

PURSUING EXCELLENCE



3rd QUARTER REPORT
March 31,
2016

Contents

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

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

Imtiaz Siddiqui & Associates

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Share Registrar

Hameed Majeed Associates (PVT) Limited

H.M. House, 7-Bank Square, Lahore

Tel: (042) 37235081-82

Fax: (042) 37358817

Registered Office and Works

Kohat Cement Company Limited

Rawalpindi Road, Kohat.

Tel: (0922) 560990

Fax: (0922) 560405

Email: wali@kohatcement.com

Head Office

37- P, Gulberg - II, Lahore.

Tel: (042) 11 111 5225

Fax: (042) 3575 4990

Email: mis@kohatcement.com

Bankers of the Company

Standard Chartered Bank (Pak) Ltd

Askari Bank Limited

The Bank of Punjab

The Bank of Khyber

Sonari Bank Limited

Allied Bank Limited

United Bank Limited

MCB Bank Limited

National Bank of Pakistan

Habib Bank Limited

Bank Alfalah Limited

Directors' Review

The Directors of your Company are pleased to present the Un-Audited Interim Financial Statements of your Company for the 3rd Quarter and nine months ended 31st March 2016.

Market Review

During the nine months under review, local dispatches of cement in Pakistan were 23.941 (2015: 20.342) million M Tons registering a growth of 17.69% (2015: 7.8%) while exports have been reduced to 4.407 (2015: 5.442) million M Tons resulting into a negative impact of 19.02% (2015: 9.7%) compared to the corresponding period of last year. Overall growth in sales volume in the country for the nine months ended 31st March 2016 has been recorded at 9.95%.

Production and Sales Volumes

The Company dispatched 1,602,336 metric tons cement during the nine months period under review registering a growth of 23.47% over the dispatches in comparable period of the last year. Production and sales volumes of the Company during the period were as follows:

	Jan-Mar		July-Mar	
	2016	2015	2016	2015
Clinker Production	517,901	452,403	1,428,627	1,164,482
Cement Dispatches	564,549	429,323	1,602,336	1,297,781

Financial Performance

Financial results are summarized below:

	3rd Quarter (Jan-Mar)		Nine Months (July-Mar)	
	2016	2015	2016	2015
Net sales revenue	3,722,173,495	2,889,284,188	10,780,184,562	8,795,308,161
Gross profit	1,829,809,095	1,087,486,820	4,922,663,218	3,119,383,429
Operating profit	1,738,126,051	1,202,048,863	4,730,218,713	3,124,356,639
Finance cost	6,730,621	18,040,716	25,481,156	60,057,661
Profit before taxation	1,731,395,430	1,184,008,147	4,704,737,557	3,064,298,978
Taxation	505,889,791	318,385,912	1,377,810,876	832,890,223
Profit after taxation	1,225,505,639	865,622,235	3,326,926,681	2,231,408,755
Earnings per share	7.93	5.60	21.53	14.44

Healthy profitability is mainly due to unprecedented growth in sales volumes and reduction in international coal prices and further cheap electricity generation from Company's captive power plant. The Company is current with all its debt obligations.

On Going Projects

Waste Heat Recovery Power Project (WHRPP) – WHRPP has started generating electricity from 1st April 2016; which shall substantially reduce the electricity costs and shall further enhance the profitability of the company.

105 tph Cement Mill – LC for the cement mill has been established and imported part of the cement mill shall reach Pakistan by March 2017, whereas Civil works shall commence shortly and the mill is expected to be operational by Dec 2017.


Future Outlook

Cement Industry in Pakistan is expected to have a bright future in wake of mega infrastructure projects undertaken by the Government. Private Sector construction projects are also in progress which increases the demand of Cement in local market. Cost effective methods utilized by the Company have maximized its profits and shall result in accelerated profits in the days to come.

Acknowledgments

The Board expresses compliments to all its stakeholders and employees for their untiring efforts and support which resulted in the excellent growth of the Company.

