

3rd Quarter Report March 31, 2017

EMBRACING *Tomorrow*



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Corporate Information

Board of Directors

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

Audit Committee

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

HR&R Committee

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

Company Secretary

Mr. Khurram Shahzad, FCA

Legal Advisor

Imtiaz Siddiqui & Associates

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Website:

www.kohatcement.com

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) 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
Soneri Bank Limited
Allied Bank Limited
United Bank Limited
MCB Bank Limited
National Bank of Pakistan
Habib Bank Limited
Bank Alfalah Limited

Directors' Review

The Board of Directors of your Company is pleased to present the Un-audited Interim Financial Statements of your company for the 3rd Quarter and nine months ended 31st March 2017.

Production and Sales Volumes

Summary of production and sales is detailed below:

	M. Tons			
	January-March		July-March	
	2017	2016	2017	2016
Clinker Production	501,482	517,901	1,438,081	1,428,627
Cement Production	564,280	572,374	1,603,910	1,599,754
Local Sales	514,550	503,692	1,502,709	1,438,059
Export Sales	22,036	60,855	103,307	164,276
Total Sales	536,586	564,547	1,606,016	1,602,335

Financial Performance

Financial Performance of your Company for the third quarter and nine months is summarized below:

	(Rupees)			
	3rd Quarter (Jan to Mar)		Nine Months (July-Mar)	
	2017	2016	2017	2016
Net Sales Revenue	3,493,497,757	3,722,173,495	10,657,622,935	10,780,184,562
Gross profit	1,451,580,845	1,829,809,095	4,815,699,669	4,922,663,218
Admin and selling expenses	(68,844,467)	(75,780,349)	(223,256,890)	(219,627,342)
Other expenses	(106,098,408)	(129,722,031)	(336,987,002)	(350,634,641)
Other income	100,007,239	113,819,336	302,555,133	377,817,478
Finance costs	(20,313,189)	(6,730,621)	(66,910,270)	(25,481,156)
Taxation	(425,062,232)	(505,889,791)	(1,389,753,847)	(1,377,810,876)
Profit after taxation	931,269,788	1,225,505,639	3,121,346,793	3,326,926,681
Earnings per share (Rs.)	6.03	7.93	20.20	21.53

Increased coal prices and decline in cement sale prices in third quarter negatively affected the profits of the Company.

The Company is current on its all debt obligations.

On Going Projects

Cement Mill of 105 tph is under erection and commercial production is expected soon.

Future outlook

The ongoing investments in Infrastructure Projects by the Government and China Pak Economic Corridor (CPEC) activities shall positively impact the demand for Construction Materials in future. As our plant is fully equipped and modernized, our Company will be able to take full advantage of the economic momentum in the coming years.

Acknowledgments

The Board of Directors of your Company expresses its deep gratitude to all stakeholders and business associates for their co-operation and support and look forward to their continued support in future. We thank all employees for their contribution to their Company's performance.

For and on behalf of the Board



Aizaz Mansoor Sheikh
Chief Executive

Lahore: April 26, 2017

ڈائریکٹرز جائزہ رپورٹ

زیر تعمیر منصوبہ جات:

105 ٹن فی گھنٹہ کی پیداواری صلاحیت کی حامل نئی سینٹ مل کی تنصیب آخری مراحل میں ہے اور اس سے تجارتی بنیادوں پر پیداوار کا آغاز جلد متوقع ہے۔

مستقبل کے امکانات:

حکومت اور پاک چین جبین راہداری (CPEC) منصوبہ کے تحت بنیادی ڈھانچے کی تعمیراتی سرگرمیوں میں جاری سرمایہ کاری مستقبل میں تعمیراتی خام مال کی طلب پر مثبت طور پر اثر انداز ہوگی۔ کمپنی کے جدید پلانٹ کی بدولت، انتظامیہ آنے والے سالوں میں ملکی معاشی ترقی سے بھرپور فائدہ اٹھانے کا عزم رکھتی ہے۔

انتظار و نظر:

