



THE **ART** OF SUSTAINABILITY

Kohat Cement Company Limited

Half Year Report December 31, 2019

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CORPORATE INFORMATION

Board of Directors

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

Audit Committee

Mr. Talha Saeed Ahmed	<i>Chairman</i>
Mr. Aizaz Mansoor Sheikh	<i>Member</i>
Mr. Muhammad Atta Tanseer Sheikh	<i>Member</i>

HR&R Committee

Mr. Ahmad Sajjad Khan	<i>Chairman</i>
Mr. Nadeem Atta Sheikh	<i>Member</i>
Mr. Muhammad Atta Tanseer Sheikh	<i>Member</i>

Company Secretary

Mr. Muhammad Asadullah Khan

Legal Advisor

Imtiaz Siddiqui & Associates

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrar

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

Registered Office and Works

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

Head Office

37- P Gulberg - II, Lahore.
Tel: 042 - 11 111 5225
Fax: 042 - 3575 4990
Email: mis@kohatcement.com
Web: www.kohatcement.com

Bankers of the Company

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

DIRECTORS' REVIEW

Dear Shareholders,

The Directors of your Company herein present the financial and operating results for 2nd Quarter and Half Year ended December 31, 2019 pertaining to Financial Year 2019-20.

Over all Review of Industry

With 24.75 million tons of dispatches by Cement Industry (2018: 23.24 MT) made during the half year ended December 31, 2019, it registered a 6.51% growth over dispatches made during the same period of last year. This growth was mainly led by surge in exports which were grown to 4.38 million tons (2018: 3.56 MT) including export of clinker of 2.08 million tons during current reporting period witnessing a growth of 22.91%. Domestic dispatches also registered a growth of 3.54% from 19.68 million tons reported in last half year to 20.37 million tons during the current half year.

Operational performance of your Company is summarized as under:

	Oct - Dec		Jul - Dec	
	2019	2018	2019	2018
Clinker Production	681,314	613,809	1,060,749	1,078,452
Cement Production	663,186	699,692	1,202,396	1,286,326
Domestic Sales	592,890	656,672	1,082,111	1,178,386
Export Sales	21,967	29,713	62,286	59,258
Total Sales *	614,857	686,385	1,144,397	1,237,644

* Total sales include cement dispatches of 47,990 M Tons made from Line 4 during test runs.

Financial Performance

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

	2nd Quarter (Oct-Dec)		Half year (July-Dec)	
	2019	2018	2019	2018
Net Sales	3,027,561,640	4,871,008,746	6,021,108,775	8,391,651,979
Gross Profit	40,160,413	1,525,722,067	155,971,773	2,376,798,643
GP Ratio	1.3%	31.3%	2.6%	28.3%
Operating Profit	14,759,835	1,415,356,145	140,688,737	2,205,759,300
OP Ratio	0.5%	29.1%	2.3%	26.3%
EBITDA	173,392,789	1,572,738,547	437,021,762	2,500,045,041
Net Profit after tax	9,600,094	998,351,881	97,764,667	1,526,895,768
Net Profit after tax Ratio	0.3%	20.5%	1.6%	18.2%
Earnings per share (Rs.)	0.05	4.97	0.49	7.60

Glut in cement supply especially in north zone developed unhealthy marketing competition in domestic market leading to lower cement prices, whereas exorbitant increase in electricity rates, PKR devaluation and inland freights, pushed the cost of sales; all these factors negatively affected the profitability of the Company.

The Company is current on its all debt obligations.

Successful Completion of Brownfield Expansion Project (Line 4)

The additional Grey Cement Production Line of 7,800 tons per day, at the existing site has successfully commenced Commercial Operations with effect from January 27, 2020. This additional production line enhanced the total installed Cement production capacity of the Company from 2,953,500 Tons per annum to 5,293,500 Tons per annum. After this additional capacity, your Company now ranked at fourth place in the north zone in terms of market share.

Future outlook

Although, the current economic slowdown and increased cement production capacities in the country resulted in low utilization and high competition; however, we believe that from FY 2021 the recent economic adjustments shall start effecting the economy positively as well as the cement industry.

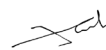
Acknowledgments

We really admire for the sincere efforts and services put in by all the stakeholders including the company's employees for their excellent support and efforts, hard work and trust.

For and on behalf of the Board



Nadeem Atta Sheikh
Chief Executive



Talha Saeed Ahmed
Director

Lahore: February 26, 2020

ڈائریکٹرز جائزہ رپورٹ

معزز حصص داران :

کوہاٹ سینٹ کپینی لمیٹڈ (کپینی) کے ڈائریکٹرز اپنے ممبران کے لئے مالی سال 2019-20 کی 31 دسمبر، 2019ء کو ختم ہونے والی دوسری سہ ماہی اور پہلی ششماہی سے متعلقہ مالیاتی اور پیداواری اور ترسیلاتی کارکردگی کے گوشوارے پیش کرتے ہیں۔

صنعتی کارکردگی:

روان مالی سال میں 31 دسمبر، 2019ء کو ختم ہونے والی ششماہی کے دوران سینٹ کی صنعت کی ترسیلات کا حجم 24.75 ملین ٹن، باجوہ کرڈ ششماہی کی ترسیلات 23.24 ملین ٹن کے مقابلے میں 6.51% زیادہ رہا۔ اس اضافے کی اہم وجہ زبرد جانزہ ششماہی کے دوران برآمدات کے حجم میں 4.38 (3.56: 2018) ملین ٹن بشمول 2.08 ملین ٹن ٹیکسٹر کا اضافہ ہے، اس اضافے کی شرح 22.91% ہے۔ مقامی ترسیلات میں 3.54% اضافہ ہوا، جن کا حجم کرڈ ششماہی کے قابل موازنہ دورانیہ کے 19.68 ملین ٹن کے مقابلے میں 20.37 ملین ٹن رہا۔

پیداواری کارکردگی:

ذیل میں کپینی کے پیداواری اور ترسیلاتی نتائج کا خلاصہ دیا گیا ہے:

گرمائی ماہنامہ	اکتوبر تا دسمبر		جولائی تا ستمبر	
	2019	2018	2019	2018
کھری پیداوار	681,314	613,809	1,078,452	1,060,749
سینٹ کی پیداوار	663,186	699,692	1,286,326	1,202,396
مقامی ترسیلات	592,890	656,672	1,178,386	1,082,111
برآمدات	21,967	29,713	59,258	62,286
مجموعی فروخت *	614,857	686,385	1,237,644	1,144,397

* کپینی کی مٹی تخصیص کردہ لائن 4 سے زائمی بنیادوں پر تیار کردہ - 47,990 میٹرک ٹن سینٹ مقامی منڈی میں فروخت کیا گیا، جس کا اندراج درج بالا خلاصہ میں شامل ہے۔

مالیاتی کارکردگی:

کپینی کی دوسری سہ ماہی اور پہلی ششماہی سے متعلقہ مالیاتی کارکردگی کا سرسری جائزہ ذیل میں دیا گیا ہے:

	دوسری سہ ماہی (اکتوبر تا دسمبر)		پہلی ششماہی (جولائی تا ستمبر)	
	2019	2018	2019	2018
کل فروخت	3,027,561,640	4,871,008,746	6,021,108,775	8,391,651,979
نام نہاد	40,160,413	1,525,722,067	155,971,773	2,376,798,643
قرض نام نہاد	1.3%	31.3%	2.6%	28.3%
آپ بیلنگ منافع	14,759,835	1,415,356,145	140,688,737	2,205,759,300
قرض آؤٹ بیلنگ منافع	0.5%	29.1%	2.3%	26.3%
منافع قبل مالیاتی اخراجات، ٹیکس، نیچے سٹیٹ اور مورٹگیز	173,392,789	1,572,738,547	437,021,762	2,500,045,041
ٹیکس منافع بعد ٹیکس	9,600,094	998,351,881	97,764,667	1,526,895,768
شریک نام نہاد منافع بعد ٹیکس	0.3%	20.5%	1.6%	18.2%
نیٹ پیئرڈ منافع (دہے)	0.05	4.97	0.49	7.60

شمالی زون میں سینٹ کی رسد میں زیادتی نے غیر صحت مندانہ کاروباری مسابقت کو فروغ دیا، جس کی وجہ سے سینٹ کی قیمتوں میں کمی واقع ہوئی، جبکہ بجلی کی قیمتوں میں بے تحاشا اضافہ، روپے کی قدر میں کمی اور اندرون ملک مال برداری کے کرایہ جات میں تیزی کے باعث کاروباری لاگت میں اضافہ ہوا جس نے کپینی کے منافع پر منفی اثرات ڈالے ہیں۔

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

سینٹ پلانٹ کے توسیعی منصوبے کی کامیاب تکمیل (لائن-4)

موجودہ ٹیکسٹری میں 7800 ٹن ہومیہ پیداواری صلاحیت کی حامل اضافی گمرے سینٹ پروڈکشن لائن نے 27 جنوری 2020ء سے تجارتی بنیادوں پر پیداوار کا آغاز کر دیا ہے۔ اس اضافی پلانٹ کی بدولت مجموعی طور پر کپینی کی پیداواری صلاحیت 2,953,500 ٹن سالانہ سے بڑھ کر 5,293,500 ٹن سالانہ ہو چکی ہے۔ اضافی پیداواری صلاحیت کے حصول کے بعد شمالی زون میں مارکیٹ شیئر کی درجہ بندی کے لحاظ سے آگنی کپینی چوتھے (4) نمبر پر آ چکی ہے۔

مستقبل کے امکانات:

اگرچہ معاشی ست روی اور بڑھتی ہوئی ملکی پیداواری صلاحیت کی وجہ سے سینٹ انڈسٹری میں نہ صرف باہمی مقابلہ کی نفاذ میں اضافہ ہوا ہے بلکہ پیداواری صلاحیت مکمل استعمال میں بھی قابل ذکر کی واقع ہوئی ہے، البتہ ہمیں امید ہے کہ مالی سال 2021ء میں معاشی مجموعی اثرات بہتری کے اقدامات سے ملکی معیشت کے ساتھ ساتھ سینٹ انڈسٹری پر بھی مثبت اثرات مرتب ہو سکتے۔

اظہارِ اطمینان:

ہم تمام شراکت داروں کی مخلصانہ کاوشوں اور خدمات کے ساتھ ملازمین کے بہترین تعاون، کاوشوں و محنت اور اعتماد کو سراہتے ہیں۔

برائے و مخائب بورڈ آف ڈائریکٹرز



طلحہ سعید احمد

ڈائریکٹر



ندیم عطاء شیخ

چیف ایگزیکٹو

لاہور: 26 فروری، 2020

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF KOHAT CEMENT COMPANY LIMITED ON

Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Kohat Cement Company Limited ("the Company") as at 31 December 2019 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the six-month period then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018, have not been reviewed by us and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Bilal Ali.