For and on behalf of the Board


Aizaz Mansoor Sheikh
Chief Executive

Lahore: April 29, 2016

Condensed Interim Balance Sheet (Un-audited)

As at March 31, 2016

	Note	(Un-audited) Mar 31, 2016 Rupees	(Audited) June 30, 2015 Rupees
EQUITY AND LIABILITIES			
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		120,417,665	165,227,112
Accumulated profit		11,023,288,587	9,086,940,116
		12,688,793,152	10,797,254,128
Non-Current liabilities			
Long term finances - secured	5	781,578,944	994,736,840
Long term security deposits		2,036,100	2,036,100
Deferred liabilities			
- deferred taxation		1,156,058,917	1,135,154,179
- compensated absences		11,148,165	9,416,950
		1,950,822,126	2,141,344,069
Current liabilities			
Current portion of long term finances	5	284,210,528	430,710,528
Trade and other payables	6	2,717,104,147	1,917,428,173
Short term borrowings - secured		616,667,410	598,000,000
Interest / mark-up accrued on borrowings		113,952,964	438,388,476
Provision for taxation		349,842,965	738,343,179
		4,081,778,014	4,122,870,356
Contingencies and commitments			
	7	–	–
		18,721,393,292	17,061,468,553

Condensed Interim Balance Sheet (Un-audited)

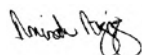
As at March 31, 2016

	Note	(Un-audited) Mar 31, 2016 Rupees	(Audited) June 30, 2015 Rupees
ASSETS			
Non-Current assets			
Property, plant and equipment	8	7,783,414,822	8,164,179,999
Investment property	9	1,257,107,521	416,749,671
Intangible assets		667,790	445,181
Long term loans and advances	10	148,849,469	5,189,757
Long term deposits		38,266,640	41,266,640
		9,228,306,242	8,627,831,248
Current assets			
Stores, spares and loose tools		1,280,121,726	1,032,333,172
Stock-in-trade		339,351,480	355,137,623
Trade debts - unsecured, considered good		253,050,157	220,618,994
Short term investments	11	5,627,460,957	3,354,540,000
Advances, deposits, prepayments and other receivables		560,208,795	546,561,635
Cash and bank balances		1,432,893,935	2,924,445,881
		9,493,087,050	8,433,637,305
		18,721,393,292	17,061,468,553

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Executive



Director

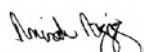
Condensed Interim Profit and Loss Account (Un-audited)

For the quarter and nine month period ended March 31, 2016

		Quarter ended (Un-audited)		Nine month ended (Un-audited)	
		Mar 31,2016	Mar 31,2015	Mar 31,2016	Mar 31,2015
	Note	Rupees			
Sales - net	12	3,722,173,495	2,889,284,188	10,780,184,562	8,795,308,161
Cost of goods sold	13	(1,892,364,400)	(1,801,797,368)	(5,857,521,344)	(5,675,924,732)
Gross profit		1,829,809,095	1,087,486,820	4,922,663,218	3,119,383,429
Selling and distribution expenses		(43,517,731)	(18,004,487)	(121,142,104)	(52,220,171)
Administrative and general expenses		(32,262,618)	(28,611,679)	(98,485,238)	(85,085,647)
Other income	14	113,819,336	245,923,013	377,817,478	364,686,287
Other expenses	15	(129,722,031)	(84,744,804)	(350,634,641)	(222,407,259)
		(91,683,044)	114,562,043	(192,444,505)	4,973,210
Operating profit		1,738,126,051	1,202,048,863	4,730,218,713	3,124,356,639
Finance cost		(6,730,621)	(18,040,716)	(25,481,156)	(60,057,661)
Profit before taxation		1,731,395,430	1,184,008,147	4,704,737,557	3,064,298,978
Taxation	16	(505,889,791)	(318,385,912)	(1,377,810,876)	(832,890,223)
Profit after taxation		1,225,505,639	865,622,235	3,326,926,681	2,231,408,755
Earnings per share (basic and diluted)		7.93	5.60	21.53	14.44

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Chief Executive


Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

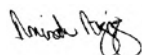
For the quarter and nine month period ended March 31, 2016

