



First Quarter Report  
September 30, 2018

## Sustainable Commitments

[www.kohatcement.com](http://www.kohatcement.com)



## Contents

02	Corporate Information
03	Directors' Review
04	ڈائریکٹرز جائزہ رپورٹ
05	Statement of Financial Position
06	Profit and Loss Account
07	Statement of Comprehensive Income
08	Cash Flow Statement
09	Statement of Changes in Equity
10	Notes to the Financial Statements



## Corporate Information

### Board of Directors

Mrs. Hafsa Nadeem	Chairperson/Non-Executive Director
Mr. Aizaz Mansoor Sheikh	Chief Executive
Mr. Nadeem Atta Sheikh	Executive Director
Mr. M. Atta Tanseer Sheikh	Independent 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. M. Atta Tanseer Sheikh	Chairman
Mr. Aizaz Mansoor Sheikh	
Mr. Muhammad Rehman Sheikh	

### 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 - 35754990  
Email: mis@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



**Jama**  
**Punji**

سرمایہ کاری سمجھداری کے ساتھ

**BE AWARE, BE ALERT, BE SAFE**

Learn about investing at

[www.jamapunji.pk](http://www.jamapunji.pk)



## Directors' Review

Dear Shareholders,

The Directors of your Company are pleased to present the un-audited condensed interim financial statements of the Company for the 1st quarter ended September 30, 2018 of financial year ending June 30, 2019.

### Operational performance

Summary of production in comparison with the comparable quarter of last year is as under:

	(M Tons)	
	Sep. 30, 2018	Sep. 30, 2017
Clinker Production	464,643	449,686
Cement Production	586,634	496,125

There is 2.56% year on year growth in the overall dispatches of the Company during the quarter under review.

### Financial Performance

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

	(Rupees)	
	Sep. 30, 2018	Sep. 30, 2017
Net sales revenue	3,520,643,233	3,417,430,370
Gross profit	862,386,034	1,352,060,003
Admin and selling expenses	(97,813,551)	(72,989,238)
Other expenses	(60,375,964)	(101,828,275)
Other income	86,206,637	88,324,418
Finance costs	(10,787,217)	(16,868,831)
Taxation	(251,072,051)	(345,565,492)
Profit after taxation	528,543,888	903,132,585
Earnings per share (Rs.)	3.42	5.85

Surge in coal prices in international markets, depreciation in value of Pak Rupees and stagnant cement sales prices contributed towards shrinking in margins.

The Company is current on its all debt obligations.

### On Going Projects

Installation of new Grey Cement Manufacturing Line of 7,800 tons per day cement production capacity is in progress at the existing site of Company. Almost 70% of the plant has been shipped by the supplier whereas civil and erection works are progressing as scheduled.

### Future Outlook

The weakening Pak Rupee, rising inflations rates and cut in PSDP budget may negatively affect the cement demand in domestic market. However, projects under the China-Pakistan Economic Corridor (CPEC) and Government's focus on construction of low cost housing schemes shall contribute for the uplift of the Industry.

### Acknowledgments

We would like to place on record our sincere appreciation for the efforts and services put in by the stakeholders as well as the staff and employees for their excellent support and efforts, hard work and trust.

For and on behalf of the Board

API Mansoor Sheikh  
Chief Executive

Aminah Aziz Sheikh  
Director

Lahore: October 23, 2018

## ڈائریکٹرز جائزہ رپورٹ

### معزز شخص داران

کواہٹ سینٹ کمپنی لمیٹڈ (کمپنی) کے ڈائریکٹرز بعد مسرت اپنے ممبران کے لئے پہلی سہ ماہی مختتمہ 30 ستمبر، 2018ء سے متعلقہ کمپنی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

### پیداواری کارکردگی:

ذیل میں زیر جائزہ مالی سال کی پہلی سہ ماہی کی پیداوار کا پچھلے سال کی پیداوار سے موازنہ دیا گیا ہے:

30 ستمبر، 2018 30 ستمبر، 2017  
میٹرک ٹن

کلنکری پیداوار	464,643	449,686
سینٹ کی پیداوار	586,634	496,125

زیر جائزہ سہ ماہی کے دوران گزشتہ سہ ماہی نسبت کمپنی کی ترسیلات میں مجموعی طور پر 2.56% اضافہ ہوا ہے۔

