



WHERE **STRENGTH** MEETS SUBSTANCE



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CORPORATE INFORMATION

Board of Directors

Chief Executive

Mr. Aizaz Mansoor Sheikh

Executive Director

Mr. Nadeem Atta Sheikh

Independent Director

Mr. M. Atta Tanseer Sheikh

Non-Executive Directors

Mrs. Hijab Tariq

Mrs. Hafsa Nadeem

Ms. Aminah Aizaz Sheikh

Mr. Muhammad Rehman Sheikh

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

Qazi Waheed-ud-Din

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

Head Office

37- P Gulberg - II, Lahore.

Tel: (042) 11 111 5225

Fax: (042) 3587 4990

Email: mis@kohatcement.com

Bankers of the Company

Standard Chartered Bank (Pak) Ltd

The Bank of Khyber

Askari Bank Limited

Soneri Bank Limited

National Bank of Pakistan

KASB Bank Limited

The Bank of Punjab

Bank Alfalah Limited

MCB Bank Limited

Allied Bank Limited

United Bank Limited

DIRECTORS' REVIEW

The Directors of Kohat Cement Company Limited feel pleasure to present the interim financial statements of your Company for the 3rd quarter and nine month period ended on 31st March 2014.

Market Review

During the period under review, dispatches of cement sector in Pakistan have increased by 0.96% (local dispatches increased by 2.11% while exports declined by 2.46%.) compared to the corresponding period last year. However, Sales volumes of your company during the nine months have increased by 2.72%, which is above the overall growth rate of the cement sector.

Production and Sales Volumes

Clinker production was down by 37.42% in the third quarter of FY 2013-14 whereas an overall reduction of 17.88% occurred in clinker production during the nine months of FY 2013-14 as compared with corresponding period last year. Decrease in clinker production is due to availability of stocks at the beginning of the period.

Old Grey Cement line has not produced any Clinker as New Grey Cement line alone met the market demand during the nine months period under review.

Production and sales volumes for the period are as follows:

	January-March		July-March	
	2014	2013	2014	2013
Clinker Production	299,664	478,839	1,117,404	1,360,650
Cement Dispatches	488,559	496,044	1,374,535	1,338,173

(Quantities in tons)

Financial Performance

Efficient operations resulted in lower operating costs coupled with slight increase in sales volumes alongwith better selling prices have helped your Company in posting a net profit of Rs. 2.429 billion after accounting for depreciation of Rs. 263.98 million and provision for taxation of Rs. 1.02 billion. This represents an EPS of Rs. 15.72 for the period.

Financial results are summarized below:

	January-March		July-March	
	2014	2013	2014	2013
Net Sales Revenue	3,309,458	3,117,027	9,162,459	8,185,349
Operating Profit	1,393,068	1,156,300	3,575,284	2,933,511
Finance Cost	46,205	47,509	126,026	203,582
Profit after taxation	954,812	731,602	2,428,809	1,910,569
		(Restated)		(Restated)
Earnings per share (Rs.)	6.18	4.74	15.72	12.37

(Rupees in thousands)

Debt Obligations

The Company is current with its debt obligations.

Waste Heat Energy Power Plant (WHR)

We are pleased to inform you that Letter of credit for the import of 15 MW Waste Heat Recovery Power Plant (WHR) from China has been established. The WHR Plant is expected to be operative in next one and a half years approximately.

After installation of WHR system, the Company shall be able to generate almost 30% of its current electricity requirements from the aforesaid WHR Plant. The electricity generated by this system will be almost free of cost except for some salary, maintenance and finance costs. This will help to mitigate the impact of rising cost of electricity on overall production cost of cement.

The cost of the proposed project is estimated at Rs. 2 billion which shall be financed through 20% equity and 80% debt i.e., Rs 1.6 billion which shall be raised through a term loan from financial institutions.

Acknowledgments

While placing on record our thanks to all the stakeholders, we look forward to their continued support in future. The employees of the Company deserve a special vote of thanks for their hard work, dedication and commitment.