	Quarter ended (Un-audited)		Nine month ended (Un-audited)	
	Mar 31, 2016	Mar 31, 2015	Mar 31, 2016	Mar 31, 2015
	Rupees			
Profit after taxation	1,225,505,639	865,622,243	3,326,926,681	2,231,408,755
Other comprehensive income for the period				
Items that are or may be reclassified to profit and loss account:				
Available-for-sale financial assets				
- net changes in fair value	(147,000)	34,528,056	13,052,000	168,392,536
- reclassified to profit and loss account	—	(167,337,479)	(57,861,447)	(202,080,476)
	(147,000)	(132,809,423)	(44,809,447)	(33,687,940)
Total comprehensive income for the period	1,225,358,639	732,812,820	3,282,117,234	2,197,720,815

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Executive



Director

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

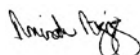
For the nine month period ended March 31, 2016

		Capital Reserves		Revenue Reserves			
	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profit	Total reserves	Total
				Rupees			
Balance as at 30 June 2014 - audited	1,545,086,900	49,704,951	76,442,701	70,000,000	6,846,232,745	7,042,380,397	8,587,467,297
Total comprehensive income							
Profit for the nine month period ended 31 March 2015	-	-	-	-	2,231,408,755	2,231,408,755	2,231,408,755
Other comprehensive income for the nine month period ended 31 March 2015	-	-	(33,687,940)	-	-	(33,687,940)	(33,687,940)
	-	-	(33,687,940)	-	2,231,408,755	2,197,720,815	2,197,720,815
Transactions with owners of the Company							
Final cash dividend at Rs. 2.0 per share for the year ended 30 June 2014	-	-	-	-	(309,017,380)	(309,017,380)	(309,017,380)
Balance as at 31 March 2015 - unaudited	1,545,086,900	49,704,951	42,754,761	70,000,000	8,768,624,120	8,931,083,832	10,476,170,732
Balance as at 30 June 2015 - audited	1,545,086,900	49,704,951	45,522,161	70,000,000	9,086,940,116	9,252,167,228	10,797,254,128
Total comprehensive income							
Profit for the nine month period 31 March 2016	-	-	-	-	3,326,926,681	3,326,926,681	3,326,926,681
Other comprehensive income for the Nine Months ended 31 March 2016	-	-	(44,809,447)	-	-	(44,809,447)	(44,809,447)
	-	-	(44,809,447)	-	3,326,926,681	3,282,117,234	3,282,117,234
Transactions with owners of the Company							
Final cash dividend at Rs. 4.0 per share for the year ended 30 June 2015	-	-	-	-	(618,034,760)	(618,034,760)	(618,034,760)
First interim cash dividend at Rs. 5.0 per share for the year ended 30 June 2016	-	-	-	-	(772,543,450)	(772,543,450)	(772,543,450)
Balance as at 31 March 2016 - unaudited	1,545,086,900	49,704,951	712,714	70,000,000	11,023,288,587	11,143,706,252	12,688,793,152

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Executive



Director

Condensed Interim Cash Flow Statment (Un-audited)

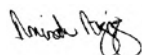
For the quarter nine month period ended March 31, 2016