### مالیاتی کارکردگی:

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

30 ستمبر، 2018 30 ستمبر، 2017  
(روپے)

کل فروخت	3,520,643,233	3,417,430,370
خام منافع	862,386,034	1,352,060,003
ایڈجسٹیشن اور سٹیز اخراجات	(97,813,551)	(72,989,238)
دیگر اخراجات	(60,375,964)	(101,828,275)
دیگر آمدنی	86,206,637	88,324,418
مالیاتی لاگت	(10,787,217)	(16,868,831)
نیکس	(251,072,051)	(345,565,492)
منافع بعد از نیکس	528,543,888	903,132,585
فی شیئر آمدنی (روپے)	3.42	5.85

بین الاقوامی منڈی میں کوسٹل کی قیمتوں میں تیزی، روپے کی قدر میں کمی اور سینٹ کی قیمت فروخت کا مجموعی منافع میں کمی کی اہم وجوہات ہیں۔ کمپنی اپنی مالیاتی ذمہ داریوں کی بروقت ادائیگی کر رہی ہے۔

### زیر تعمیر منصوبہ جات:

موجودہ فیکٹری میں 7800 ٹن یومیہ پیداواری صلاحیت کی حامل گرے سینٹ مینوفیکچرنگ لائن کی تنصیب کا کام جاری ہے۔ پلانٹ کی مشینری کا تقریباً 70% حصہ درآمد کیا جا چکا ہے جبکہ بنیادی تعمیراتی کام بھی منصوبے کے مطابق جاری ہے۔

### مستقبل کے امکانات:

پاکستانی روپے کی گرتی ہوئی قدر، افراط زر میں اضافہ اور PSDP بجٹ میں کمی جیسی وجوہات سینٹ کی مقامی منڈی میں طلب پر منفی اثرات ڈال سکتی ہیں۔ تاہم، پاک چائنہ اقتصادی راہداری (CPEC) کے منصوبہ جات اور حکومت کا کم قیمت گھروں کی تعمیر کے منصوبہ جات کی طرف خاص رجحان سینٹ انڈسٹری کی ترقی میں اہم کردار ادا کریں گے۔

### اظہار تشکر:

ہم تہہ دل سے تمام شرکات داروں کی کاوشوں اور خدمات کے علاوہ ملازمین کے بہترین تعاون، جدوجہد، محنت اور اعتماد کو سراہتے ہیں۔

برائے وٹخاب بورڈ آف ڈائریکٹرز

*Aminul Hque*  
آمنہ اعجاز شیخ  
ڈائریکٹر

*Aminul Hque*  
آمنہ اعجاز شیخ  
چیف ایگزیکٹو

لاہور: 23 اکتوبر، 2018



## Condensed Interim Statement of Financial Position (Un-audited)

As at 30 September 2018

	Note	(Un-Audited) Sep. 30, 2018 Rupees	(Audited) Jun. 30, 2018 Rupees
<b>EQUITY AND LIABILITIES</b>			
Share capital and reserves			
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		119,998,065	120,034,065
Accumulated profits		16,840,160,547	16,311,616,659
		18,505,245,512	17,976,737,624
<b>Non-current liabilities</b>			
Long term finances - secured	5	674,110,121	142,105,256
Long term security deposits		2,036,100	2,036,100
Deferred liabilities			
- deferred taxation		1,494,145,810	1,499,928,327
- compensated absences		15,225,892	16,495,508
		2,185,517,923	1,660,565,191
<b>Current liabilities</b>			
Current maturity of long term finances	5	382,884,529	284,210,528
Trade and other payables	6	5,636,353,913	3,351,466,246
Unclaimed dividend		9,672,282	9,919,087
Dividend payable		29,603,848	29,603,848
Interest/mark-up accrued on borrowings		5,359,685	3,830,579
		6,063,874,257	3,679,030,288
<b>Contingencies and commitments</b>			
	7		
		26,754,637,692	23,316,333,103
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	14,345,669,013	9,113,062,067
Investment property	9	3,658,401,689	3,655,622,685
Intangible assets		15,372,149	15,259,395
Long term loans and advances		-	446
Long term deposits		125,326,640	125,326,640
		18,144,769,491	12,909,271,233
<b>Current assets</b>			
Stores, spares and loose tools	10	2,314,789,801	2,119,531,149
Stock-in-trade		568,817,718	658,728,524
Trade debts - unsecured, considered good		687,279,916	645,524,139
Short term investments	11	3,911,572,094	5,159,792,050
Advances, deposits, prepayments and other receivables		733,311,318	887,836,716
Advance income tax - net		59,273,390	111,221,602
Cash and bank balances	12	334,823,964	824,427,690
		8,609,868,201	10,407,061,870
		26,754,637,692	23,316,333,103