کمپنی کی انتظامیہ کمپنی کے تمام کاروباری شراکت داران کی حمایت اور تعاون کے لیے تہہ دل سے شکر گزار ہے اور مستقبل میں بھی اس کی امید رکھتی ہے۔ اس موقع پر بالخصوص کمپنی کے ملازمین کی کاوشوں کو بھی سراہتی ہے جنہوں نے کمپنی کی بہتر کارکردگی میں اپنا کردار ادا کیا ہے۔

برائے دلچسپ بورڈ آف ڈائریکٹرز



اعزاز منسور شیخ

چیف ایگزیکٹو

لاہور، 26 اپریل، 2017

کوہاٹ سینٹ کمپنی لمیٹڈ (کمپنی) کے ڈائریکٹرز بھد مسرت اپنے ممبران کے لئے 31 مارچ 2017ء کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی مدت سے متعلقہ غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

پیداوار اور ترسیل کا حجم:

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

نوعی نمائندگی	عبوری مدت		میان سال	
	2016	2017	2016	2017
کل ٹن پیداوار	1,428,627	1,438,081	517,901	501,482
سینٹ کی پیداوار	1,599,754	1,603,910	572,374	564,280
اندرون ملک فروخت	1,438,059	1,502,709	503,692	514,550
برآمدات	164,276	103,307	60,855	22,036
گواہ فروخت	1,602,335	1,606,016	564,547	536,586

مالیاتی کارکردگی:

کمپنی کی تیسری سہ ماہی اور نو ماہ کی مدت سے متعلقہ مالیاتی کارکردگی کا سرسری جائزہ ذیل میں دیا گیا ہے:

نوعی نمائندگی	تیسری سہ ماہی (عبوری مدت)		نو ماہی (عبوری مدت)	
	2016	2017	2016	2017
کل آمدن	3,493,497,757	3,722,173,495	10,657,622,935	10,780,184,562
نہ سہ ماہی	1,451,580,845	1,829,809,095	4,815,699,669	4,922,663,218
ایڈجسٹڈ ریٹرنز اور سہ ماہی	(68,844,467)	(75,780,349)	(223,256,890)	(219,627,342)
دیکھ کر سہ ماہی	(106,098,408)	(129,722,031)	(336,987,002)	(350,634,641)
دیکھ کر نو ماہی	100,007,239	113,819,336	302,555,133	377,617,478
مالیاتی آمد	(20,313,189)	(6,730,621)	(66,910,270)	(25,481,156)
فیس	(425,062,232)	(505,889,791)	(1,369,753,847)	(1,377,810,876)
منجھانہ مراعات	931,269,788	1,225,505,639	3,121,346,793	3,326,926,681
فی فیڈرمانی	6.03	7.93	20.20	21.53
(دیکھ کر پیج 6)				

زیر جائزہ تیسری سہ ماہی کے دوران کوئٹہ کی قیمتوں میں اضافہ اور سینٹ کی قیمت فروخت میں کمی نے کمپنی کے منافع پر منفی اثرات ڈالے ہیں۔

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

Condensed Interim Balance Sheet (Un-audited)