	Note	(Un-audited) March 31 2016 Rupees	(Un-audited) March 31 2015 Rupees
Cash flow from operating activities			
Profit before taxation		4,704,737,557	3,064,298,978
Adjustments for non cash expenses and other items:			
Depreciation on property, plant and equipment		314,841,271	281,832,328
Amortization on intangible assets		294,666	342,504
Loss / (gain) on disposal of property, plant and equipment		3,225,667	(881,478)
Interest on bank deposits and advances		(228,569,570)	(97,867,733)
Realized gain on sale of short term investments		(67,484,495)	(216,824,539)
Unrealized gain on short term investment		(78,721,743)	(42,358,607)
Accrual for compensated absences		3,218,175	2,322,000
Provision for Workers' Welfare Fund		86,666,434	50,490,309
Provision for Workers' Profit Participation Fund		253,474,965	164,776,950
Finance cost		25,481,156	60,057,661
		312,426,526	201,889,395
Operating profit before working capital changes		5,017,164,083	3,266,188,373
Changes in working capital			
(Increase) /decrease in current assets			
Stores, spares and loose tools		(247,788,554)	30,846,797
Stock in trade		15,786,143	94,780,317
Trade debts		(32,431,163)	(62,817,525)
Advances, deposits, prepayments and other receivables		(592,520)	(113,446,684)
(Increase) /decrease in current liabilities			
Trade and other payables		512,244,678	28,608,031
		247,218,584	(22,029,064)
Cash generated from operations		5,264,382,667	3,244,159,309
Compensated absences paid		(1,486,960)	(1,206,461)
Finance cost paid		(434,041,288)	(332,985,665)
Payment made to Workers' Welfare Fund		(79,781,366)	(50,000,000)
Payment made to/re-imbursement from Workers' Profit Participation Fund		24,016,048	(72,545,133)
Long term deposits received		3,000,000	—
Income tax paid		(1,745,406,352)	(1,163,322,556)
Net cash generated from operating activities		3,030,682,749	1,624,099,494
Cash flow from investing activities			
Fixed capital expenditure		(279,775,174)	(1,232,451,389)
Acquisition of investment property		(417,501,500)	(416,749,671)
Acquisition of intangibles		(517,276)	—
Proceeds from disposal of property, plant and equipment		2,788,320	6,725,000
Proceeds from sale of equity securities		66,790,000	—
Net purchases of mutual funds		(2,226,812,308)	(362,229,320)
Decrease in long term security deposits		—	(25,000)
Increase in long term loans and advances		(143,659,712)	(225,758)
Profit on bank deposits		215,114,930	94,892,732
Net cash used in investing activities		(2,783,572,720)	(1,910,063,406)
Cash flow from financing activities			
Repayments of long term finances - secured		(359,657,896)	(172,300,000)
Proceeds of long term finances -secured		—	889,863,990
Proceeds from export refinance		—	100,000,000
Proceeds from short term finances		18,667,410	—
Dividend paid		(1,386,169,632)	(332,869,568)
Net cash generated from / (used in) financing activities		(1,727,160,118)	484,694,422
Net increase/ (decrease) in cash and cash equivalents		(1,480,050,089)	198,730,510
Cash and cash equivalents at the beginning of the period		6,224,445,881	1,855,340,409
Cash and cash equivalents at the end of the period	17	4,744,395,792	2,054,070,919

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Executive



Director

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

For the quarter and nine month period ended March 31, 2016

1 Reporting entity

- 1.1 Kohat Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Pakistan Stock Exchange. The company is engaged in the production and sale of cement. The registered office is situated at Rawalpindi Road, Kohat, Pakistan.
- 1.2 ANS Capital (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 These condensed interim financial statements comprise the condensed interim balance sheet of the Company, as at 31 March 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement 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 2016 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.3 These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2015.
- 2.4 The condensed interim financial statements are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

3 Judgments and estimates

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

In preparing the condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual financial statements for the year ended 30 June 2015.

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 financial statements for the year ended 30 June 2015 except for IFRS 13 'Fair Value Measurement' which became effective for financial periods beginning on or after 1 January 2015. The Company has adopted this IFRS and the application of IFRS 13 does not have an impact on the financial statements of the Company, except certain additional disclosures.
- 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.

