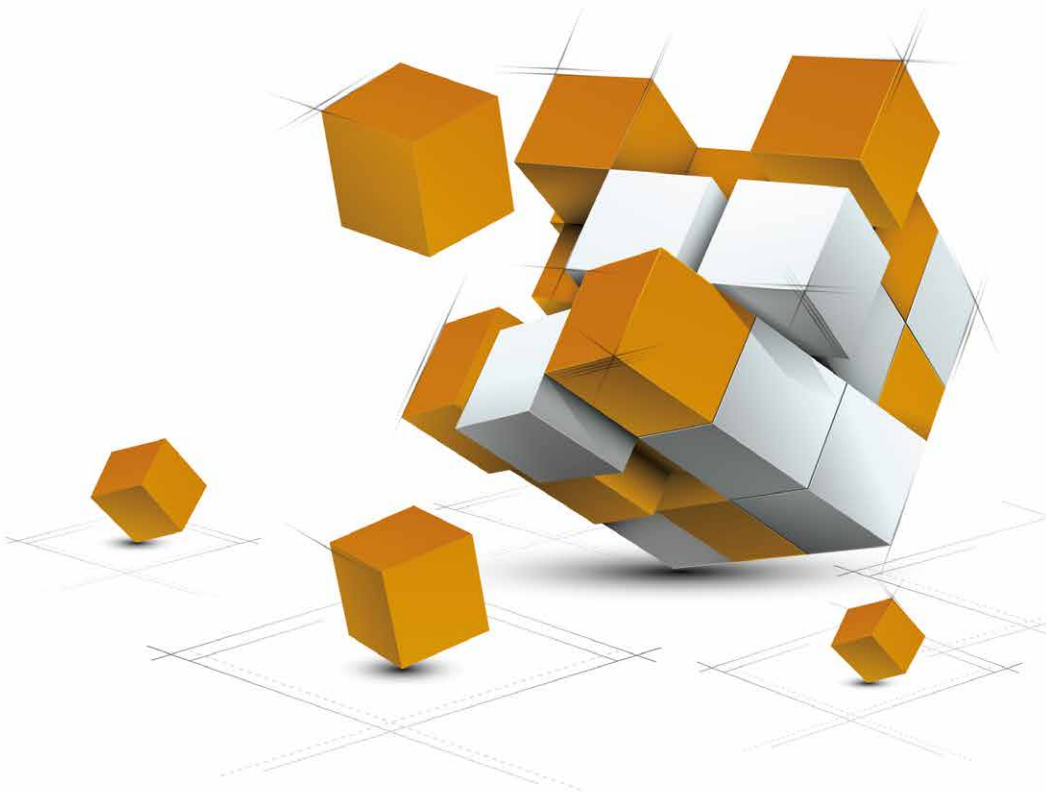




20
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1st Quarter Report
SEPTEMBER 30

EXPANDING OUR REACH



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CORPORATE INFORMATION

Board of Directors

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

Audit Committee

Mr. Talha Saeed Ahmed	Chairman
Mr. Aizaz Mansoor Sheikh	Member
Mr. Muhammad Atta Tanseer Sheikh	Member

HR&R Committee

Mr. Ahmad Sajjad Khan	Chairman
Mr. Nadeem Atta Sheikh	Member
Mr. Muhammad Atta Tanseer Sheikh	Member

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

We are pleased to present the un-audited condensed interim financial statements of the Company for the 1st quarter ended September 30, 2022.

Industry Review

During the first quarter ended September 30, 2022, the Cement Industry witnessed a decline in both the domestic and export markets of 23.74% and 34.08% respectively, as compared to first quarter ended Sep 30, 2021. This was an overall decline of 24.98% in total dispatches with the comparable period of prior year.