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 Profit and Loss Account (Un-audited)

For the quarter ended 30 September 2018

		(Un-Audited) Jul. 1-Sep. 30 2018 Rupees	(Un-Audited) Jul. 1-Sep. 30 2017 Rupees
	Note		
Sales			
Local		5,032,719,084	4,682,228,275
Export		168,868,899	168,889,668
		5,201,587,983	4,851,117,943
Less:			
Sales tax		(852,135,451)	(782,760,033)
Federal excise duty		(782,571,765)	(630,763,150)
Commission on cement sales		(46,237,534)	(20,164,390)
		(1,680,944,750)	(1,433,687,573)
Net sales		3,520,643,233	3,417,430,370
Cost of sales	13	(2,658,257,198)	(2,065,370,367)
Gross profit		862,386,035	1,352,060,003
Selling and distribution expenses		(30,518,788)	(30,439,017)
Administrative and general expenses		(67,294,764)	(42,550,221)
Other operating income	14	86,206,637	88,324,418
Other operating charges	15	(60,375,964)	(101,828,275)
		(71,982,879)	(86,493,095)
Operating profit		790,403,156	1,265,566,908
Finance cost		(10,787,217)	(16,868,831)
Profit before taxation		779,615,939	1,248,698,077
Taxation	16	(251,072,051)	(345,565,492)
Profit after taxation		528,543,888	903,132,585
Earning per share (basic and diluted)		3.42	5.85

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 2018

	(Un-Audited) Jul. 1-Sep. 30 2018 Rupees	(Un-Audited) Jul. 1-Sep. 30 2017 Rupees
Profit after taxation	528,543,888	903,132,585
Other comprehensive income for the period		
Items that are or may be reclassified to profit and loss account:		
Investment at fair value through OCI - net changes in fair value	(36,000)	(251,600)
Total comprehensive income for the period	528,507,888	902,880,985

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 Cash Flow Statement (Un-audited)

For the quarter ended 30 September 2018

		(Un-audited) Jul. 1 - Sep. 30 2018 Rupees	(Un-audited) Jul. 1 - Sep. 30 2017 Rupees
	Note		
<b>Cash flow from operating activities</b>			
Profit before taxation		779,615,939	1,248,698,077
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment	8.1	135,913,600	123,067,761
Amortization on intangibles assets		989,738	755,992
Loss on disposal of property, plant and equipment		-	8,023,166
Interest on bank deposits and investments		(69,312,156)	(7,833,854)
Realized gain on investment at fair value through P & L		(6,523,435)	(66,554,700)
Unrealized loss/(gain) on investment at fair value through P&L		35,028,455	(13,698,201)
Provision for compensated absences		539,452	355,506
Provision for Workers' Welfare Fund	15	16,362,369	24,709,881
Provision for Workers' Profit Participation Fund	15	41,893,595	67,021,471
Finance cost		10,787,217	16,868,831
		165,678,835	152,715,853
<b>Cash generated from operations before working capital changes</b>		<b>945,294,774</b>	<b>1,401,413,930</b>
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		(195,258,652)	(108,130,053)
Stock-in-trade		89,910,806	70,400,994
Trade debts		(41,755,777)	(3,749,582)
Advances, deposits, prepayments and other receivables		151,128,548	(78,703,068)
<i>Increase in current liabilities:</i>			
Trade and other payables		143,514,688	182,083,075
		147,539,613	61,901,366
<b>Cash generated from operations</b>		<b>1,092,834,387</b>	<b>1,463,315,296</b>
Compensated absences paid		(1,809,068)	(1,510,783)
Finance cost paid		(9,258,111)	(18,506,336)
Income tax paid		(204,906,356)	(378,946,666)
<b>Net cash generated from operating activities</b>		<b>876,860,852</b>	<b>1,064,351,511</b>
<b>Cash flow from investing activities</b>			
Acquisition of property, plant and equipment		(3,285,403,531)	(25,544,193)
Proceeds from disposal of property, plant and equipment		-	1,658,761
Acquisition of intangible assets		(1,102,492)	-
Acquisition of investment property		(2,779,004)	(524,045,222)
Investment at fair value through P & L - net		1,119,678,936	28,810,602
Long term loans and advances received		446	11,605
Interest on bank deposits		72,709,006	7,833,854
<b>Net cash used in investing activities</b>		<b>(2,096,896,639)</b>	<b>(511,274,593)</b>
<b>Cash flow from financing activities</b>			
Long term finance received		701,731,498	-
Repayment of long term finances		(71,052,632)	(71,052,632)
Repayment of short term borrowings		-	(200,000,000)
Dividend paid		(246,805)	(11,287)
<b>Net cash generated/(used) in financing activities</b>		<b>630,432,061</b>	<b>(271,063,919)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(589,603,726)</b>	<b>282,012,999</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>4,574,427,690</b>	<b>5,611,171,564</b>
<b>Cash and cash equivalents at end of the period</b>	17	<b>3,984,823,964</b>	<b>5,893,184,563</b>