Lahore: February 26, 2020

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at December 31, 2019

	Note	(Un-audited) Dec. 31 2019 Rupees	(Audited) Jun. 30 2019 Rupees
EQUITY AND LIABILITIES			
Authorized share capital		3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital		2,008,612,970	2,008,612,970
Reserves		119,888,265	119,822,865
Accumulated profit		17,139,814,453	17,544,203,029
		19,268,315,688	19,672,638,864
Non-current liabilities			
Long term financing - secured	5	4,843,193,359	4,399,930,462
Long term deposits		2,036,100	106,893,805
Deferred liabilities			
- deferred taxation		1,518,562,305	1,596,244,399
- compensated absences		14,894,535	15,256,864
		6,378,686,299	6,118,325,530
Current liabilities			
Current portion of long term financing	5	1,034,358,120	1,004,220,652
Trade and other payables	6	3,861,538,365	3,800,459,447
Contract liability (Advances from customers)		82,236,024	99,319,101
Unclaimed dividend		9,416,974	9,416,974
Dividend payable		39,837,552	35,734,335
Short term borrowings - secured	7	1,021,681,218	243,000,000
Provision for taxation - net		74,125,774	228,925,097
Mark-up accrued on borrowings		238,745,698	102,829,378
		6,361,939,725	5,523,904,984
Contingencies and commitments	8		
		32,008,941,712	31,314,869,378
ASSETS			
Non current assets			
Property, plant and equipment	9	22,761,276,451	21,873,958,579
Intangibles		13,327,459	13,878,685
Long term loans and advances		-	90,603,485
Long term deposits		38,326,640	38,326,640
Investment property	10	3,691,866,635	3,691,839,635
		26,504,797,185	25,708,607,024
Current assets			
Stores, spares and loose tools		2,363,390,004	1,410,927,789
Stock-in-trade		1,041,147,832	709,231,912
Trade debts - unsecured, considered good		872,024,654	714,060,503
Short term investments		485,168,277	1,947,138,780
Advances, deposits, prepayments and other receivables	11	446,007,866	391,017,347
Cash and bank balances	12	296,405,894	433,886,023
		5,504,144,527	5,606,262,354
		32,008,941,712	31,314,869,378

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



Chief Executive



Chief Financial Office



Director

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UN-AUDITED)

For six months and quarter ended 31 December 2019

	Note	Jul.01-Dec.31 2019 Rupees	Jul.01-Dec.31 2018 Rupees	Oct.01-Dec.31 2019 Rupees	Oct.01-Dec.31 2018 Rupees
Sales - net	13	6,021,108,775	8,391,651,979	3,027,561,640	4,871,008,746
Cost of sales	14	(5,865,137,002)	(6,014,853,336)	(2,987,401,227)	(3,345,286,679)
Gross profit		155,971,773	2,376,798,643	40,160,413	1,525,722,067
Selling and distribution expenses		(30,002,019)	(43,172,889)	(13,858,654)	(23,963,560)
Administrative and general expenses		(116,246,341)	(127,478,204)	(56,531,675)	(60,183,440)
Other income		153,348,843	171,058,271	51,096,157	84,851,635
Other expenses		(22,383,519)	(171,446,521)	(6,106,406)	(111,070,557)
		(15,283,036)	(171,039,343)	(25,400,578)	(110,365,922)
Operating profit		140,688,737	2,205,759,300	14,759,835	1,415,356,145
Finance cost		(19,457,096)	(23,739,194)	(11,660,147)	(12,951,977)
Profit before taxation		121,231,641	2,182,020,106	3,099,688	1,402,404,168
Taxation	15	(23,466,974)	(655,124,338)	6,500,406	(404,052,287)
Profit after taxation		97,764,667	1,526,895,768	9,600,094	998,351,881
Earning per share (basic and diluted)		0.49	7.60	0.05	4.97

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



Chief Executive



Chief Financial Office



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For six months and quarter ended 31 December 2019

	Jul.01-Dec.31 2019 Rupees	Jul.01-Dec.31 2018 Rupees	Oct.01-Dec.31 2019 Rupees	Oct.01-Dec.31 2018 Rupees
Profit after taxation	97,764,667	1,526,895,768	9,600,094	998,351,881
Other comprehensive income for the period				
Items that will not be reclassified to statement of profit or loss:				
Equity investment at fair value through OCI - net changes in fair value	65,400	(102,399)	104,200	(66,400)
Total comprehensive income for the period	97,830,067	1,526,793,369	9,704,294	998,285,481