Below is the summary of dispatches of cement sector:

	Sep. 30, 2022	Sep. 30, 2021	Change
	Metric Tons		(%)
Local Dispatches	8,601,830	11,279,142	(23.74%)
Export Dispatches	1,019,054	1,545,830	(34.08%)
Total Dispatches	9,620,884	12,824,972	(24.98%)

Operational Performance

Operational performance of your Company, is summarized as under:

	Sep. 30, 2022	Sep. 30, 2021	Change
	Metric Tons		(%)
Clinker Production	589,626	836,275	(29.49%)
Cement Production	692,904	868,410	(20.21%)
Local Sales	688,437	862,919	(20.22%)
Export Sales	518	1,518	(65.88%)
Total Sales	688,955	864,437	(20.30%)

Financial Performance

Financial Performance of your Company for the quarter is as below;

Rupees in Million

	Sep. 30, 2022	Sep. 30, 2021	Change (%)
Net Sales	8,853	6,804	30%
Gross Profit	2,771	2,261	23%
GP Ratio	31.3%	33.2%	
Operating Profit	2,823	2,112	34%
OP Ratio	31.9%	31.0%	
EBITDA	3,102	2,392	30%
Profit after tax	1,785	1,398	28%
Profit after tax Ratio	20.2%	20.5%	
Earnings per share (Rs.)	8.89	6.96	28%

Total dispatches for the quarter under review have been negatively impacted due to Monsoon rains, inflation, high construction costs and unavoidable circumstances created by floods, which has resulted in a downturn in economic activities nationwide.

The Company is current on its all debt obligations.

Greenfield Cement Production Line in Khushab, Punjab

Company is developing the infrastructure for setting up its new plant at Khushab; however, due to uncertain economic conditions and SBP's restrictions on LC opening, there is a delay in meeting project timelines.

Future Prospects

Current political instability, high inflation, reduced foreign exchange reserves, weakening PKR against USD, aggressive taxation measures, increasing coal prices in international markets, projected hike in electricity prices and Russia-Ukraine war may adversely affect the Pakistan economy as well as business of your Company. However, it is hoped that the Government may take measures to overcome factors which are negatively affecting cement demand in the country.

Acknowledgments

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

For and on behalf of the Board



Nadeem Atta Sheikh
Chief Executive



Talha Saeed Ahmed
Director

Lahore: October 27, 2022

ڈائریکٹرز جائزہ رپورٹ

زیر جائزہ سہ ماہی کے دوران مومن لوں کی بازشوں، ہجرتی، تعمیراتی لاگت میں اضافہ اور سیلاب سے پیدا ہونے والے تاخیر حالات کی وجہ سے کمپنی کی کل ترسیلات پر منفی اثرات مرتب ہوئے اور مجموعی طور پر ملک بھر میں اقتصادی سرگرمیوں میں کمی رہی۔

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

خوشاب، پنجاب میں سے سینٹ پلانٹ کی تحسیب کا مجموعہ:

کمپنی خوشاب میں پلانٹ لگانے کے لئے بنیادی ڈھانچہ تیار کر رہی ہے تاہم غیر تقنی معاشی حالات اور SBP کی لائسنس کے لئے تاخیر کی وجہ سے کمپنی مقروضہ حالت میں اپنے اہداف حاصل نہیں کر سکے گی۔

مستقبل کے امکانات:

موجودہ سیاسی عدم استحکام، بلند افراط زر، زرمبادلہ کے ذخائر میں کمی، امریکی ڈالر کے مقابلے میں روپیہ کی قدر میں کمی، بجلیس کے نفاذ کے جارحانہ اقدامات، بین الاقوامی منیوں میں کمی کی قیمتوں میں اضافہ، بجلی کی قیمتوں میں توقع اضافہ اور روس یوکرین جنگ پاکستان کی معیشت کے ساتھ ساتھ کمپنی کے کاروبار کو بھی بری طرح متاثر کر سکتی ہے۔ تاہم سرمایہ کی جاری ہے کہ حکومت ملک میں سینٹ کی طلب کو فوری طور پر متاثر کرنے والے عوامل پر قابو پانے کے لئے اقدامات کرے گی۔

اظہار تشکر:

ہم کمپنی کے تمام شرکاء، اداروں، بشمول کمپنی کے ملازمین کی مخلصانہ کوششوں کو سراہتے ہیں جن کی بھرپور حمایت و حمایت اور امداد کمپنی کو بروقت حاصل رہا۔

برائے وقت و محنت یورو ڈ آف ڈائریکٹرز



طلحہ سعید احمد
ڈائریکٹر



ندیم عطا شیخ
چیف ایگزیکٹو

لاہور، 27 اکتوبر، 2022۔

ہم بصد مسرت پہلی سہ ماہی جنہ 30 ستمبر، 2022ء سے متعلقہ کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

صنعتی جائزہ:

30 ستمبر 2022ء کو ختم ہونے والی پہلی سہ ماہی کے دوران گزشتہ سال 30 ستمبر، 2021ء کا ختم ہونے والی سہ ماہی کے مقابلے میں سینٹ انڈسٹری کی معاشی ترسیلات اور برآمدات میں باہر تیب % 23.74 اور % 34.08 کی ہوئی ہے۔ نتیجتاً مجموعی ترسیلات میں % 24.98 کی کمی واقع ہوئی ہے۔

زیر جائزہ سہ ماہی کے دوران انڈسٹری کی سینٹ کی ترسیلات کا خلاصہ درج ذیل ہے:

معاشی ترسیلات	30 ستمبر 2022ء		شرح تبدیلی %
	میکرو فن	30 ستمبر 2021ء	
معاشی ترسیلات	8,601,830	11,279,142	(23.74%)
برآمدات	1,019,054	1,545,830	(34.08%)
کل ترسیلات	9,620,884	12,824,972	(24.98%)

پیداواری کارکردگی

ذیل میں کمپنی کی پیداواری کارکردگی کا خلاصہ دیا گیا ہے:

کلنری کی پیداوار	30 ستمبر 2022ء		شرح تبدیلی %
	میکرو فن	30 ستمبر 2021ء	
کلنری کی پیداوار	589,626	836,275	(29.49%)
سینٹ کی پیداوار	692,904	868,410	(20.21%)
اندرون ملک فروخت	688,437	862,919	(20.22%)
برآمدات	518	1,518	(65.88%)
کل فروخت	688,955	864,437	(20.30%)

مالیاتی کارکردگی:

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

شرح تبدیلی %	30 ستمبر 2022ء		30 ستمبر 2021ء
	روپے (ملین)		
کل فروخت	8,853	6,804	30%
خام منافع	2,771	2,261	23%
شرح خام منافع	31.3%	33.2%	
آپریٹنگ منافع	2,823	2,112	34%
شرح آپریٹنگ منافع	31.9%	31.0%	
منافع قبل از مالی اثرات، بجلیس، ڈیپریسیشن اور دیگر تاخیرات	3,102	2,392	30%
خالص منافع بعد از بجلیس	1,785	1,398	28%
شرح خالص منافع بعد از بجلیس	20.2%	20.5%	
ٹی ٹی بی (روپے)	8.89	6.96	28%

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2022

	Note	(Un-audited) 30 September 2022 Rupees	(Audited) 30 June 2022 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		117,535,665	117,505,665
Accumulated profit		26,905,163,680	25,120,101,596
		29,031,312,315	27,246,220,231
Non-current liabilities			
Long term financing - secured	5	2,921,805,831	3,179,400,118
Long term deposits		2,536,100	2,036,100
Deferred liabilities			
- deferred taxation		3,717,759,174	3,407,373,618
- compensated absences		24,686,449	27,647,098
		6,666,787,554	6,616,456,934
Current liabilities			
Current portion of long term financing	5	1,034,358,120	1,071,912,356
Trade and other payables	6	5,901,081,567	5,525,221,208
Contract liability	7	203,784,346	264,984,408
Unclaimed dividend		8,535,358	8,535,357
Dividend payable		37,100,522	37,112,692
Provision for taxation - net		2,658,526,442	2,438,052,665
Mark-up accrued on borrowings		169,780,752	142,171,993
Contingencies and commitments	8	10,013,167,107	9,487,990,679
		45,711,266,976	43,350,667,844
ASSETS			
Non current assets			
Property, plant and equipment	9	21,095,976,688	21,331,296,362
Intangibles		2,384,613	2,701,357
Long term loans and advances		99,029,365	63,226,829
Long term deposits		43,356,640	43,356,640
Investment property		4,134,255,209	4,134,255,209
		25,375,002,515	25,574,836,397
Current assets			
Stores, spares and loose tools		5,405,848,507	4,214,829,636
Stock-in-trade		1,585,533,948	1,456,156,782
Trade debts - unsecured, considered good		672,779,944	916,039,469
Short term investments	10	9,883,630,491	10,124,095,693
Advances, deposits, prepayments and other receivables		840,914,181	583,944,235
Cash and bank balances	11	1,947,557,390	480,765,632
		20,336,264,461	17,775,831,447
		45,711,266,976	43,350,667,844