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

08 Chief Executive

Chief Financial Officer

Director



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

For the quarter ended 30 September 2018

	Share capital	Capital reserves		Revenue reserves		Total reserve	Total
		Share premium	Fair value reserve	General reserve Rupees	Accumulated profit		
Balance as at 30 June 2017 - audited	1,545,086,900	49,704,951	826,514	70,000,000	13,640,639,246	13,761,170,711	15,306,257,611
Total comprehensive income							
Profit for the quarter ended 30 September 2017	-	-	-	-	903,132,585	903,132,585	903,132,585
Other comprehensive income for the quarter ended 30 September 2017	-	-	(251,600)	-	-	(251,600)	(251,600)
	-	-	(251,600)	-	903,132,585	902,880,985	902,880,985
Balance as at 30 Sep. 2017 - unaudited	1,545,086,900	49,704,951	574,914	70,000,000	14,543,771,831	14,664,051,696	16,209,138,596
Balance as at 30 June 2018 - audited	1,545,086,900	49,704,951	329,114	70,000,000	16,311,616,659	16,431,650,724	17,976,737,624
Total comprehensive income							
Profit for the quarter ended 30 September 2018	-	-	-	-	528,543,888	528,543,888	528,543,888
Other comprehensive income for the quarter ended 30 September 2018	-	-	(36,000)	-	-	(36,000)	(36,000)
	-	-	(36,000)	-	528,543,888	528,507,888	528,507,888
Balance as at 30 Sep. 2018 - unaudited	1,545,086,900	49,704,951	293,114	70,000,000	16,840,160,547	16,960,158,612	18,505,245,512

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 2018

### 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 Limited. The Company is engaged in production and sale of cement. Head Office of the Company is situated at 37-P, Gulberg-II, Lahore, whereas the registered office and production facility is situated at Rawalpindi Road, Kohat, Pakistan.
- 1.2 ANS Capital (Private) Limited is the holding company of the Company and holds 84,986,400 ordinary shares of the Company comprising 55% of its total paid up share capital.

### 2. Basis of preparation

#### 2.1 Statement of Compliance

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 - Interim Financial Reporting, 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 provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company, as at 30 September 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.
- 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 2018.
- 2.4 Comparative numbers in statement of financial position are extracted from the annual audited financial statements of the Company for the year ended 30 June 2018, whereas comparatives of condensed interim profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the quarter ended 30 September 2017.
- 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. Judgements 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.

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 audited financial statements for the year ended 30 June 2018.