As at March 31, 2017

	Note	(Un-audited) Mar 31, 2017 Rupees	(Audited) June 30, 2016 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		120,825,864	120,565,665
Accumulated profits		13,217,171,189	12,104,437,366
		14,883,083,953	13,770,089,931
Non-current liabilities			
Long term finances - secured	5	497,368,416	710,526,312
Long term security deposits		2,036,100	2,036,100
Deferred liabilities			
- deferred taxation		1,607,507,372	1,589,847,454
- compensated absences		10,519,178	10,859,150
		2,117,431,066	2,313,269,016
Current liabilities			
Current maturity of long term finances	5	284,210,528	284,210,528
Trade and other payables	6	2,417,405,964	2,340,773,967
Short term borrowings - secured		200,000,000	598,000,000
Dividend payable		1,262,811,192	25,404,392
Interest / mark-up accrued on borrowings		5,410,969	13,394,584
		4,169,838,653	3,261,783,471
Contingencies and commitments			
	7		
		21,170,353,672	19,345,142,418
ASSETS			
Non-current assets			
Property, plant and equipment	8	8,041,310,679	7,871,755,963
Investment property	9	3,064,656,970	2,156,011,898
Intangible assets		9,619,848	593,775
Long term loans and advances		57,418	137,937
Long term deposits		125,296,640	98,266,640
		11,240,941,555	10,126,766,213
Current assets			
Stores, spares and loose tools		1,602,649,092	1,452,649,245
Stock-in-trade		624,955,520	628,906,348
Trade debts - unsecured, considered good	10	392,877,825	258,810,589
Short term investments	11	5,536,671,021	5,563,776,412
Advances, deposits, prepayments and other receivables		496,433,168	679,052,490
Advance income tax - net		48,604,047	161,546,212
Cash and bank balances	12	1,227,221,444	473,634,909
		9,929,412,117	9,218,376,205
		21,170,353,672	19,345,142,418

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



Chief Executive



Director

Condensed Interim Profit and Loss Account (Un-audited)

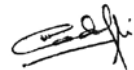
For the quarter and nine months ended 31 March 2017

	Note	2017	2016	2017	2016
		01 July to 31 March	01 July to 31 March	01 January to 31 March	01 January to 31 March
Rupees					
Sales - net	13	10,657,622,935	10,780,184,562	3,493,497,757	3,722,173,495
Cost of goods sold	14	(5,841,923,266)	(5,857,521,344)	(2,041,916,912)	(1,892,364,400)
Gross profit		4,815,699,669	4,922,663,218	1,451,580,845	1,829,809,095
Selling and distribution expenses		(102,416,793)	(121,142,104)	(30,938,474)	(43,517,731)
Administrative and general expenses		(120,840,097)	(98,485,238)	(37,905,993)	(32,262,618)
Other operating income	15	302,555,133	377,817,478	100,007,239	113,819,336
Other operating charges	16	(336,987,002)	(350,634,641)	(106,098,408)	(129,722,031)
		(257,688,759)	(192,444,505)	(74,935,636)	(91,683,044)
Operating profit		4,558,010,910	4,730,218,713	1,376,645,209	1,738,126,051
Finance cost		(66,910,270)	(25,481,156)	(20,313,189)	(6,730,621)
Profit before taxation		4,491,100,640	4,704,737,557	1,356,332,020	1,731,395,430
Taxation	17	(1,369,753,847)	(1,377,810,876)	(425,062,232)	(505,889,791)
Profit after taxation		3,121,346,793	3,326,926,681	931,269,788	1,225,505,639
Earning per share (basic and diluted)		20.20	21.53	6.03	7.93

The annexed notes from 1 to 21 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 months ended 31 March 2017

	2017	2016	2017	2016
	01 July to 31 March	01 July to 31 March	01 January to 31 March	01 January to 31 March
Rupees				
Profit after taxation	3,121,346,793	3,326,926,681	931,269,788	1,225,505,639
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	260,199	13,052,000	210,999	(147,000)
- reclassified to profit and loss account	-	(57,861,447)	-	-
	260,199	(44,809,447)	210,999	(147,000)
Total comprehensive income for the period	3,121,606,992	3,282,117,234	931,480,787	1,225,358,639

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



Chief Executive



Director

Condensed Interim Cash Flow Statement (Un-audited)