For and on behalf of the Board



Aizaz Mansoor Sheikh
Chief Executive

Lahore: April 24, 2014

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

As at 31 March 2014

	Note	(Un-audited) Mar 31, 2014 Rupees	(Audited) June 30, 2013 Rupees
EQUITY AND LIABILITIES			
Authorised share capital 300,000,000 (30 June 2013: 150,000,000) ordinary shares of Rs. 10 each		3,000,000,000	1,500,000,000
Issued, subscribed and paid up capital	5	1,545,086,900	1,287,572,410
Reserves		181,966,883	160,768,658
Accumulated profit		6,120,215,430	4,592,706,927
		7,847,269,213	6,041,047,995
Non-current liabilities			
Long term finances - secured	6	208,000,000	380,300,000
Long term security deposits and retention money		2,061,100	2,061,100
Deferred liabilities	7	1,805,486,398	2,076,954,086
		2,015,547,498	2,459,315,186
Current liabilities			
Trade and other payables	8	1,440,900,921	1,122,362,342
Interest and markup accrued		301,737,245	87,864,322
Short term borrowings - secured		498,000,000	501,461,206
Current portion of non-current liabilities	6	254,805,308	582,539,087
Provision for income tax		788,619,988	—
		3,284,063,462	2,294,226,957
Contingencies and commitments	9	—	—
		13,146,880,173	10,794,590,138

	Note	(Un-audited) Mar 31, 2014 Rupees	(Audited) June 30, 2013 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	10	6,694,264,342	6,507,331,967
Capital work-in-progress		500,238,403	103,010,383
		7,194,502,745	6,610,342,350
Intangible assets		999,555	1,439,808
Long term loans and advances		15,735,511	15,412,759
Long term deposits		41,266,640	41,229,640
		7,252,504,451	6,668,424,557
Current assets			
Stores, spares and loose tools	11	1,237,969,100	980,005,389
Stock in trade		335,203,860	737,325,759
Trade debts - unsecured, considered good		88,470,949	12,606,242
Short term investments	12	2,963,311,878	1,363,517,650
Advances, deposits, prepayments and other receivables		370,568,524	408,552,627
Cash and bank balances		898,851,411	624,157,914
		5,894,375,722	4,126,165,581
		13,146,880,173	10,794,590,138

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



Chief Executive



Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the Quarter and Nine month period ended 31 March 2014

	Note	Quarter ended (Un-audited)		Nine month ended (Un-audited)	
		Mar 31, 2014	Mar 31, 2013	Mar 31, 2014	Mar 31, 2013
		Rupees			
Sales - net	13	3,309,457,964	3,117,027,040	9,162,459,401	8,185,349,200
Cost of goods sold	14	1,911,666,591	1,870,656,992	5,380,749,844	5,012,861,816
Gross profit		1,397,791,373	1,246,370,048	3,781,709,557	3,172,487,384
Selling and distribution expenses		22,999,254	20,543,689	60,650,968	45,355,726
Administrative and general expenses		24,466,717	18,248,878	78,524,204	62,970,507
Other operating expenses		90,446,052	60,484,228	240,770,841	146,218,358
Other operating income	15	(133,188,957)	(9,207,115)	(173,520,490)	(15,568,320)
		4,723,066	90,069,680	206,425,523	238,976,271
Operating profit		1,393,068,307	1,156,300,368	3,575,284,034	2,933,511,113
Finance cost		46,205,381	47,509,897	126,026,268	203,582,730
Profit before taxation		1,346,862,926	1,108,790,471	3,449,257,766	2,729,928,383
Taxation		392,050,985	377,187,623	1,020,448,568	819,358,827
Profit after taxation		954,811,941	731,602,848	2,428,809,198	1,910,569,556
Earnings per share (basic and diluted)		6.18	<div>Restated</div> 4.74	15.72	<div>Restated</div> 12.37

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



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the Quarter and Nine month period ended 31 March 2014

	Quarter ended (Un-audited)		Nine month ended (Un-audited)	
	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014	Mar 31, 2013
	Rupees			
Profit after taxation	954,811,941	731,602,848	2,428,809,198	1,910,569,556
Other Comprehensive income				
Items that may be classified subsequently to profit and loss:				
Available for sale financial assets				
Income realized during the period	(107,036,628)	—	(109,033,605)	—
Surplus on remeasurement of investments classified as available for sale to fair value	41,460,210	10,406,583	130,231,830	28,484,583
Other comprehensive income/(loss) - net of taxes	(65,576,418)	10,406,583	21,198,225	28,484,583
Total comprehensive income for the period	889,235,523	742,009,431	2,450,007,423	1,939,054,139

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



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

(UN-AUDITED)