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



Chief Executive



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For six months ended 31 December 2019

Note	Jul.01-Dec.31 2019 Rupees	Jul.01-Dec.31 2018 Rupees
Cash flow from operating activities		
Profit before taxation	121,231,641	2,182,020,106
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	293,944,299	292,193,518
Amortization on intangible assets	2,388,726	2,092,223
(Gain) / loss on disposal of property, plant and equipment	2,520,871	(182,487)
Interest on bank deposits and investments	(30,059,183)	(145,655,297)
Realized gain on investment at fair value through profit and loss	(26,791,347)	(17,604,136)
Unrealized loss / (gain) on investment at fair value through profit and loss	(11,105,891)	40,143,008
Foreign currency exchange gain	(24,614,257)	-
Provision for compensated absences	2,236,275	2,093,072
Provision for Workers' Welfare Fund	2,881,744	45,601,676
Provision for Workers' Profit Participation Fund	6,429,891	119,356,042
Finance cost	19,457,096	23,739,194
	237,288,224	361,776,813
Cash generated from operations before working capital changes	358,519,865	2,543,796,919
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	(952,462,215)	441,536,745
Stock-in-trade	(331,915,920)	206,504,298
Trade debts	(157,964,151)	(144,425,494)
Advances, deposits, prepayments and other receivables	(55,346,503)	114,404,281
<i>Increase in current liabilities:</i>		
Trade and other payables	(38,473,529)	1,030,590,973
Contract liability	(17,083,077)	(7,649,211)
	(1,553,245,395)	1,640,961,592
Cash (used in) / generated from operations	(1,194,725,531)	4,184,758,511
Compensated absences paid	(2,598,604)	(1,918,931)
Finance cost paid	(321,004,108)	(67,018,155)
Payment made to Workers' Welfare Fund	-	(74,902,288)
Income tax paid	(255,948,391)	(574,520,082)
Net cash (used in) / generated from operating activities	(1,774,276,634)	3,466,399,055
Cash flow from investing activities		
Acquisition of property, plant and equipment	(655,989,015)	(10,236,707,301)
Proceeds from disposal of property, plant and equipment	5,000,000	245,001
Acquisition of intangible assets	(1,837,500)	(1,152,492)
Acquisition of investment property	(27,000)	(9,589,842)
Investment at fair value through profit and loss - net	1,359,933,141	1,386,834,778
Long term loans and advances - net	190,885	446
Long term deposits and retention money - net	5,079,268	-
Interest on bank deposits	30,415,168	145,356,393
Net cash generated from / (used in) investing activities	742,764,948	(8,715,013,017)
Cash flow from financing activities		
Long term finances - secured - net	473,400,365	4,605,914,352
Disbursement of short term borrowings	1,021,681,218	243,000,000
Repayment of short term borrowing	(243,000,000)	-
Dividend paid	(498,050,026)	(762,233,523)
Net cash generated from financing activities	754,031,557	4,086,680,829
Net decrease in cash and cash equivalents	(277,480,129)	(1,161,933,133)
Cash and cash equivalents at beginning of the period	683,886,023	4,574,427,690
Cash and cash equivalents at end of the period	16	406,405,894
		3,412,494,557

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


Chief Executive


Chief Financial Office


Director

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

For six months ended 31 December 2019

	Revenue reserves						
	Capital reserves			Revenue reserves			Total
	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profit	Total reserves	
Rupees							
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 for the year							
Profit for the half year ended 31 December 2018	-	-	-	-	(1,526,895,768)	1,526,895,768	1,526,895,768
Other comprehensive income for the half year ended 31 December 2018	-	-	(102,399)	-	-	(102,399)	(102,399)
	-	-	(102,399)	-	1,526,895,768	1,526,793,369	1,526,793,369
Transactions with owners of the Company							
Final cash dividend at Rs. 5.0 per share for year ended 30 June 2018	-	-	-	-	(772,543,450)	(772,543,450)	(772,543,450)
03 bonus shares for every 10 ordinary shares held for year ended 30 June 2018	463,526,070	-	-	-	(463,526,070)	(463,526,070)	-
Balance as at 31 December 2018 - unaudited	2,008,612,970	49,704,951	226,715	70,000,000	16,602,442,907	16,722,374,573	18,730,987,543
Balance as at 30 June 2019 - audited	2,008,612,970	49,704,951	117,914	70,000,000	17,544,203,029	17,664,025,894	19,672,638,864
Total comprehensive income for the period							
Profit for the half year ended 31 December 2019	-	-	-	-	97,764,667	97,764,667	97,764,667
Other comprehensive income for the half year ended 31 December 2019	-	-	65,400	-	-	65,400	65,400
	-	-	65,400	-	97,764,667	97,830,067	97,830,067
Transactions with owners of the Company							
Final cash dividend at Rs. 2.50 per share for the year ended 30 June 2019	-	-	-	-	(502,153,243)	(502,153,243)	(502,153,243)
Balance as at 31 December 2019 - unaudited	2,008,612,970	49,704,951	183,314	70,000,000	17,139,814,453	17,259,702,718	19,268,315,688

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



Chief Executive



Chief Financial Office



Director

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

For six months ended 31 December 2019

1 Reporting entity

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

2 Basis of preparation

- 2.1 These condensed interim financial statements comprise the condensed statement of financial position of the Company, as at 31 December 2019 and the related condensed statement of profit and loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof.
- 2.2 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provision of and directives issued under the Companies Act, 2017.