For the nine months ended 31 March 2017

Note	(Un-audited) July 1 - Mar 31 2017 Rupees	(Un-audited) July 1 - Mar 31 2016 Rupees
	Cash flow from operating activities	
Profit before taxation	4,491,100,640	4,704,737,557
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	8.1 363,785,901	314,841,271
Amortization on intangible assets	228,907	294,666
(Gain) / loss on disposal of property, plant and equipment	(2,977,326)	3,225,667
Interest on bank deposits and investments	(253,140,017)	(228,569,570)
Realized gain on sale of short term investments	(14,107,185)	(67,484,495)
Unrealized gain on short term investment	(31,428,567)	(78,721,743)
Provision for compensated absences	1,560,852	3,218,175
Provision for Workers' Welfare Fund	16 87,777,620	86,666,434
Provision for Workers' Profit Participation Fund	16 241,404,382	253,474,965
Finance cost	66,910,270	25,481,156
	460,014,837	312,426,526
Cash generated from operations before working capital changes		
	4,951,115,477	5,017,164,083
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(149,999,847)	(247,788,554)
Stock-in-trade	3,950,828	15,786,143
Trade debts	(134,067,236)	(32,431,163)
Advances, deposits, prepayments and other receivables	167,095,266	(592,520)
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	(167,709,294)	512,244,678
	(280,730,283)	247,218,584
Cash generated from operations		
	4,670,385,194	5,264,382,667
Compensated absences paid	(1,900,824)	(1,486,960)
Finance cost paid	(74,893,885)	(434,041,288)
Payment made to Workers' Welfare Fund	(86,003,351)	(79,781,366)
Payment made to Workers' Profit Participation Fund	-	24,016,048
Long term deposits received / (made)	(27,030,000)	3,000,000
Income tax paid	(1,239,151,764)	(1,745,406,352)
Net cash generated from operating activities		
	3,241,405,370	3,030,682,749
Cash flow from investing activities		
Acquisition of property, plant and equipment	(538,423,291)	(279,775,174)
Proceeds from disposal of property, plant and equipment	8,060,000	2,788,320
Acquisition of intangible assets	(9,254,980)	(517,276)
Acquisition of investment property	(908,645,072)	(417,501,500)
Proceed from sale of equity securities	-	66,790,000
Investment in mutual funds - net	(825,000,000)	(2,236,435,356)
Gain on other short term investments	196,578,987	9,623,048
Long term loans and advances - net	80,519	(143,659,712)
Interest on bank deposits	86,192,271	215,114,930
	(1,990,411,566)	(2,783,572,720)
Net cash used in investing activities		
Cash flow from financing activities		
Repayment of long term finances - secured	(213,157,896)	(359,657,896)
Receipt/ (Repayment) of short term borrowings	(398,000,000)	18,667,410
Dividend paid	(770,043,530)	(1,386,169,632)
	(1,381,201,426)	(1,727,160,118)
Net cash used in financing activities		
	(130,207,622)	(1,480,050,089)
Cash and cash equivalents at beginning of the period		
	6,036,461,321	6,224,445,881
Cash and cash equivalents at end of the period		
18	5,906,253,699	4,744,395,792

The annexed notes from 1 to 21 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 months ended 31 March 2017

	Capital reserves		Revenue reserves			Total
	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profit	
	Rupees					
Balance as at 30 June 2015 - audited	1,545,086,900	49,704,951	45,522,161	70,000,000	9,086,940,116	10,797,254,128
Total comprehensive income						
Profit for the nine months ended 31 March 2016	-	-	-	-	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)	-	3,326,926,681	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)
First interim cash dividend at Rs. 5.0 per share for the year ended 30 June 2016	-	-	-	-	(772,543,450)	(772,543,450)
	-	-	-	-	(1,390,578,210)	(1,390,578,210)
Balance as at 31 March 2016 - unaudited	1,545,086,900	49,704,951	712,714	70,000,000	11,023,288,587	12,688,793,152
Balance as at 30 June 2016 - audited	1,545,086,900	49,704,951	860,714	70,000,000	12,104,437,366	13,770,089,931
Total comprehensive income						
Profit for the nine months ended 31 March 2017	-	-	-	-	3,121,346,793	3,121,346,793
Other comprehensive income for the nine months ended 31 March 2017	-	-	260,199	-	-	260,199
	-	-	260,199	-	3,121,346,793	3,121,606,992
Transactions with owners of the Company						
Final cash dividend at Re. 1.0 per share for the year ended 30 June 2016	-	-	-	-	(154,508,690)	(154,508,690)
First interim cash dividend at Rs. 4.0 per share for the year ended 30 June 2017	-	-	-	-	(618,034,760)	(618,034,760)
Second interim cash dividend at Rs. 8.0 per share for the year ended 30 June 2017	-	-	-	-	(1,236,069,520)	(1,236,069,520)
	-	-	-	-	(2,008,612,970)	(2,008,612,970)
Balance as at 31 March 2017 - unaudited	1,545,086,900	49,704,951	1,120,913	70,000,000	13,217,171,189	14,883,083,953