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



Chief Financial Officer



Chief Executive



Director

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

FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

	Note	01 July to 30 September 2022 Rupees	01 July to 30 September 2021 Rupees
Sales - net	12	8,852,817,319	6,803,713,489
Cost of sales	13	(6,082,021,852)	(4,542,992,592)
Gross profit		2,770,795,467	2,260,720,897
Selling and distribution expenses		(32,601,866)	(23,082,378)
Administrative and general expenses		(92,874,077)	(78,120,521)
Other income		366,968,685	78,745,952
Other expenses		(189,178,460)	(126,414,353)
		52,314,282	(148,871,300)
Operating profit		2,823,109,749	2,111,849,597
Finance cost		(172,638,170)	(118,851,268)
Profit before taxation		2,650,471,579	1,992,998,329
Taxation	14	(865,409,495)	(594,920,643)
Profit after taxation		1,785,062,084	1,398,077,686
Earning per share (basic and diluted)		8.89	6.96

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



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

	01 July to 30 September 2022 Rupees	01 July to 30 September 2021 Rupees
Profit after taxation	1,785,062,084	1,398,077,686
Other comprehensive income for the period		
Items that will not be reclassified to statement of profit or loss:		
Equity investment at FVOCI - net changes in fair value	30,000	(208,200)
Total comprehensive income for the period	1,785,092,084	1,397,869,486

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



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

01 July 2022 to
30 September
2022

01 July 2021 to
30 September
2021

Note	Rupees	Rupees
Cash flow from operating activities		
Profit before taxation	2,650,471,579	1,992,998,329
Adjustments for:		
Depreciation on property, plant and equipment	278,148,359	278,793,493
Amortization on intangible assets	316,746	1,238,267
Gain on disposal of property, plant and equipment	(387,448)	-
Profit on bank deposits and investments-Conventional	(11,220,470)	(4,238,427)
Profit on bank deposits and investments-Shariah compliant	(14,001,362)	(12,254,399)
Realized gain on investment at fair value through profit and loss	(5,705,145)	(2,303,805)
Net change in fair value of financial assets at FVTPL	(65,372,841)	(2,344,873)
Foreign currency exchange gain	-	(42,154)
Provision for loss allowance against trade debts	-	1,308,643
Provision for compensated absences	507,153	1,146,527
Provision for Workers' Welfare Fund	45,970,458	19,115,008
Provision for Workers' Profit Participation Fund	141,918,002	105,900,702
Finance cost	172,638,170	118,851,268
	542,811,622	505,170,250
Cash generated from operations before working capital changes	3,193,283,201	2,498,168,579
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(1,191,018,871)	(668,886,985)
Stock-in-trade	(129,377,167)	(313,263,537)
Trade debts	243,259,525	77,478,980
Advances, deposits, prepayments and other receivables	(252,623,888)	(61,030,059)
Increase in current liabilities:		
Trade and other payables	187,971,899	391,932,246
Contract liability	(61,200,062)	24,160,182
	(1,202,988,564)	(549,609,173)
Cash generated from operations	1,990,294,637	1,948,559,406
Compensated absences paid	(3,467,802)	(3,032,059)
Finance cost paid	(144,034,168)	(127,927,615)
Income tax paid	(334,550,162)	(48,951,003)
Net cash generated from operating activities	1,508,242,505	1,768,648,729
Cash flow from investing activities		
Acquisition of property, plant and equipment	(43,723,122)	(110,731,961)
Proceeds from disposal of property, plant and equipment	1,281,885	-
Acquisition of intangible assets	-	(939,920)
Acquisition of investment property	-	(100,000)
Short term investments - net	311,573,187	(974,055,426)
Long term loans and advances - net	(35,802,536)	-
Long term deposits	500,000	-
Profit on bank deposits	20,875,774	16,045,182
Net cash generated from / (used in) investing activities	254,705,188	(1,069,782,125)
Cash flow from financing activities		
Repayment of long term finances	(296,143,766)	(258,589,530)
Disbursement of short term borrowings	-	216,500,000
Repayment of short term borrowing	-	(498,000,000)
Dividend paid	(12,169)	(154,211)
Net cash used in financing activities	(296,155,935)	(540,243,741)
Net increase in cash and cash equivalents	1,466,791,758	158,622,863
Cash and cash equivalents at beginning of the period	480,765,632	1,197,729,351
Cash and cash equivalents at end of the period	15	1,947,557,390
		1,356,352,214