In addition to the above, following standards and amendments in approved accounting standards will be effective for accounting periods as detailed below:

Standards or Interpretations	Effective date (accounting periods beginning on or after)
IAS 19 – Employee Benefits	01 January 2016
IAS 38 – Intangible Assets	01 January 2016
IAS 16 – Property, Plant and Equipment	01 January 2016
IAS 41 – Agriculture	01 January 2016
IFRS 10 – Consolidated Financial Statements	01 January 2016
IAS 28 – Investments in Associates and Joint Ventures	01 January 2016
IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations	01 January 2016
IFRS 7 – Financial Instruments- Disclosures	01 January 2016
IAS 27 – Separate Financial Statements	01 January 2016
IAS 34 – Interim Financial Reporting	01 January 2016
IFRS 11 – Joint Arrangements	01 January 2016

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

For the quarter and nine month period ended March 31, 2016

	Note	(Un-audited) March 31, 2016 Rupees	(Audited) June 30, 2015 Rupees
5 Long term finances - secured			
Syndicated term finance - III	5.1	—	146,500,000
Syndicated term finance - WHR	5.2	1,065,789,472	1,278,947,368
		1,065,789,472	1,425,447,368
Less: Current maturity shown under current liabilities		(284,210,528)	(430,710,528)
		781,578,944	994,736,840

5.1 During the period/year, the Company has made repayments amounting to Rs. 146,500,000 (30 June 2015 : Rs. 233,800,000) as complete settlement of the loan.

5.2 During the period/year, the Company has made repayments amounting to Rs. 213,157,896 (30 June 2015 : Rs. 71,052,632).

	(Un-audited) March 31, 2016 Rupees	(Audited) June 30, 2015 Rupees
6 Trade and other payables		
Trade creditors	597,217,504	371,378,323
Contractors' bills payable	5,055,346	14,103,668
Accrued liabilities	244,989,292	218,320,679
Advances from customers	151,115,739	126,281,937
Payable to Workers' Profit Participation Fund	839,909,776	563,772,126
Payable to Workers' Welfare Fund	87,935,067	81,049,999
	1,926,222,724	1,374,906,732
<i>Payable to Government on account of:</i>		
Income Tax deducted at source	6,461,017	9,597,944
Sales Tax	175,954,039	51,883,761
Federal Excise Duty	73,214,159	60,915,016
Royalty and Excise Duty	184,539,380	95,242,111
	440,168,595	217,638,832
Securities and retention money payable	182,744,366	180,891,525
Unclaimed dividend	5,769,951	5,223,393
Dividend payable	25,404,391	21,542,371
Other payables	136,794,120	117,225,320
	350,712,828	324,882,609
	2,717,104,147	1,917,428,173

7 Contingencies and commitments

7.1 Contingencies

7.1.1 The Additional Commissioner Inland Revenue, while proceeding U/S 122(5A) of the Income Tax Ordinance, 2001 created income tax demands of Rs. 900 Million and Rs. 502 Million for the Tax Years 2013 & 2014 respectively vide two separate orders. The demands have been created illegally and arbitrarily by making various profit and loss account additions and changing the apportionment basis of expenses between normal and presumptive tax regime. Both of the above said orders have been challenged by the Company before Commissioner Inland Revenue (Appeals) [CIR(A)] on various factual and legal grounds, which are pending adjudication. However, in the meanwhile, the Company filed two writ petitions before the Honorable Lahore High Court praying to refrain the Inland Revenue Department to recover the aforesaid tax demands till the decision of appeal by CIR (A) and the honorable Court very graciously accepted the writs of the Company.

Management is confident of favourable outcome in aforementioned matter, hence no provision is being recognized in this respect in the financial statements.

Other than the above mentioned matter, there has been no material change in contingencies from the preceding annual published financial statements of the Company for the year ended 30 June 2015.