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

- 2.3 These condensed interim financial statements do not include all of the information required for full annual audited financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual audited financial statements.
- 2.4 Comparative statement of financial position numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2019, whereas comparatives of condensed interim statement of profit or loss, statement of comprehensive income, statement of cash flow and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the six months period ended 31 December 2018.
- 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.

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

For six months ended 31 December 2019

3 Judgments and estimates

The preparation of the condensed interim financial statements require 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 2019.

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 2019 except for the adoption of new standards effective as of 1 July 2019 as stated below:

4.1.1 Change in accounting policy

The Company has adopted IFRS 16 'Leases' from 01 July 2019 which is effective from the annual periods beginning on or after 01 January 2019. There are other new standards which are effective from 01 July 2019 but they do not have a material effect on the Company's condensed interim financial statements. The detail of new significant accounting policy adopted and the nature and effect of the change from previous accounting policy is set out below:

IFRS 16 - Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Company has elected to apply practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 01 January 2019.

As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognizes right of use assets and lease liabilities for material leases i.e. these leases are on balance sheet.

The Company presents right-of-use assets in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns.

The Company presents non-current and current portion of related lease liabilities in the statement of financial position considering their due dates for payment.

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

For six months ended 31 December 2019

Significant accounting policies

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company has used its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement.

The Company has elected not to recognize right of use assets and lease liabilities for leases that are of low value or with less than 12 months of lease term. The Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Transition

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Did not recognize right of use assets and liabilities for leases of low value items.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impact on condensed interim financial statements

The Company has applied IFRS 16 using the modified retrospective approach. However none of the leases prior to 01 July 2019 have been considered as significant for purpose of application of IFRS 16 and accordingly the application of IFRS 16 has no impact on the opening retained earnings.

- 4.1.2** Other than those disclosed above in note 4.1.1, there were certain other new 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.

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



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

For six months ended 31 December 2019

Amendments and interpretations of approved accounting standards

- IFRS 14 Regulatory Deferral Accounts 01 January 2020
- Amendment to IFRS 3 - Business Combinations – Definition of a Business 01 January 2020
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors 01 January 2020
- Revised Conceptual Framework for Financial Reporting. Tool for the IASB to develop standards and to assist the IFRS Interpretations. 01 January 2020
- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 01 January 2020

	Note	(Un-audited) Dec.31, 2019 Rupees	(Audited) Jun.30, 2019 Rupees
5 Long term finances - secured			
Syndicated term finance - WHR			
Opening		142,105,256	426,315,784
Paid during the period / year		(142,105,256)	(284,210,528)
Less: Current maturity presented under current liabilities		-	(142,105,256)
		-	-
Term finance - Line-4			
Opening		5,282,253,128	-
Disbursement during the period	5.1	1,135,426,440	5,777,430,226
Repaid during the period		(517,179,060)	(495,177,098)
		5,900,500,508	5,282,253,128
Less: Current maturity presented under current liabilities		(1,034,358,120)	(862,115,396)
Less: Transaction cost		(22,949,029)	(20,207,270)
		4,843,193,359	4,399,930,462

5.1 This includes Rs. 600 million (30 June 2019: Rs. Nil) drawn from Samba Bank Limited during the period under a long term finance facility to finance the construction of new 7,800 tons per day grey cement line. This facility carries mark up at the rate of 3 months KIBOR plus 1.05% per annum which is payable quarterly in arrears. The principal is repayable in 28 equal quarterly installments started from 30 September 2019. This facility is secured by way of first parri passu charge of Rs. 800 million over all present and future fixed assets of the Company and personal guarantees of sponsoring directors. Whereas, the balance disbursement is drawn from the facilities as reported in note 6.2 & 6.3 of annual audited financial statements for the year ended 30 June 2019.

5.2 As per the financing documents, the Company is required to comply with certain financial covenants which mainly include current ratio, minimum debt service coverage ratio, gearing ratio and maximum leverage ratio. which would be assessed by the banks annually on the basis of annual audited financial statements. Further, the Company is required to comply with certain conditions imposed by the providers of finance to make dividend payment.

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

For six months ended 31 December 2019

	Note	(Un-audited) Dec.31, 2019 Rupees	(Audited) Jun.30, 2019 Rupees
6 Trade and other payables			
Trade creditors - local	6.1	640,374,074	257,486,897
Trade creditors - imports		204,662,047	26,502,151
Contractors' bills payable		69,006,205	344,779,736
Accrued liabilities		431,490,773	304,745,017
Payable to Workers' Profit Participation Fund		1,355,581,479	1,349,151,588
Payable to Workers' Welfare Fund		76,543,723	73,661,979
Payable to Provident Fund Trust		3,365,775	2,987,471
		2,781,024,076	2,359,314,839
<i>Payable to Government on account of:</i>			
Income tax deducted at source		13,012,111	8,293,619
Federal excise duty		361,903,804	246,230,224
Royalty and excise duty		89,873,438	68,758,783
		464,789,353	323,282,626
Retention money payable		341,869,506	857,470,136
Securities deposits		4,579,192	4,549,192
Other payables		269,276,238	255,842,654
		615,724,936	1,117,861,982
		3,861,538,365	3,800,459,447

- 6.1** This includes Rs. 238.18 million (30 June 2019: nil) payable to M/s Ultra Pack (Private) Limited, related party of the Company.