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

Chief Financial Officer

Chief Executive

Director

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

FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

	Reserves						
	Capital reserves			Revenue reserves			Total
	Share capital	Share premium	Fair value reserve	General reserve	Accumulated profit	Total reserves	
	Rupees						
Balance as at 01 July 2021	2,008,612,970	49,704,951	(599,886)	70,000,000	20,095,821,336	20,214,926,401	22,223,539,371
Total comprehensive income for the period							
Profit for the three months ended 30 September 2021	-	-	-	-	1,398,077,686	1,398,077,686	1,398,077,686
Other comprehensive income for the three months ended 30 September 2021	-	-	(208,200)	-	-	(208,200)	(208,200)
	-	-	(208,200)	-	1,398,077,686	1,397,869,486	1,397,869,486
Balance as at 30 September 2021 - unaudited	2,008,612,970	49,704,951	(808,086)	70,000,000	21,493,899,022	21,612,795,887	23,621,408,857
Balance as at 01 July 2022	2,008,612,970	49,704,951	(2,199,286)	70,000,000	25,120,101,596	25,237,607,261	27,246,220,231
Total comprehensive income for the period							
Profit for the three months ended 30 September 2022	-	-	-	-	1,785,062,084	1,785,062,084	1,785,062,084
Other comprehensive income for the three months ended 30 September 2022	-	-	30,000	-	-	30,000	30,000
	-	-	30,000	-	1,785,062,084	1,785,092,084	1,785,092,084
Balance as at 30 September 2022 - unaudited	2,008,612,970	49,704,951	(2,169,286)	70,000,000	26,905,163,680	27,022,699,345	29,031,312,315

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



Chief Financial Officer



Chief Executive



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

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 Act, 2017") and is listed on Pakistan Stock Exchange. The Company is engaged in production and sale of cement. Head Office of the Company is situated at 37-P, Gulberg-II, Lahore, further the registered office and production facility is situated at Rawalpindi Road, Kohat, Pakistan. The Company is in the process of acquiring further land in District Khushab for installation of its new grey cement line.
- 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 interim statement of financial position of the Company, as at 30 September 2022 and the related condensed interim 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
 - Provisions of and directives issued under the Companies Act, 2017.

Where the provisions 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 financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 June 2022. 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 2022, 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 three months period ended 30 September 2022.
- 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 THREE MONTHS ENDED 30 SEPTEMBER 2022

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 annual audited financial statements for the year ended 30 June 2022.

4 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2022.

	Note	(Un-audited) September 30 2022 Rupees	(Audited) June 30 2022 Rupees
5 Long term finances - secured			
Term finance - Line-4 (Conventional)			
Opening		4,226,754,822	5,383,321,448
Repaid during the period / year		(258,589,530)	(1,156,566,626)
		3,968,165,292	4,226,754,822
Less: Current maturity		(1,034,358,120)	(1,034,358,120)
Less: Transaction cost		(12,001,341)	(12,996,584)
		2,921,805,831	3,179,400,118
Term finance - RFWS Scheme			
Opening		37,554,236	187,771,200
Repaid during the period/year		(37,554,236)	(150,216,964)
		-	37,554,236
Less: Unamortized Government Grant	5.1	-	-
Less: Current maturity		-	(37,554,236)
		-	-
		2,921,805,831	3,179,400,118
5.1 Unamortized Government Grant			
Opening		436,617	6,599,474
Amortization during the period / year		(436,617)	(6,162,857)
		-	436,617
Less: Current maturity		-	(436,617)
Unamortized balance of deferred grant		-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

	(Un-audited) September 30 2022 Rupees	(Audited) June 30 2022 Rupees
6 Trade and other payables		
Trade creditors - Local	635,556,771	1,270,981,043
Trade creditors - imports	1,129,352,881	10,578,754
Contractors' bills payable	34,961,262	43,471,738
Accrued liabilities	858,643,166	782,403,716
Payable to Workers' Profit Participation Fund	2,004,601,993	1,862,683,991
Payable to Workers' Welfare Fund	127,200,954	81,230,496
Payable to Provident Fund Trust	4,402,615	4,305,593
	4,794,719,642	4,055,655,331
Payable to Government on account of:		
Income tax deducted at source	18,327,316	31,732,396
Federal excise duty	461,775,454	564,334,129
Sales tax payable	161,703,612	430,489,164
Royalty and excise duty	133,955,523	118,127,550
	775,761,905	1,144,683,239
Retention money payable	11,204,534	10,853,254
Securities deposits	7,023,527	5,023,527
Other payables	312,371,959	309,005,857
	330,600,020	324,882,638
	5,901,081,567	5,525,221,208

7 Contract liability

This represents advances received from customers for future sale of goods.