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

For the quarter and nine month period ended March 31, 2016

	Note	(Un-audited) March 31, 2016 Rupees	(Audited) June 30, 2015 Rupees
7.2 Commitments			
In respect of letter of credit for:			
Capital expenditure		394,761,224	64,721,700
Store and spares items		125,088,955	80,290,574
		519,850,179	145,012,274
8 Property, plant and equipment			
Operating fixed assets	8.1	5,973,331,814	6,465,042,583
Capital work in progress - at cost	8.2	1,810,083,008	1,699,137,416
		7,783,414,822	8,164,179,999
8.1 Operating fixed assets			
Opening written down value		6,465,042,583	6,816,809,387
<i>Add: Additions during the period / year (cost)</i>			
Freehold land		—	105,350
Factory building		534,331	—
Office and other building		9,284,509	—
Housing colony		30,948,471	—
Plant, machinery and equipment		131,669,686	4,103,943
Power installations		—	45,000
Furniture, fixtures and other office equipment		14,753,450	8,347,703
Computer and printers		4,552,052	3,516,861
Light vehicles		59,858,340	29,184,860
Laboratory equipment		—	561,250
		251,600,839	45,864,967
<i>Less: Disposals during the period / year (written down value)</i>			
Factory building		—	(5,755,000)
Plant, machinery and equipment		(3,460,126)	—
Furniture, fixtures and other office equipment		(103,116)	(131,157)
Light vehicles		(2,050,745)	(712,365)
		(5,613,987)	(6,598,522)
<i>Less: Transfer to investment property</i>		(422,856,350)	—
<i>Less: Depreciation charge for the period / year</i>		(314,841,271)	(391,033,249)
Closing written down value		5,973,331,814	6,465,042,583
8.2 Capital work in progress - at cost			
Balance at the beginning of the period/year		1,699,137,416	292,486,030
Add: Additions during the period/year		238,984,114	1,407,998,431
Less: Transfers to fixed assets during the period/year		(128,038,522)	(1,347,045)
		1,810,083,008	1,699,137,416
9 Investment property			
Balance at the beginning of the period / year		416,749,671	—
Additions during the period / year		417,501,500	416,749,671
Transferred from fixed assets		422,856,350	—
		840,357,850	416,749,671
		1,257,107,521	416,749,671

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

For the quarter and nine month period ended March 31, 2016

10 Long term loans and advances

This includes Rs. 143,673,000 (30 June 2015: Nil) on account of advances given for acquisition of land to be classified as investment property.

	Note	(Un-audited) March 31, 2016 Rupees	(Audited) June 30, 2015 Rupees
11 Short term investments			
<i>Available for sale - quoted investments</i>			
Gharibwal Cement Limited:			
Cost		89,286	9,017,839
Fair value gain		712,714	45,522,161
		802,000	54,540,000
<i>Investment in mutual funds</i>			
Cost		2,236,435,357	—
Fair value gain		78,721,743	—
		2,315,157,100	—
<i>Loans and receivables</i>			
Investment in Term Deposit Receipts		3,311,501,857	3,300,000,000
		5,627,460,957	3,354,540,000

		(Un-audited) July 1 - Mar 31 2016 Rupees	(Un-audited) July 1 - Mar 31 2015 Rupees
12 Sales - net			
Local sales - gross		12,622,727,898	9,927,323,447
Less: Sales tax		2,083,024,835	1,640,968,593
Federal Excise duty		593,891,085	464,233,440
		2,676,915,920	2,105,202,033
Export sales		9,945,811,978	7,822,121,414
		996,982,184	1,083,909,219
		10,942,794,162	8,906,030,633
Less: Rebate / commission on cement sales		162,609,600	110,722,472
		10,780,184,562	8,795,308,161