The annexed notes from 1 to 21 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 months ended 31 March 2017

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 Ordinance, 1984) and is listed on Pakistan Stock Exchange. The Company is engaged in the production and sale of cement. The registered office of the Company is situated at Rawalpindi Road, Kohat, Pakistan.
- 1.2 ANS Capital (Private) Limited is the holding company of the Company and holds 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 2017 and the related condensed 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.
- 2.2 These condensed interim financial statements of the Company for the nine months period ended 31 March 2017 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 for the year ended 30 June 2016.
- 2.4 These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange Limited.

3 Judgments and estimates

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

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended 30 June 2016.

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 2016.
- 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 nine months ended 31 March 2017

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

Standard	Effective date (accounting periods beginning on or after)
IAS 12 - Income taxes	01 January 2017
IAS 7 - Statement of Cash Flows	01 January 2017
IFRS 2 - Share-based Payments	01 January 2017
IAS 40 - Investment Property	01 January 2017
IFRS 12 - Disclosure of Interest in other Entities	01 January 2017
IAS 28 - Investments in Associates and Joint Ventures	01 January 2018
IFRIC 25 - Foreign Currency Transactions and advance and Discontinued Operations	01 January 2018

	(Un-audited) Mar 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
5 Long term finances - secured		
Syndicated term finance - WHR	781,578,944	994,736,840
Less: Current maturity presented under current liabilities	(284,210,528)	(284,210,528)
	497,368,416	710,526,312

	Note	(Un-audited) Mar 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
6 Trade and other payables			
Trade creditors	6.1	170,942,747	550,792,058
Contractors' bills payable		17,719,151	11,460,519
Accrued liabilities		244,891,162	160,777,877
Advances from customers		48,978,703	106,777,914
Payable to Workers' Profit Participation Fund		1,107,228,269	865,823,887
Payable to Workers' Welfare Fund		88,721,753	86,947,484
Payable to Provident Fund Trust		1,894,621	2,113,023
		1,680,376,406	1,784,692,762
Payable to Government on account of:			
Income tax deducted at source		8,372,735	8,397,360
Sales tax		142,597,347	—
Federal excise duty		156,790,100	—
Royalty and excise duty		65,434,324	199,451,336
		373,194,506	207,848,696
Securities and retention money payable		185,927,793	186,648,042
Unclaimed dividend		6,932,591	5,769,951
Other payables		170,974,668	155,814,516
		363,835,052	348,232,509
		2,417,405,964	2,340,773,967

- 6.1 This includes unsecured balance of Rs. 79,567 and Rs. 54,701,741 (30 June 2016: Rs. 257,506 and Rs. Nil) payable to Palace Enterprises (Private) Limited and Ultra Pack (Private) Limited respectively, related parties of the Company.

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

For the nine months ended 31 March 2017

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 2016.

	Note	(Un-audited) Mar 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
7.2 Commitments			
In respect of letters of credit for:			
- capital expenditure		64,551,409	316,746,816
- stores and spares		76,622,419	55,596,274
Investment Property		–	527,250,000
		141,173,828	899,593,090

8 Property, plant and equipment

Operating fixed assets	8.1	7,448,559,464	7,698,456,586
Capital work in progress	8.2	592,751,215	173,299,377
		8,041,310,679	7,871,755,963

8.1 Operating fixed assets

Opening written down value 7,698,456,586 6,465,042,583

Add: Additions during the period / year (cost)