	Note	(Un-audited) Dec.31, 2019 Rupees	(Audited) Jun.30, 2019 Rupees
7 Short term borrowings - secured			
<i>Mark-up based borrowings from conventional banks:</i>			
Export refinances	7.1	308,000,000	243,000,000
Short term finances	7.2	713,681,218	–
		1,021,681,218	243,000,000

- 7.1** This facility is availed from a commercial bank, under mark-up arrangement carrying mark-up at SBP export refinance rate plus 1% (30 June 2019 : SBP export refinance rate plus 0.25%) per annum and are available for a period of 180 days and can be rolled over for a further period of 180 days.

- 7.2** Short term finances available from different commercial banks amount to Rs. 1,954 million (30 June 2019: Rs. 750 million). These facilities carry mark-up rate ranging from 3 to 6 month kibar plus 0.75% to 1.5% (30 June 2019: 3 month kibar plus 1% to 1.5%) per annum.

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

For six months ended 31 December 2019

8 Contingencies and commitments

8.1 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 2019.

	Note	(Un-audited) Dec.31, 2019 Rupees	(Audited) Jun.30, 2019 Rupees
8.2 Commitments			
<i>In respect of letters of credit for:</i>			
- stores and spares		145,783,403	47,138,291
9 Property, plant and equipment			
Operating fixed assets	9.1	7,943,978,593	8,008,186,210
Capital work in progress	9.2	14,817,297,858	13,865,772,369
		22,761,276,451	21,873,958,579
9.1 Operating fixed assets			
Opening written down value		8,008,186,210	7,960,021,087
<i>Add: Additions during the period / year (cost)</i>			
Freehold Land		154,688,800	-
Factory buildings and plant civil structure		5,958,530	203,807,125
Office and other building		-	3,477,555
Housing colony		-	61,218,788
Plant, machinery and equipment		20,476,864	354,296,646
Power Installations		-	2,100,000
Furniture, fixtures and office equipment		12,675,896	25,963,062
Computers and printers		1,715,849	6,019,194
Weighing Scale		-	3,650,000
Light vehicles		40,632,370	17,275,759
Heavy vehicles		-	3,907,606
Laboratory equipment		1,109,245	42,988
		237,257,554	681,758,723
<i>Less: Disposals during the period / year (written down value)</i>			
Plant, machinery and equipment		(5,589,805)	(46,489,135)
Light vehicles		(1,931,067)	(1,496,164)
Laboratory equipment		-	(427,191)
		(7,520,871)	(48,412,490)
<i>Less: Depreciation charge for the period / year</i>		(293,944,299)	(585,181,110)
Closing written down value		7,943,978,593	8,008,186,210

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

For six months ended 31 December 2019

	Note	(Un-audited) Dec.31, 2019 Rupees	(Audited) Jun.30, 2019 Rupees
9.2 Capital work in progress			
Balance at beginning of the period / year		13,865,772,369	1,153,040,980
Add: Additions during the period / year		958,389,519	13,264,278,060
Less: Transfers to fixed assets during the period / year		(6,864,030)	(551,546,671)
	9.2.1	14,817,297,858	13,865,772,369
9.2.1 Capital work-in-progress - at cost			
Civil works		4,260,574,202	3,962,955,388
Plant and machinery		9,712,284,017	9,474,873,924
Borrowing cost		836,507,496	392,135,578
<i>Advances to suppliers against:</i>			
- Plant and machinery		7,932,143	35,807,479
		14,817,297,858	13,865,772,369
10 Investment property			
Opening balance		3,691,839,635	3,655,622,685
Additions during the period / year		27,000	36,216,950
	10.1	3,691,866,635	3,691,839,635

10.1 The latest valuation of investment property was carried out as at 30 June 2019, and according to that the market value of investment property, excluding additions during the period of Rs. 0.027 million, was Rs. 5,420.92 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.

	(Un-audited) Dec.31, 2019 Rupees	(Audited) Jun.30, 2019 Rupees
11 Short term investments		
FVOCI - listed equity securities		
<i>Gharibwal Cement Limited:</i>		
Cost	89,286	89,286
Accumulated fair value gain	183,314	117,914
	272,600	207,200
FVOCI - debt instrument		
Term Finance Certificates	50,000,000	50,000,000
FVTPL		
Income mutual funds - Shariah compliant	261,590,866	575,426,241
Money Market Mutual Funds	63,304,811	1,071,505,339
	324,895,677	1,646,931,580
Amortized Cost - debt instrument		
Investment in term deposit receipts	110,000,000	250,000,000
	485,168,277	1,947,138,780

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

For six months ended 31 December 2019

12 Cash and bank balances

These include Rs. 75.129 million (June 30, 2019: Rs. 72.176 million) placed under Shariah permissible arrangement. Remaining deposits are placed with conventional financial institutions.