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

For the quarter and nine month period ended March 31, 2016

	(Un-audited) July 1 - Mar 31 2016 Rupees	(Un-audited) July 1 - Mar 31 2015 Rupees
13 Cost of goods sold		
Raw materials consumed	435,901,299	324,082,694
Packing materials consumed	691,946,124	565,301,377
Fuel and power	1,413,417,215	1,636,992,362
Coal, gas and furnace oil	2,261,339,033	2,199,979,165
Stores and spares consumed	224,761,231	208,316,920
Salaries, wages and other benefits	188,062,572	155,233,680
Royalty and excise duty	146,918,457	108,654,777
Rent, rates and taxes	18,005,429	14,890,036
Repairs and maintenance	62,388,432	46,040,017
Insurance	15,148,221	14,146,538
Depreciation	310,999,277	279,610,737
Other expenses	47,980,510	41,988,026
	5,816,867,800	5,595,236,329
Work-in-process:		
At beginning of the period	168,067,955	224,103,452
At end of the period	(141,370,684)	(142,458,553)
Cost of goods manufactured	5,843,565,071	5,676,881,228
Finished goods:		
At beginning of the period	103,016,133	148,584,366
At end of the period	(86,557,799)	(137,022,468)
	5,860,023,405	5,688,443,126
Less: Cost attributable to own cement consumption	2,502,061	12,518,394
	5,857,521,344	5,675,924,732
14 Other income		
<i>Income from financial assets</i>		
Profit on bank deposits, TDR and MTB	228,463,339	97,867,733
Profit from SNGPL loan	106,231	158,771
Gain on sale of investment in Gharibwal Cement Limited	57,861,447	23,218,450
Gain on sale of investment in Mutual Funds	9,623,048	193,606,089
Unrealized gain from Mutual Funds	78,721,743	42,358,607
Dividend received from Mutual Funds	—	69,733
Interest on Employees' loans	51,672	86,764
<i>Income from non-financial assets</i>		
Income from sale of scrap	1,059,662	2,754,818
Gain on disposal of property, plant and equipment	327,575	881,478
Exchange fluctuation gain	—	3,339,128
Miscellaneous	1,602,761	344,716
	377,817,478	364,686,287
15 Other expenses		
Donations	6,940,000	7,140,000
Workers' Profit Participation Fund	253,474,965	164,776,950
Workers' Welfare Fund	86,666,434	50,490,309
Loss on disposal of property, plant and equipment	3,553,242	—
	350,634,641	222,407,259
16 Taxation		
Current	1,356,906,138	848,869,997
Deferred	20,904,738	(15,979,774)
	1,377,810,876	832,890,223

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

For the quarter and nine month period ended March 31, 2016

	(Un-audited) Mar 31, 2016 Rupees	(Un-audited) Mar 31, 2015 Rupees
17 Cash and cash equivalents		
Cash and bank balances	1,432,893,935	1,454,070,919
Term Deposit receipts	3,311,501,857	600,000,000
	4,744,395,792	2,054,070,919

18 Transactions and balances with related parties

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

18.1 Transactions with related parties

Parties	Nature of transactions	(Un-audited) July 1 - Mar 31 2016 Rupees	(Un-audited) July 1 - Mar 31 2015 Rupees
Provident Fund Trust	Contribution	6,604,660	5,219,326
Kohat Cement Educational Trust	Contribution	407,106	614,800
Palace Enterprises (Pvt) Limited	Accommodation services	284,407	145,102
Art Vision (Private) Limited	Sale of Cement	8,184,897	—
Ultra Pack (Private) Limited	Sale of Cement	5,100,826	—
Chief Executive and Executive Directors [No. of persons 1 and 1 (March 31, 2015: 1 and 1) respectively]	Remuneration and other benefits	34,440,761	36,842,400
Other Executives of the Company [No. of persons 21 (March 31, 2015: 22)]	Remuneration and other benefits	61,497,119	62,385,771
Directors	Dividend paid	235,505,601	53,393,578
ANS Capital (Private) Limited (Holding Company)	Dividend paid	764,877,600	169,972,800
Kohat Cement Educational Trust	Dividend paid	1,052,622	233,916

Parties	Nature of balances	(Un-audited) March 31, 2016 Rupees	(Audited) June 30, 2015 Rupees
18.2 Balances with related parties			
Provident Fund Trust	(Payable) / Receivable	(1,583,221)	1,653,648
Ultra Pack (Private) Limited	Receivable	1,386,802	—
Palace Enterprises (Pvt) Limited	(Payable)	(5,800)	—

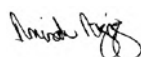
19 General

19.1 Figures have been rounded off to the nearest rupee

19.2 These un-audited condensed interim financial statements were authorized for issue by the Board of Directors of the Company on April 29, 2016.



Chief Executive



Director

www.jamapunji.pk



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

@jamapunji_pk

*Mobile apps are also available for download for android and ios devices



/ HEAD OFFICE /

37-P, GULBERG II, LAHORE, PAKISTAN
TEL: +92 -42-11-111-KOCL (5225)
FAX: +92-423-5754084, 5874990