### 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 2018.
- 4.2 There were certain new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

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

For the quarter ended 30 September 2018

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

Standard	Effective date (according periods beginning on or after)
IFRS 15 - Revenue from Contract with customer	01 July 2018
IFRS 9 - Financial Instruments	01 July 2018
IFRS 16 - Leases	01 January 2019
IAS 28 - Investments in Associates and Joint Ventures	01 January 2019
IAS 19 - Employee Benefits	01 January 2019
IFRS 3 - Business Combinations	01 January 2019
IFRS 11 - Joint ventures	01 January 2019
IAS - 12 Income Taxes	01 January 2019
IAS - 23 Borrowing cost	01 January 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019

	Note	(Un-Audited) Sep. 30, 2018 Rupees	(Audited) Jun. 30, 2018 Rupees
5 Long term finances - secured			
<i>Mark-up based financing from conventional banks:</i>			
Syndicated term finance - WHR	5.1	355,263,152	426,315,784
Term finances - additional grey cement line	5.2	701,731,498	-
Less: Current maturity presented under current liabilities		(382,884,529)	(284,210,528)
		674,110,121	142,105,256

- 5.1 During the period / year, the Company has made repayments amounting to R's. 71,052,632 (30 June 2017 : Rs. 284,210,528).

- 5.2 Long term finance facilities available from different commercial banks are Rs. 6,950 million to finance the installation and civil works of additional grey cement line having capacity of 7800 TPD. These facilities carry rate of mark-up ranges from 3MK + 0.60% - 0.65%. which is secured by way of first pari passu charge over all present and future fixed assets of the Company amounting to Rs. 13,068 million and personal guarantees of sponsoring directors of the Company.

	(Un-Audited) Sep. 30, 2018 Rupees	(Audited) Jun. 30, 2018 Rupees
6 Trade and other payables		
Trade creditors	271,369,646	263,481,667
Trade creditors - imports	789,701,221	869,647,071
Import bills payable - against plant and machinery	2,083,117,015	-
Contractors' bills payable	22,891,701	89,014,057
Accrued liabilities	336,497,566	228,261,229
Advances from customers	67,943,617	53,355,028
Payable to Workers' Profit Participation Fund	1,273,690,793	1,231,797,198
Payable to Workers' Welfare Fund	91,264,657	74,902,288
Payable to Provident Fund Trust	3,235,128	2,437,236
	4,939,711,344	2,812,895,774
<i>Payable to Government on account of:</i>		
Income tax deducted at source	6,398,035	13,082,980
Federal excise duty	140,187,484	-
Royalty and excise duty	69,287,428	58,891,160
	215,872,947	71,974,140
Retention money payable	242,409,064	225,503,889
Security deposits	2,707,701	12,413,926
Other payables	235,652,857	228,678,517
	480,769,622	466,596,332
	5,636,353,913	3,351,466,246

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

For the quarter ended 30 September 2018

### 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 2018.

	Note	(Un-Audited) Sep. 30, 2018 Rupees	(Audited) Jun. 30, 2018 Rupees
7.2 Commitments			
In respect of letters of credit for:			
- capital expenditure		2,858,879,363	7,165,007,534
- stores and spares		171,872,613	185,628,376
		3,030,751,976	7,350,635,910
8. Property, plant and equipment			
Operating fixed assets	8.1	7,841,738,187	7,960,021,087
Capital work in progress	8.2	6,503,930,826	1,153,040,980
		14,345,669,013	9,113,062,067
8.1 Operating fixed assets			
Opening written down value		7,960,021,087	7,378,863,363
Add: Additions during the period / year (cost)			
Factory buildings and plant civil structure		-	169,964,009
Office and other building		-	1,144,500
House colony		-	84,341,771
Plant, machinery and equipment		7,903,471	791,022,976
Furniture, fixtures and office equipment		2,600,450	24,010,515
Computers and printers		845,160	3,044,689
Light vehicles		2,374,013	41,912,465
Heavy vehicles		3,907,606	1,509,200
Laboratory equipment		-	3,207,967
		17,630,700	1,120,158,092
Less: Disposals during the period / year (written down value)			
Plant, machinery and equipment		-	(9,481,316)
Light vehicles		-	(7,108,336)
		-	(16,589,652)
Less: Depreciation charge for the period / year		(135,913,600)	(522,410,716)
Closing written down value		7,841,738,187	7,960,021,087
8.2 Capital work in progress			
Balance at beginning of the period / year		1,153,040,980	681,621,351
Add: Additions during the period / year	8.2.1	5,350,889,846	1,534,080,391
Less: Transfers to fixed assets during the period / year		-	(1,062,660,762)
		6,503,930,826	1,153,040,980