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 2022.

	(Un-audited) September 30 2022 Rupees	(Audited) June 30 2022 Rupees
8.2 Commitments		
In respect of letters of credit for :		
- Capital Expenditures	330,087,744	315,340,200
- Stores and Spares	122,078,284	199,068,614
	452,166,028	514,408,814
Others:		
- Guarantee issued by Company in favor of bank on behalf of the associated company	390,000,000	390,000,000
	842,166,028	904,408,814

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

	Note	(Un-audited) September 30 2022 Rupees	(Audited) June 30 2022 Rupees
9 Property, plant and equipment			
Operating fixed assets	9.1	20,937,967,511	21,200,398,415
Capital work in progress		158,009,177	130,897,947
		21,095,976,688	21,331,296,362
9.1 Operating fixed assets			
Opening written down value		21,200,398,415	21,753,605,354
Add: Additions / (adjustments) during the period / year (cost)			
Freehold Land		–	165,683,110
Factory buildings		–	101,032,295
Office and other buildings		–	2,061,664
Housing colony		–	4,629,139
Plant - Civil structures			
additions		–	253,622,026
adjustments		–	(26,620,192)
Plant, machinery and equipment			
additions		640,000	28,677,252
adjustments		–	(9,725,659)
Furniture, fixtures and office equipment		615,363	8,202,739
Computers and printers		3,949,900	4,275,923
Light vehicles		7,991,505	36,194,836
Laboratory equipment		3,415,123	510,000
		16,611,891	568,543,134
Less: Disposals during the period / year (written down value)			
Furniture, fixtures and office equipment		–	(33,084)
Computers and printers		–	(166,218)
Light vehicles		(894,435)	(8,485,429)
		(894,435)	(8,684,731)
Less: Depreciation charge for the period / year		(278,148,359)	(1,113,065,342)
Closing written down value		20,937,967,511	21,200,398,415

- 9.2** Adjustments in plant and machinery and plant civil structures represents settlement of suppliers balances on account of claims under the contracts.

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

FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

	(Un-audited) September 30 2022 Rupees	(Audited) June 30 2022 Rupees
10 Short term investments		
FVOCI - listed equity securities		
Cost	89,286	89,286
Accumulated fair value gain	330,714	300,714
	420,000	390,000
FVOCI - debt instrument		
Term Finance Certificates	100,000,000	100,000,000
Accumulated fair value loss	(2,500,000)	(2,500,000)
	97,500,000	97,500,000
FVTPL		
Investments in Mutual Funds		
Money Market Mutual Funds - Shariah Compliant	1,162,292,727	-
Income Mutual Funds - Shariah Compliant	-	50,321,703
Money Market Mutual Funds - Conventional	7,055,163,650	1,968,960,717
	8,217,456,377	2,019,282,420
Government of Pakistan Market Treasury Bills	974,968,500	7,804,071,500
Listed equity securities		
Cost	597,709,707	209,009,200
Accumulated fair value loss	(4,424,093)	(6,157,427)
	593,285,614	202,851,773
	9,785,710,491	10,026,205,693
	9,883,630,491	10,124,095,693

11 Cash and bank balances

These include Rs.448,254 million (30 June 2022: Rs. 31,211 million) placed under Shariah permissible arrangement. Remaining deposits are placed with conventional financial institutions.

