees				
Balance as at 30 June 2020 (Audited)	5,687,722,464	1,301,609,100	48,014,348	7,037,345,912
<b>Changes from financing activities</b>				
<i>Term finance - Line-4</i>				
Disbursements net of transaction cost	201,681,899	-	-	201,681,899
Repayments	-	(376,384,242)	-	(376,384,242)
<i>Dividend paid</i>	-	-	(43,586)	(43,586)
<b>Total changes from financing cash flows</b>	201,681,899	(376,384,242)	(43,586)	(174,745,929)
Closing balance (Un-audited)	5,889,404,363	925,224,858	47,970,762	6,862,599,983

	For the Quarter ended 30 September 2019			
	Liabilities			Total
	Long term finances	Short term borrowings	Dividend payable	
Rupees				
Balance as at 30 June 2019 (Audited)	5,404,151,114	243,000,000	45,151,309	5,692,302,423
Changes from financing activities				
<i>Syndicated term finance - WHR</i>				
Repayments	(71,052,632)	-	-	(71,052,632)
<i>Term finance - Line-4</i>				
Disbursements net of transaction cost	1,131,689,431	-	-	1,131,689,431
Repayments	(258,589,530)	-	-	(258,589,530)
<i>Export refinance</i>				
Repayment	-	(243,000,000)	-	(243,000,000)
<i>Dividend paid</i>	-	-	(864,325)	(864,325)
<b>Total changes from financing cash flows</b>	802,047,269	(243,000,000)	(864,325)	558,182,944
Closing balance (Un-audited)	6,206,198,383	-	44,286,984	6,250,485,367

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

For the quarter ended 30 September 2020

## 20 Transactions and balances with related parties

The related parties comprise of the Holding Company, associated companies, key management personnel including directors of the Company and staff retirement funds. Significant transactions and balances with related parties, other than those disclosed elsewhere in these condensed interim financial statements are as follows:

Parties	Relationship	Nature of transactions	(Un-audited)	(Un-audited)
			Jul. 1-Sep. 30 2020 Rupees	Jul. 1-Sep. 30 2019 Rupees
<b>Transactions with related parties</b>				
Provident Fund Trust	Post employment plan	Contribution	5,159,776	4,404,422
Kohat Cement Education Trust	Common Trusteeship	Contribution	1,214,291	2,118,829
Ultra Pack (Private) Limited	Common Control	Purchase of packing material	332,409,663	191,758,491
Palace Enterprise (Private) Ltd.	Common Directorship	Hospitality services received	-	67,179
Nutribel (Private) Ltd.	Common Directorship	Sale of cement	460,931	-
Chief Executive	Key Management Personnel	Remuneration and other benefits	16,354,035	20,287,743
Other Executives	Key Management Personnel	Remuneration and other benefits	17,066,639	25,030,545
<b>Balances with Related Parties</b>				
Provident Fund Trust	Post employment plan	Payable	3,755,767	3,063,117
Ultra Pack (Private) Limited	Common Control	Trade Creditors	393,493,029	37,716,599

**20.1** The Company has paid Rs.23.4 million (30-Sep-2019: 20.3 million) to the Chairman on account of his remuneration and also paid Rs. Nil (30-Sep-2019: Rs.225,000 ) to the non-executive directors being the fee for attending Board and Committee meetings.

## 21 Date of authorization for issue

These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue in its meeting held on October 26, 2020.



Chief Executive



Chief Financial Officer



Director





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