Factory buildings and plant civil structure	–	297,596,266
Office and other building	–	9,862,300
Housing colony	–	32,258,871
Plant, machinery and equipment	34,558,170	1,671,861,201
Power Installation	34,598,268	–
Furniture, fixtures and office equipment	3,325,273	17,396,483
Computers and printers	2,891,937	6,059,250
Light vehicles	43,292,923	65,793,099
Laboratory equipment	304,882	471,774
	118,971,453	2,101,299,244

Less: Disposals during the period / year (written down value)

Factory buildings and plant civil structure	(4,500,000)	–
Plant, machinery and equipment	(338,275)	(3,460,126)
Furniture, fixtures and office equipment	–	(103,116)
Heavy vehicles	(111,633)	–
Light vehicles	(132,766)	(2,052,522)
	(5,082,674)	(5,615,764)

Less: Transfer to investment property

– (422,856,350)

Less: Depreciation charge for the period / year

(363,785,901) (439,413,127)

Closing written down value 7,448,559,464 7,698,456,586

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

For the nine months ended 31 March 2017

Note	(Un-audited) Mar 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
8.2 Capital work in progress		
Balance at beginning of the period / year	173,299,377	1,699,137,416
Add: Additions during the period / year	436,168,518	391,512,221
Less: Transfers to fixed assets during the period / year	(16,716,680)	(1,917,350,260)
	592,751,215	173,299,377

9 Investment property

Opening balance	2,156,011,898	476,749,671
Additions during the period / year	908,645,072	1,256,405,877
Transfer from fixed assets during the period / year	–	422,856,350
9.1	3,064,656,970	2,156,011,898

9.1 The latest valuation of investment property was carried out as at 30 June 2016, and according to that the market value of investment property, excluding additions during the period of Rs. 908.65 million, was Rs. 2,648.57 million. The fair value measurement for the investment property has been categorized as a level 3 fair value based on the inputs to the valuation techniques used.

10 This includes unsecured balance of Rs. 3,915 (30 June 2016: Rs. 565,290) receivable from Ultra Pack (Private) Limited, a related party of the Company.

Note	(Un-audited) Mar 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
11 Short term investments		
Available-for-sale		
Equity securities of listed company	1,210,199	950,000
Through profit & loss account		
Investment in mutual funds	856,428,567	–
Investment in market treasury bills	4,526,032,255	–
Loans and receivables		
Investment in term deposit receipts	11.1 153,000,000	4,716,818,777
Investment in market treasury bills	–	696,007,635
Investment certificates	–	150,000,000
	5,536,671,021	5,563,776,412

11.1 These represent deposits made and securities placed with conventional banks.

12 Cash and bank balances

These include Rs. 11.13 million (June 30, 2016: Rs. 14.95 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 nine months ended 31 March 2017

	(Un-audited) July 1 - Mar 31 2017 Rupees	(Un-audited) July 1 - Mar 31 2016 Rupees
13 Sales - net		
Local sales - gross	13,987,093,810	12,622,727,898
Less: Sales tax	2,302,284,796	2,083,024,835
Federal Excise Duty	1,502,708,700	593,891,085
	3,804,993,496	2,676,915,920
	10,182,100,314	9,945,811,978
Export sales	567,525,513	996,982,184
	10,749,625,827	10,942,794,162
Less: Commission	92,002,892	162,609,600
	10,657,622,935	10,780,184,562
14 Cost of goods sold		
Raw materials consumed	469,103,027	435,901,299
Packing materials consumed	543,767,070	691,946,124
Fuel and power	1,225,441,918	1,413,417,215
Coal and gas	2,482,138,478	2,261,339,033
Stores, spares and loose tools consumed	259,185,095	224,761,231
Salaries, wages and other benefits	225,578,228	188,062,572
Royalty and excise duty	149,472,855	146,918,457
Rent, rates and taxes	18,060,013	18,005,429
Repairs and maintenance	62,045,166	62,388,432
Insurance	22,155,669	15,148,221
Depreciation	359,450,596	310,999,277
Other expenses	52,653,211	47,980,510
	5,869,051,326	5,816,867,800
Work-in-process:		
At beginning of the period	405,860,370	168,067,955
At end of the period	(434,382,623)	(141,370,684)
Cost of goods manufactured	5,840,529,073	5,843,565,071
Finished goods:		
At beginning of the period	124,546,558	103,016,133
At end of the period	(115,570,062)	(86,557,799)
	5,849,505,569	5,860,023,405
Less: Cost attributable to own cement consumption	(7,582,303)	(2,502,061)
	5,841,923,266	5,857,521,344