	(Un-audited) 01 July 2022 to 30 September 2022 Rupees	(Un-audited) 01 July 2021 to 30 September 2021 Rupees
12 Sales - net		
Local sales - gross	11,994,127,237	9,800,049,368
Less: Sales tax	(1,992,796,577)	(1,610,118,702)
Federal excise duty	(1,032,654,945)	(1,294,377,000)
	(3,025,451,522)	(2,904,495,702)
	8,968,675,715	6,895,553,666
Export sales	6,225,511	9,100,545
	8,974,901,226	6,904,654,211
Less: Discount / rebate / commission	(122,083,907)	(100,940,722)
	8,852,817,319	6,803,713,489

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

FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

	(Un-audited) 01 July 2022 to 30 September 2022 Rupees	(Un-audited) 01 July 2021 to 30 September 2021 Rupees
13 Cost of sales		
Raw materials consumed	351,507,468	297,527,618
Packing materials consumed	453,465,895	479,849,617
Fuel and power	1,427,366,256	1,027,945,666
Coal and gas	3,188,274,275	2,219,430,995
Stores, spares and loose tools consumed	182,026,820	158,841,340
Salaries, wages and other benefits	158,485,892	146,084,105
Royalty and excise duty	112,823,718	156,471,621
Rent, rates and taxes	14,037,997	8,410,707
Repairs and maintenance	40,437,682	29,274,391
Insurance	13,464,446	13,355,722
Depreciation	275,182,349	276,473,956
Loading and freight charges	37,106,104	17,493,335
Other expenses	38,216,236	35,107,529
	6,292,395,138	4,866,266,602
<i>Work-in-process:</i>		
At beginning of the period	737,992,650	565,970,725
At end of the period	(777,107,186)	(846,071,463)
Cost of goods manufactured	6,253,280,602	4,586,165,864
<i>Finished goods:</i>		
At beginning of the period	359,946,311	373,218,643
At end of the period	(528,599,426)	(407,763,687)
	6,084,627,487	4,551,620,820
Less: Cost attributable to own cement consumption	(2,605,635)	(8,628,228)
	6,082,021,852	4,542,992,592
14 Taxation		
Current		
- for the year	555,023,942	337,394,017
Deferred		
- for the year	310,385,553	257,526,626
	865,409,495	594,920,643

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

	(Un-audited) September 30 2022 Rupees	(Un-audited) September 30 2021 Rupees
15 Cash and cash equivalents		
Cash and bank balances	1,947,557,390	1,246,352,214
Term deposit receipts	–	110,000,000
	1,947,557,390	1,356,352,214

16 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 arm'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 THREE MONTHS ENDED 30 SEPTEMBER 2022

	Note	Carrying Amount			Fair value				
		Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
		Rupees							
On-Balance sheet financial instruments									
30 September 2022 (Un-Audited)									
Financial assets measured at fair value									
Investments		97,920,000	9,785,710,491	-	-	9,883,630,491	9,883,630,491	-	-
Financial assets at amortised cost									
Long term deposits		-	-	43,356,640	-	43,356,640	-	-	-
Trade debts - unsecured, considered good		-	-	672,779,944	-	672,779,944	-	-	-
Deposits, and other receivables		-	-	243,657,176	-	243,657,176	-	-	-
Cash and bank balances		-	-	1,947,557,390	-	1,947,557,390	-	-	-
	16.1	-	-	2,907,351,150	-	2,907,351,150	-	-	-
Financial liabilities measured at fair value									
Financial liabilities measured at amortised cost									
Long term financing		-	-	-	3,956,163,951	3,956,163,951	-	-	-
Long term deposits		-	-	-	2,536,100	2,536,100	-	-	-
Trade and other payables		-	-	-	2,687,783,809	2,687,783,809	-	-	-
Mark-up accrued on borrowings		-	-	-	169,780,752	169,780,752	-	-	-
Dividend payable		-	-	-	37,100,522	37,100,522	-	-	-
Unclaimed Dividend		-	-	-	8,535,358	8,535,358	-	-	-
	16.1	-	-	-	6,861,900,492	6,861,900,492	-	-	-

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

FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

	Carrying Amount				Fair value			
	Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Rupees								
On-Balance sheet financial instruments								
30 June 2022 (Audited)								
Financial assets measured at fair value								
Investments	97,890,000	10,026,205,693	-	-	10,124,095,693	10,124,095,693	-	-
Financial assets at amortised cost								
Long term deposits	-	-	43,356,640	-	43,356,640	-	-	-
Trade debts - unsecured, considered good	-	-	916,039,469	-	916,039,469	-	-	-
Deposits, and other receivables	-	-	114,084,103	-	114,084,103	-	-	-
Cash and bank balances	-	-	480,765,632	-	480,765,632	-	-	-
	-	-	1,554,245,844	-	1,554,245,844	-	-	-
16.1	-	-	-	-	-	-	-	-
Financial liabilities measured at fair value								
Financial liabilities measured at amortised cost								
Long term financing	-	-	-	4,251,312,474	4,251,312,474	-	-	-
Long term deposits	-	-	-	2,036,100	2,036,100	-	-	-
Trade and other payables	-	-	-	2,141,949,186	2,141,949,186	-	-	-
Mark-up accrued on borrowings	-	-	-	142,171,993	142,171,993	-	-	-
Dividend payable	-	-	-	37,112,692	37,112,692	-	-	-
Unclaimed Dividend	-	-	-	8,535,357	8,535,357	-	-	-
	-	-	-	6,583,117,802	6,583,117,802	-	-	-
16.1	-	-	-	-	-	-	-	-