For the Nine month period ended 31 March 2014

	Share capital	Share premium	General reserve	Fair value reserve	Accumulated profit	Total
	Rupees					
Balance as at 30 June 2012 - audited	1,287,572,410	49,704,951	70,000,000	2,831,900	2,346,346,095	3,756,455,356
Total comprehensive income for the Nine Month Period ended 31 March 2013						
Profit for the nine month period ended 31 March 2013	–	–	–	–	1,910,569,556	1,910,569,556
Other comprehensive income for the nine month period ended 31 March 2013	–	–	–	28,484,583	–	28,484,583
	–	–	–	28,484,583	1,910,569,556	1,939,054,139
Distribution to owners						
Cash dividend @ Rs. 3 per share for the year ended 30 June 2012	–	–	–	–	(386,271,723)	(386,271,723)
Balance as at March 31, 2013 - unaudited	1,287,572,410	49,704,951	70,000,000	31,316,483	3,870,643,928	5,309,237,772
Balance as at 30 June 2013 - audited	1,287,572,410	49,704,951	70,000,000	41,063,707	4,592,706,927	6,041,047,995
Total comprehensive income for the Nine Month Period ended March 31, 2014						
Profit for the nine month period ended 31 March 2014	–	–	–	–	2,428,809,198	2,428,809,198
Other comprehensive income for the nine month period ended 31 March 2014	–	–	–	21,198,225	–	21,198,225
	–	–	–	21,198,225	2,428,809,198	2,450,007,423
Distribution to owners						
Bonus shares @ 2 shares for every 10 shares held for the year ended June 30, 2013	257,514,490	–	–	–	(257,514,490)	–
Cash dividend @ Rs. 5 per share for the year ended 30 June 2013	–	–	–	–	(643,786,205)	(643,786,205)
Balance as at March 31, 2014 - unaudited	1,545,086,900	49,704,951	70,000,000	62,261,932	6,120,215,430	7,847,269,213

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



Chief Executive



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the Nine month period ended 31 March 2014

Note	(Un-audited) Mar 31, 2014 Rupees	(Un-audited) Mar 31, 2013 Rupees
Cash flow from operating activities		
Profit before taxation	3,449,257,766	2,729,928,383
<i>Adjustments for non cash expenses and other items:</i>		
Depreciation on property, plant and equipment	263,979,042	289,927,806
Amortization on intangible assets	440,254	710,343
Profit on sale of property, plant and equipments	(331,650)	(992,629)
Profit on bank deposit	(59,772,871)	(8,524,012)
Gain on sale of investment	(109,033,605)	-
Accrual for gratuity/compensated absences	1,203,039	1,839,348
Exchange fluctuation gain	-	(3,228,227)
Finance cost	126,026,268	200,785,859
	222,510,477	480,518,488
Operating profit before working capital changes	3,671,768,243	3,210,446,871
Changes in working capital		
(Increase) /decrease in current assets		
Stores, spares and loose tools	(257,963,711)	267,430,790
Stock in trade	402,121,899	(500,497,507)
Trade debts	(75,864,707)	(5,781,890)
Advances, deposits, prepayments and other receivables	(11,533,761)	27,277,413
(Increase) /decrease in current liabilities		
Trade and other payables	278,119,912	(196,391,577)
	334,879,632	(407,962,771)
Cash generated from operations	4,006,647,875	2,802,484,100
Gratuity/compensated absences paid	(1,105,124)	(481,785)
Finance cost paid	(190,206,073)	(265,090,791)
Income tax paid	(170,626,425)	(90,020,732)
Net cash generated from operating activities	3,644,710,253	2,446,890,792
Cash flow from investing activities		
Fixed capital expenditure	(842,714,305)	(101,530,972)
Proceeds from disposal of property, plant and equipment	357,000	1,681,687
Purchase of short term investments	(1,380,015,156)	-
Gain on sale of short term investments	109,033,605	-
Proceeds from sale of equity securities	1,419,153	-
Decrease in long term security deposits	-	(4,000,000)
Increase in long term loans and advances	(322,752)	(231,884)
Increase in long term deposits	(37,000)	(20,000)
Profit on bank deposits	60,727,274	8,524,012
Net cash used in investing activities	(2,051,552,181)	(95,577,157)
Cash flow from financing activities		
Repayments of long term finances	(500,033,779)	(546,379,121)
Repayment of export refinance	-	(100,000,000)
Dividend paid	(614,969,590)	(365,299,599)
Net cash used in financing activities	(1,115,003,369)	(1,011,678,720)
Net increase in cash and cash equivalents	478,154,703	1,339,634,915
Cash and cash equivalents at the beginning of the period	1,020,696,708	(434,751,873)
Cash and cash equivalents at the end of the period	16 1,498,851,411	904,883,042