	(Un-audited) Jul.01-Dec.31 2019 Rupees	(Un-audited) Jul.01-Dec.31 2018 Rupees
13 Sales - net		
Local sales - gross	9,882,091,758	11,833,044,768
Less: Sales tax	(1,680,577,370)	1,968,564,479
Federal excise duty	(2,164,221,920)	1,767,579,540
	(3,844,799,290)	(3,736,144,019)
	6,037,292,468	8,096,900,749
Export sales	401,909,120	346,569,626
	6,439,201,588	8,443,470,375
Less: Rebate/ Commission on cement sales	(167,639,613)	(51,818,396)
Less: Test run sales capitalized during the period	(250,453,200)	-
	6,021,108,775	8,391,651,979
14 Cost of sales		
Raw materials consumed	394,752,521	371,279,263
Packing materials consumed	559,110,527	585,576,246
Fuel and power	1,654,802,905	1,090,933,834
Coal and gas	2,770,332,900	2,843,820,832
Stores, spares and loose tools consumed	242,697,112	258,679,445
Salaries, wages and other benefits	204,294,652	227,842,547
Royalty and excise duty	104,707,924	108,702,342
Rent, rates and taxes	11,818,819	13,028,804
Repairs and maintenance	48,854,075	50,511,317
Insurance	18,424,524	19,890,139
Depreciation	290,637,499	288,840,691
Other expenses	113,710,992	82,851,015
	6,414,144,450	5,941,956,475
<i>Work-in-process:</i>		
At beginning of the period	592,673,300	491,773,853
At end of the period	(608,495,559)	(196,003,993)
Cost of goods manufactured	6,398,322,191	6,237,726,335
<i>Finished goods:</i>		
At beginning of the period	80,776,779	92,067,529
At end of the period	(350,446,780)	(201,217,086)
	6,128,652,190	6,128,576,778
Less: Cost attributable to own cement consumption	(16,847,904)	(113,723,442)
Less: Test run production capitalized during the period	(246,667,284)	-
	5,865,137,002	6,014,853,336

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

For six months ended 31 December 2019

	(Un-audited) Jul.01-Dec.31 2019 Rupees	(Un-audited) Jul.01-Dec.31 2018 Rupees
15 Taxation		
Current		
- for the year	101,149,068	698,780,427
- prior	—	—
	101,149,068	698,780,427
Deferred	(77,682,094)	(43,656,089)
	23,466,974	655,124,338

	(Un-audited) Dec. 31, 2019 Rupees	(Un-audited) Dec. 31, 2019 Rupees
16 Cash and cash equivalents		
Cash and bank balances	296,405,894	1,112,494,557
Term deposit receipts	110,000,000	2,300,000,000
	406,405,894	3,412,494,557

17 Financial instruments-fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an ann's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

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

For six months ended 31 December 2019

	Carrying Amount				Fair value			
	Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	Rupees							
	Note							
On-Balance sheet financial instruments								
31 December 2019 (Un-Audited)								
Financial assets measured at fair value								
Investments	50,272,600	324,895,677	-	-	375,168,277	325,168,277	50,000,000	-
Financial assets at amortised cost								
Long term loans to employees	-	-	-	-	-	-	-	-
Long term deposits	-	-	38,326,640	-	38,326,640	-	-	-
Trade debts - unsecured, considered good	-	-	872,024,654	-	872,024,654	-	-	-
Short term investments	-	-	110,000,000	-	110,000,000	-	-	-
Deposits, and other receivables	-	-	171,420,321	-	171,420,321	-	-	-
Cash and bank balances	-	-	296,405,894	-	296,405,894	-	-	-
	-	-	1,488,177,509	-	1,488,177,509	-	-	-
17.1								
Financial liabilities measured at fair value								
	-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost								
Long term financing	-	-	-	5,877,551,479	5,877,551,479	-	-	-
Long term deposits	-	-	2,036,100	-	2,036,100	-	-	-
Trade and other payables	-	-	-	1,412,170,437	1,412,170,437	-	-	-
Short term borrowings	-	-	-	1,021,681,218	1,021,681,218	-	-	-
Mark-up accrued on borrowings	-	-	-	238,745,698	238,745,698	-	-	-
	-	-	-	8,552,184,932	8,552,184,932	-	-	-
17.1								