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

For the nine months ended 31 March 2017

	(Un-audited) July 1 - Mar 31 2017 Rupees	(Un-audited) July 1 - Mar 31 2016 Rupees
15 Other operating income		
Income from financial assets:		
Interest on bank deposits and investments under mark-up based arrangements	252,786,359	221,575,676
Profit on bank deposits - arrangements permissible under Shariah	300,925	6,887,663
Profit from SNGPL loan	52,733	106,231
Gain on investment in equity securities	-	57,861,447
Unrealized gain on investment through profit & loss account of Shariah non-compliant arrangements	31,428,567	78,721,743
Gain on sale of investment of Shariah non-compliant arrangements	14,107,185	9,623,048
Interest on Employees' loans	18,751	51,672
Income from non-financial assets:		
Income from sale of scrap	504,763	1,059,662
Profit on sale of fixed assets	2,977,326	327,575
Miscellaneous	378,524	1,602,761
	302,555,133	377,817,478
16 Other operating charges		
Donations	7,805,000	6,940,000
Workers' Profit Participation Fund	241,404,382	253,474,965
Workers' Welfare Fund	87,777,620	86,666,434
Loss on sale of fixed assets	-	3,553,242
	336,987,002	350,634,641
17 Taxation		
Current	1,352,093,929	1,356,906,138
Deferred	17,659,918	20,904,738
	1,369,753,847	1,377,810,876
	(Un-audited) Mar 31, 2017 Rupees	(Un-audited) Mar 31, 2016 Rupees
18 Cash and cash equivalents		
Cash and bank balances	1,227,221,444	1,432,893,935
Term deposit receipts	153,000,000	3,311,501,857
Market treasury bills	4,526,032,255	-
	5,906,253,699	4,744,395,792

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

For the nine months ended 31 March 2017

19 Transactions with related parties

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

Parties	Nature of transactions	(Un-audited)	(Un-audited)
		July 1 - Mar 31 2017 Rupees	July 1 - Mar 31 2016 Rupees
Holding company			
ANS Capital (Private) Limited	Dividend paid	424,932,000	764,877,600
	Dividend payable	679,891,200	–
Associated undertakings / companies due to common directorship			
Art Vision (Private) Limited	Sale of Cement	–	8,184,897
Ultra Pack (Private) Limited	Sale of Cement	3,302,348	5,100,826
	Purchase of Packing Material	138,432,250	–
Palace Enterprises (Private) Limited	Accommodation services	313,907	284,407
Employee retirement funds			
Provident Fund Trust	Contribution	7,821,120	6,604,660
Key management personnel			
Chief executive	Remuneration and other benefits	28,032,082	17,790,515
	Dividend paid	283,030	509,454
	Dividend payable	452,848	–
Executive director	Remuneration and other benefits	27,360,800	16,650,246
	Dividend paid	4,895	8,811
	Dividend payable	7,832	–
Non executive directors	Dividend paid	1,714,435	234,987,336
	Dividend payable	2,615,096	–
Other executives	Remuneration and other benefits	71,225,694	61,497,119
	Dividend paid	148,885	661,493
	Dividend payable	126,216	–
Others			
Kohat Cement Educational Trust	Contribution	605,300	407,106
	Dividend paid	584,790	1,052,622
	Dividend payable	935,664	–

20 Date of authorization for issue

These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on April 26, 2017.

21 General

Figures have been rounded off to the nearest rupee.



Chief Executive



Director



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