The attached notes 1 to 18 form an integral part of these condensed interim financial statements



Chief Executive



Director

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

For the Nine month period ended 31 March 2014

1 Status and nature of business

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 Karachi, Lahore and Islamabad Stock Exchanges. The company is engaged in the production and sale of cement. The registered office is situated at Rawalpindi Road, Kohat, Pakistan.

2 Basis of preparation

- 2.1 These condensed interim financial statements comprise the balance sheet of Kohat Cement Company Limited ("the Company"), as at 31 March 2014 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 3rd Quarter and nine months period ended 31 March 2014 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 2013.
- 2.4 The condensed interim financial statements are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

3 Statement of consistency in accounting policies

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 30 June 2013.
- 3.2 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 except as follows:
 - 3.2.1 The amendment to IAS 34 clarifies that the Company needs to disclose the measures of total assets and liabilities for a particular reportable segment only if the amounts are regularly provided to the Company's chief operating decision maker, and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. Since the condensed interim financial statements of the Company are prepared on the basis of single reportable segment, the said amendment is not expected to have any impact.

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2014:

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

For the Nine month period ended 31 March 2014

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRIC 21 – Levies	01 January 2014
IAS 32 – Financial Instruments: Presentation	01 January 2014
IAS 36 – Impairment of Assets	01 January 2014
IAS 39 – Financial Instruments: Recognition and Measurement	01 January 2014
IAS 19 – Employee Benefits	01 July 2014
Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycles	01 July 2014

4 Significant 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, liabilities, income and expense and related disclosures at the date of financial statements. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by management in applying accounting policies, key estimates and uncertainty includes:

- Depreciation method, residual values and useful life of depreciable assets
- Taxation
- Staff retirement benefits
- Provisions and Contingencies

5 Issued, subscribed and paid up share capital

During the period under reference, six out of seven directors of the Company and their family members (the Sponsors) transferred their 70,822,000 ordinary shares in aggregate (comprising 55% of the then total paid-up share capital of the Company) to M/S ANS Capital (Pvt) Limited (the holding company), a company wholly owned and controlled by the Sponsors, thus forming a group comprising ANS Capital as the holding company and the Company as its subsidiary. Necessary approvals from Securities and Exchange Commission of Pakistan have been obtained for formation of group and for its designation for group tax relief under section 59B of the Income Tax Ordinance, 2001. ANS Capital (Pvt) Limited now holds 84,986,400 ordinary shares as of the balance sheet date (comprising 55% of the total paid up capital of the Company) including 14,164,400 ordinary shares issued as Bonus Shares by the Company during the period under reference.

	(Un-audited) Mar 31, 2014	(Audited) June 30, 2013
	Rupees	Rupees
6 Long term finances - Secured		
Redeemable capital - Sukuk Certificates	28,905,308	378,939,087
Consortium of financial institutions led by Standard Chartered Bank (Pakistan) Limited	433,900,000	583,900,000
	462,805,308	962,839,087
Less: Current maturity shown under current liabilities	(254,805,308)	(582,539,087)
	208,000,000	380,300,000

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

For the Nine month period ended 31 March 2014

	(Un-audited) Mar 31, 2014 Rupees	(Audited) June 30, 2013 Rupees
7 Deferred Liabilities - secured		
Deferred taxation	1,268,041,906	1,255,403,212
Compensated absences	6,792,677	6,694,762
Deferred markup	530,651,815	814,856,112
	1,805,486,398	2,076,954,086
7.1 Deferred markup on:		
Sukuk Certificates	665,028,877	665,028,877
Consortium of financial institutions led by Standard Chartered Bank (Pakistan) Limited	161,836,007	223,827,235
	826,864,884	888,856,112
Less: Current maturity included in interest and mark up accrued	296,213,069	74,000,000
	530,651,815	814,856,112

8 Trade and other payable

Out of final cash dividend amounting to Rs. 386.3 million for the year ended 30 June 2012 and Rs. 643.79 million for the year ended 30 June 2013 the dividend of certain shareholders aggregating to Rs. 49.8 million was withheld based on the order dated 25 October 2012 of the Honourable Lahore High Court, Lahore and SECP approval vide letter no. EMD/233/380/02-676 dated 23 November 2012 read with letter no. EMD/233/380/02-841-842 dated 29 November 2013 in response to our application made under section 251(2) of Companies Ordinance, 1984.