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

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

	For the three months ended 30 September 2022			
	Liabilities			Total
	Long term finances	Short term borrowings	Dividend payable	
	Rupees			
Balance as at 01 July 2022	4,251,312,474	–	45,648,049	4,296,960,523
Changes from financing activities				
Repayment of long term finances - secured	(296,143,766)	–	–	(296,143,766)
Dividend paid	–	–	(12,169)	(12,169)
Total changes from financing cash flows	(296,143,766)	–	(12,169)	(296,155,935)
Other changes				
Amortization of Transaction cost	995,243	–	–	995,243
Total liability related other changes	995,243	–	–	995,243
Closing as at 30 September 2022	3,956,163,951	–	45,635,880	4,001,799,831

	For the three months ended 30 September 2021			
	Liabilities			Total
	Long term finances	Short term borrowings	Dividend payable	
	Rupees			
Balance as at 01 July 2021	5,552,786,149	498,000,000	46,197,552	6,096,983,701
Changes from financing activities				
Repayment of long term borrowings	(258,589,530)	–	–	(258,589,530)
Disbursement of short term borrowings	–	216,500,000	–	216,500,000
Repayment of short term borrowings	–	(498,000,000)	–	(498,000,000)
Dividend paid	–	–	(154,211)	(154,211)
Total changes from financing cash flows	(258,589,530)	(281,500,000)	(154,211)	(540,243,741)
Other changes				
Amortization of government grant and transaction cost	2,324,181	–	–	2,324,181
Total liability related other changes	2,324,181	–	–	2,324,181
Closing as at 30 September 2021	5,296,520,800	216,500,000	46,043,341	5,559,064,141

18 Transactions with related parties

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THREE MONTHS ENDED 30 SEPTEMBER 2022

			(Un-audited) 01 July to 30 September 2022	(Un-audited) 01 July to 30 September 2021
	Relationship	Nature of transactions	Rupees	Rupees
Transactions with related parties				
Employees' Provident Fund Trust	Post employment benefit plan	Contribution	5,512,527	5,663,107
Kohat Cement Educational Trust	Common Directorship / Trustee	Contribution	1,200,000	871,662
Ultra Pack (Private) Limited	Common Control	Purchase of packing material	282,420,000	330,639,898
Ultra Kraft (Private) Limited	Common Control	Sale of cement	-	3,725,759
Palace Enterprises (Private) Limited	Common directorship	Purchase of Power Generator	-	3,500,000
Chief Executive	Key Management Personnel	Remuneration paid	30,136,362	24,578,493
Other executives	Key Management Personnel	Remuneration paid	29,635,838	25,954,553
			(Un-audited) 30 September 2022	(Audited) 30 June 2022
	Relationship	Nature of transactions	Rupees	Rupees

Balances with other related parties

Employees' Provident Fund Trust	Post employment benefit plan	Payable	4,402,615	4,305,593
Ultra Pack (Private) Limited	Common Control	Trade creditors	122,397,210	156,069,810

18.1 The Company has paid Rs. 22.65 million (30 Sep.2021: Rs. 18.88 million) to the Chairman on account of his remuneration and also paid Rs. 0.705 million (30 Sep. 2021: Rs. 0.325 million) 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.

19 General

19.1 Figures have been rounded off to the nearest rupee.

19.2 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary.

19.3 These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 27, 2022.



Chief Financial Officer



Chief Executive



Director



kohatcement.com

37-P, Gulberg II, Lahore, Pakistan

Tel: +92 -42-11-1111-KCCL (5225) Fax: +92-423-5754084, 5874990

Email: mis@kohatcement.com