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

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

For six months ended 31 December 2019

	Carrying Amount			Fair value				
	Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Note	Rupees							
On-Balance sheet financial instruments								
30 June 2019(Audited)								
Financial assets measured at fair value								
Investments	50,207,200	1,646,931,580	-	-	1,697,138,780	1,647,138,780	50,000,000	-
Financial assets at amortised cost								
Long term loans to employees	-	-	190,885	-	190,885	-	-	-
Long term deposits	-	-	38,326,640	-	38,326,640	-	-	-
Trade debts - unsecured, considered good	-	-	714,060,503	-	714,060,503	-	-	-
Short term investments	-	-	250,000,000	-	250,000,000	-	-	-
Deposits, and other receivables	-	-	131,625,224	-	131,625,224	-	-	-
Cash and bank balances	-	-	433,886,023	-	433,886,023	-	-	-
	17.1	-	1,568,089,275	-	1,568,089,275	-	-	-
Financial liabilities measured at fair value								
Financial liabilities measured at amortised cost								
Long term financing	-	-	-	5,404,151,114	5,404,151,114	-	-	-
Long term deposits	-	-	-	106,893,805	106,893,805	-	-	-
Trade and other payables	-	-	-	2,046,826,591	2,046,826,591	-	-	-
Short term borrowings	-	-	-	243,000,000	243,000,000	-	-	-
Mark-up accrued on borrowings	-	-	-	102,829,378	102,829,378	-	-	-
	17.1	-	-	7,903,700,888	7,903,700,888	-	-	-

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

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

For six months ended 31 December 2019

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

	2019			
	Liabilities			Total
	Long term finances	Short term borrowings	Dividend payable	
	Rupees			
Balance as at 30 June 2019 (Audited)	5,404,151,114	243,000,000	45,151,309	5,692,302,423
Changes from financing activities				
Long term finances - secured - net	473,400,365	-	-	473,400,365
Disbursement of short term borrowings	-	1,021,681,218	-	1,021,681,218
Repayment of short term borrowings	-	(243,000,000)	-	(243,000,000)
Dividend paid	-	-	(498,050,026)	(498,050,026)
Total changes from financing cash flows	473,400,365	778,681,218	(498,050,026)	754,031,557
Other changes				
Dividend declared	-	-	502,153,243	502,153,243
Total liability related other changes	-	-	502,153,243	502,153,243
Closing as at 31 December 2019 (Un-audited)	5,877,551,479	1,021,681,218	49,254,526	6,948,487,223

	2018			
	Liabilities			Total
	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
Changes from financing activities				
Long term finances - secured - net	4,605,914,352	-	-	4,605,914,352
Disbursement of short term borrowings	-	243,000,000	-	243,000,000
Repayment of short term borrowings	-	-	-	-
Dividend paid	-	-	(762,233,523)	(762,233,523)
Total changes from financing cash flows	4,605,914,352	243,000,000	(762,233,523)	4,086,680,829
Other changes				
Dividend declared	-	-	772,543,450	772,543,450
Total liability related other changes	-	-	772,543,450	772,543,450
Closing as at 31 December 2018 (Un-audited)	5,032,230,136	243,000,000	49,832,862	5,325,062,998

19 Subsequent events

19.1 Subsequent to the period end, the Company has successfully commenced commercial operations from its new grey cement production line (including waste heat recovery power plant) having capacity of 7,800 tons per day with effect from 27 January 2020.

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

For six months ended 31 December 2019

20 Transactions with related parties

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

Parties	Percentage of Holding	Relationship	Nature of Transactions	(Un-audited) Jul.01-Dec.31 2019 Rupees	(Un-audited) Jul.01-Dec.31 2018 Rupees
Transactions with related parties					
ANS Capital (Private) Limited.	55.00%	Holding Company	Dividend paid	276,205,800	424,932,000
Contribution to Provident Fund Trust			Post employment benefit plan, Contribution	9,379,712	8,002,979
Kohat Cement Educational Trust	0.08%	Common Directorship / Trustee	Contribution	3,373,479	1,956,582
Kohat Cement Educational Trust	0.08%	Common Directorship / Trustee	Dividend paid	380,114	584,790
Ultra Pack (Private) Limited		Common Control	Purchase of packing material	469,046,040	405,763,474
Palace Enterprises (Private) Limited		Common Directorship	Accommodation services	127,853	75,144
Mrs. Hijab Tariq	16.74%	Major Share Holder (also a director as on 31-Dec-2019)	Dividend paid	84,079,180	129,352,585
Key Management Personnel		Executive Director	Remuneration paid	-	27,575,570
Key Management Personnel		Chief Executive	Remuneration paid	34,806,331	27,575,570
Key Management Personnel		Directors	Dividend paid	1,889,111	1,238,860
Key Management Personnel		Other Executive	Remuneration paid	43,311,854	41,457,022
Key Management Personnel		Other Executive	Dividend paid	95,575	50,885
Balances with other related parties					
Provident Fund Trust		Post employment benefit plan	Payable	3,365,775	2,658,274
Ultra Pack (Private) Limited		Common Control	Trade creditors	238,189,281	33,755,165

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

For six months ended 31 December 2019

- 20.1** The Company has paid Rs. 37.93 million (31 December 2018: Rs. nil) to the Chairman on account of his remuneration and also paid Rs. 925,000 (31 December 2018: Rs. nil) to the non-executive directors being the fee for attending Board and Committee meetings.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers Chief Executive Officer, whole time Directors (including employee directors), Company secretary, and CFO to be its key management personnel.

21 General

- 21.1** Figures have been rounded off to the nearest rupee.
- 21.2** Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary.
- 21.3** These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on February 26, 2020.



Chief Executive



Chief Financial Office



Director

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







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