9 Contingencies and commitments

9.1 Contingencies

9.1.1 Peshawar Electric Supply Company (PESCO) charged an amount of Rs. 48.419 million as arrears of Fuel Price Adjustment (FPA) in the electricity bills of January 2012 and February 2012 pertaining to the period January 2011 to May 2011. The Company challenged this levy in the honourable Islamabad High Court. The Court vide its order dated 24 October 2012 decided the case in favor of the Company, and the distributors of electricity were directed to issue amended bills. The honourable Islamabad High Court, in an intra court appeal, vacated the aforesaid order of the Court. The Company being aggrieved filed an appeal before the honourable Supreme Court of Pakistan which is pending adjudication. However, PESCO neither charged nor recovered FPA in its bills in view of judgment of the honourable Peshawar High Court. The said order was agitated by PESCO and thus filed a Civil Petition before the honourable Supreme Court of Pakistan, whereby leave is granted by the apex Court and the operation of the aforesaid order of honourable Peshawar High Court restraining the PESCO from levying FPA has been suspended. The August Court allowed the recovery of FPA by PESCO in ten monthly installments. Since the Company's appeal before the honourable Supreme Court is still pending and further PESCO had never charged FPA in the past except as stated above, the quantum of FPA is not ascertainable by the Company, therefore no provision of FPA is made in these accounts. However, the expense of FPA shall be recognized by the Company on receipt of electricity bills from PESCO in accordance with the directions of the honourable apex Court.

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

For the Nine month period ended 31 March 2014

9.1.2 The Additional Commissioner Inland Revenue (ACIR) amended the assessment U/S 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2007 and created a demand of Rs. 33.6 million after making various additions to the income of the Company and by changing the basis of apportionment of expenses between normal and export sales. The aforesaid amount has been deposited by the Company to the tune of Rs. 5 million under protest. However, the treatment meted out by the ACIR was challenged by the Company through filing of appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who gave partial relief to the Company by deleting some additions to arrive at a revised tax demand of Rs. 18.1 million. However, the company has filed an appeal before the Appellate Tribunal Inland Revenue against the order of the CIR(A), wherein the company expects a favourable outcome.

Other than the above mentioned matters, there is no material change in contingencies from the preceding annual publish financial statements of the Company for the year ended 30 June 2013.

	Note	(Un-audited) Mar 31, 2014 Rupees	(Audited) June 30, 2013 Rupees
9.2 Commitments			
In respect of letter of credit for:			
Capital expenditure		884,265,332	120,021,610
Store and spares items		251,449,572	122,370,775
		1,135,714,904	242,392,385
10 Property, plant and equipment			
Opening written down value		6,507,331,967	6,789,893,194
Additions (Cost)			
Freehold land	10.1	422,651,000	7,338,200
Plant, machinery and equipment		17,908,627	46,637,717
Power Installations		508,547	—
Furniture, fixtures and office equipment		865,415	1,828,882
Computers and printers		973,299	2,271,409
Weighing Scales		4,212	16,500
Light vehicles		6,868,500	11,772,700
Laboratory equipments		1,157,167	22,894,886
		450,936,767	92,760,294
Disposals (Net book value)			
Factory building		-	(455,391)
Computers and printers		-	(94,749)
Light vehicles		(25,350)	(691,959)
Heavy vehicles		-	(102,067)
		(25,350)	(1,344,166)
Depreciation charge for the period/year		(263,979,042)	(373,977,355)
Closing written down value		6,694,264,342	6,507,331,967

10.1 During the period under reference, the Company has purchased 10.5 Kanal land at Gulberg, Lahore for its Head Office.

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

For the Nine month period ended 31 March 2014

11 Stores, spares and loose tools

This includes store in transit amounting PKR 388.44 million (June 30 2013: PKR 307.91 million).