8.2.1 This includes plant and machinery in transit amounting to Rs. 2,083.18 million (June 30, 2018: Nil).

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

For the quarter ended 30 September 2018

	Note	(Un-Audited) Sep. 30, 2018 Rupees	(Audited) Jun. 30, 2018 Rupees
9	Investment property		
	Opening balance	3,655,622,685	3,062,824,000
	Additions during the period / year	2,779,004	592,798,685
	9.1	3,658,401,689	3,655,622,685

9.1 Investment property comprises of lands that are held for capital appreciation. The approximate market value of investment property, according to latest valuation carried out by an Independent Valuer on 30 June 2018, is Rs. 5,088.63 million and aggregate forced sale value of Rs. 4,325.33 million (both valuations are excluding addition of Rs. 2.78 million made during the period). The Company owns investment properties measuring 1050.36 kanals (2018: 1050.36 kanals) located at different locations in District Lahore.

10 This includes store in transit amounting to Rs. 788.16 million (June 30, 2018: Rs. 802.68 million)

	(Un-Audited) Sep. 30, 2018 Rupees	(Audited) Jun. 30, 2018 Rupees
11	Short term investments	
	<i>At fair value through other comprehensive income</i>	
	Equity securities of listed company	382,400
	<i>At fair value through profit and loss</i>	
	Investment in income Mutual Funds	261,189,694
	<i>At amortized cost</i>	
	Placement with commercial banks	3,650,000,000
		3,911,572,094
		5,159,792,050

11.1 All these investments are made under Shariah permissible arrangements.

### 12. Cash and bank balances

These include Rs. 96.55 million (June 30, 2018: Rs. 162.73 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 quarter ended 30 September 2018

	(Un-Audited) Jul. 1-Sep. 30 2018 Rupees	(Un-Audited) Jul. 1-Sep. 30 2017 Rupees
<b>13 Cost of sales</b>		
Raw materials consumed	161,047,653	138,874,939
Packing materials consumed	248,017,474	166,782,279
Fuel and power	520,143,520	399,689,667
Coal and gas	1,240,447,340	902,473,016
Stores, spares and loose tools consumed	105,072,024	103,234,612
Salaries, wages and other benefits	117,849,844	85,928,016
Royalty and excise duty	46,078,767	44,058,744
Rent, rates and taxes	7,392,097	5,041,351
Repairs and maintenance	24,465,732	19,691,537
Insurance	9,928,644	9,709,102
Depreciation	134,352,801	121,817,607
Other expenses	23,476,383	26,104,674
	2,638,272,279	2,023,405,544
<i>Inventory adjustment:</i>		
Work-in-process	184,912,744	(92,352,566)
Finished goods	(110,491,939)	135,414,046
	74,420,805	43,061,480
Less: Cost attributable to own cement consumption	(54,435,886)	(1,096,657)
	2,658,257,198	2,065,370,367
<b>14 Other operating income</b>		
<i>Income from financial assets - Conventional:</i>		
Profit on bank deposits and investments	2,633,934	7,180,899
Unrealized gain on investment at fair value through P & L	-	13,698,201
Realized gain on investment at fair value through P & L	22,094	66,554,700
Profit on employees' loans	810	2,484
<i>Income from financial assets - Shariah compliant:</i>		
Profit on bank deposits and investments	66,678,222	652,955
Unrealized gain on investment at fair value through P & L	5,114,553	-
Reversal of gain realized on disposal of investment through P & L already accounted for in previous years	(40,143,008)	-
Realized gain on investment at fair value through P & L	6,501,341	-
Dividend received from investment in mutual funds	42,096,941	-
<i>Income from non-financial assets</i>		
Income from sale of scrap	3,192,600	182,499
Miscellaneous income	109,150	52,680
	86,206,637	88,324,418