	(Un-audited) Mar 31, 2014 Rupees	(Audited) June 30, 2013 Rupees
12 Short term investments		
12.1 Available-for-sale		
Equity securities of Gharibwal Cement Limited	72,283,475	50,370,000
Investment in money market mutual funds	2,291,028,403	913,147,650
	2,363,311,878	963,517,650
12.2 Loans and receivables		
Investment in term deposit receipts	600,000,000	400,000,000
	2,963,311,878	1,363,517,650

	Nine month ended	
	Mar 31, 2014 (un-audited) Rupees	Mar 31, 2013 (un-audited) Rupees
13 Sales - net		
Local sales - gross	10,163,356,354	8,416,201,399
Less: Sales tax	1,701,969,803	1,160,855,365
Federal Excise duty	462,076,000	435,880,600
	2,164,045,803	1,596,735,965
	7,999,310,551	6,819,465,434
Export sales	1,275,580,947	1,441,645,123
	9,274,891,498	8,261,110,557
Less: Rebate/ commission on cement sales	112,432,097	75,761,357
	9,162,459,401	8,185,349,200

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

For the Nine month period ended 31 March 2014

		Nine month ended	
		Mar 31, 2014	Mar 31, 2013
		(un-audited)	(un-audited)
		Rupees	Rupees
14	Cost of goods sold		
	Raw materials consumed	327,653,880	397,746,800
	Packing materials consumed	541,326,831	473,768,083
	Power and fuel	1,123,915,029	1,233,570,672
	Coal, gas and furnace oil	2,284,424,990	2,694,491,996
	Coal unloading and feeding charges	2,305,537	2,932,750
	Stores and spares consumed	140,460,176	144,710,639
	Salaries, wages and other benefits	132,188,471	116,072,509
	Royalty and excise duty	57,301,827	70,414,113
	Rent, rates and taxes	13,293,175	17,266,159
	Repairs and maintenance	35,723,043	44,518,775
	Insurance	12,473,314	10,983,267
	Depreciation	262,496,677	288,253,953
	Other expenses	43,152,604	35,979,142
		4,976,715,554	5,530,708,858
	Opening work-in-process	497,146,264	387,191,896
	Less: Closing work-in-process	111,872,547	792,640,018
	Cost of goods manufactured	5,361,989,271	5,125,260,736
	Opening stock of finished goods	147,072,010	31,499,616
		5,509,061,281	5,156,760,352
	Less: Closing stock of finished goods	128,260,016	143,568,080
		5,380,801,265	5,013,192,272
	Less: Cost attributable to own cement consumption	51,421	330,456
		5,380,749,844	5,012,861,816
15	Other operating income		
	<i>Income from financial assets</i>		
	Profit/mark-up on bank deposits	59,772,871	8,524,012
	Profit/mark-up on SNGPL Loan	210,575	264,615
	Gain on investment in mutual fund	104,282,064	-
	Gain on investment in equity securities	4,751,541	-
	<i>Income from non-financial assets</i>		
	Income from sale of scrap	3,371,057	1,023,891
	Gain on disposal of property, plant and equipment	331,650	992,629
	Exchange fluctuation gain - net	-	3,228,227
	Bad debt recovered	-	1,000,000
	Miscellaneous	800,732	534,946
		173,520,490	15,568,320

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

For the Nine month period ended 31 March 2014

	Nine month ended	
	Mar 31, 2014 (un-audited) Rupees	Mar 31, 2013 (un-audited) Rupees
16 Cash and cash equivalents		
Cash and bank balances	898,851,411	530,956,336
Term Deposit receipts	600,000,000	375,000,000
Short term finances	—	(1,073,294)
	1,498,851,411	904,883,042

17 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 are as follows:

	Nine month ended	
	Mar 31, 2014 (un-audited) Rupees	Mar 31, 2013 (un-audited) Rupees
Contribution to provident fund	4,471,126	3,869,228
Contribution to Kohat Cement Co. Ltd. Education Trust	424,122	533,745
Palace Enterprises (Pvt) Limited (services received)	99,048	290,947
Remuneration including benefits and perquisites of:		
Chief Executive and Executive Directors	25,972,988	22,722,110
[No. of persons 1 and 1 (March 31, 2013: 1 and 2) respectively]		
Other Executives of the Company	31,148,202	16,864,836
[No. of persons 12 (March 31, 2013: 7)]		

18 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 April 24, 2014.



Chief Executive



Director

HEAD OFFICE

37-P, GULBERG II, LAHORE, PAKISTAN
TEL: +92 -42-11-111-KCCL (5225)
FAX: +92-423-5754084, 5874990
EMAIL: INFO@KOHATCEMENT.COM