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

For the quarter ended 30 September 2018

	(Un-Audited) Jul. 1-Sep. 30 2018 Rupees	(Un-Audited) Jul. 1-Sep. 30 2017 Rupees
<b>15 Other operating charges</b>		
Donations	2,120,000	1,470,000
Workers' Profit Participation Fund	41,893,595	67,021,471
Workers' Welfare Fund	16,362,369	24,709,881
Exchange loss	-	603,757
Loss on disposal of property, plant and equipment	-	8,023,166
	<b>60,375,964</b>	<b>101,828,275</b>
<b>16 Taxation</b>		
Current	256,854,568	373,907,526
Deferred	(5,782,517)	(28,342,034)
	<b>251,072,051</b>	<b>345,565,492</b>
	(Un-Audited) Sep. 30 2018 Rupees	(Un-Audited) Sep. 30 2017 Rupees
<b>17 Cash and cash equivalents</b>		
Cash and bank balances	334,823,964	575,885,664
Term deposit receipts	3,650,000,000	-
Market Treasury Bills	-	5,317,298,899
	<b>3,984,823,964</b>	<b>5,893,184,563</b>

### 18. Transaction with related parties

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

	Percentage of Holding	Relationship	Nature of transactions	(Un-Audited) Jul. 1-Sep. 30 2018 Rupees	(Un-Audited) Jul. 1-Sep. 30 2017 Rupees
<b>Transactions with related parties</b>					
Contribution to provident Fund Trust		Post employment benefit plan	Contribution	3,964,269	2,805,084
Kohat Cement Educational Trust	0.08%	Common Trusteeship / Director	Contribution	1,003,291	100,000
Ultra Pack (Private) Limited		Subsidiary of holding company	Purchase of packing material	173,189,000	116,851,825
Palace Enterprises (Private) Limited		Common Directorship	Accommodation Services	4,500	140,714
Key Management Personnel		Chief Executive	Remuneration paid	17,309,659	15,051,875
Key Management Personnel		Executive Director	Remuneration paid	17,309,659	15,051,875
Key Management Personnel		Other Executives	Remuneration paid	40,260,983	9,208,593
<b>Balances with related parties</b>					
Provident Fund Trust		Post employment benefit plan	Payable	3,235,128	2,437,236
Ultra Pack (Pvt) Limited		Subsidiary of holding company	Trade creditors	14,478,750	35,781,525
Palace Enterprises (Pvt) Limited		Common Directorship	Trade creditors	5,220	-

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including the Chief Executive Officer and Directors to be its key management personnel.



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

For the quarter ended 30 September 2018

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

	2018			Total
	Liabilities			
	Long Term Finances	Short Term borrowings	Dividend Payable	
Rupees				
Balance as at 30 June 2018 (Audited)	426,315,784	-	39,522,935	465,838,719
<i>Changes from financing activities</i>				
Long term finances received	701,731,498	-	-	701,731,498
Repayment of long term finances	(71,052,632)	-	-	(71,052,632)
Dividend paid	-	-	(246,805)	(246,805)
Total changes from financing cash flows	630,678,866	-	(246,805)	630,432,061
Closing as at 30 September 2018 (Un-audited)	1,056,994,650	-	39,276,130	1,096,270,780

	2017			Total
	Liabilities			
	Long Term Finances	Short Term borrowings	Dividend Payable	
Rupees				
Balance as at 30 June 2017 (Audited)	710,526,312	200,000,000	37,109,899	947,636,211
<i>Changes from financing activities</i>				
Repayment of short term borrowings	-	(200,000,000)	-	(200,000,000)
Repayment of long term finances	(71,052,632)	-	-	(71,052,632)
Dividend paid	-	-	(11,287)	(11,287)
Total changes from financing cash flows	(71,052,632)	(200,000,000)	(11,287)	(271,063,919)
Closing as at 30 September 2017 (Un-audited)	639,473,680	-	37,098,612	676,572,292

### 20. Date of authorization for issue

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on October 23, 2018.

### 21. General

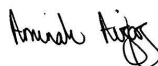
Figures have been rounded off to the nearest rupee.



Chief Executive



Chief Financial Officer



Director



Head Office:

37-P, Gulberg II, Lahore - Pakistan.

Tel. : +92 - 42 - 11 - 111 - KCCL (5225)

Fax : +92 - 42 - 35754084, 35874990