



ATTOCK CEMENT
PAKISTAN LIMITED



First Quarter Report
September 30, 2019





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COMPANY INFORMATION

Board of Directors

Laith G. Pharaon	Chairman
Wael G. Pharaon	
Shuaib A. Malik	
Abdus Sattar	
Agha Sher Shah	
Sajid Nawaz	
Babar Bashir Nawaz	

Chief Executive

Babar Bashir Nawaz

Alternate Directors

Shuaib A. Malik
Irfan Amanullah

Audit Committee of the Board

Agha Sher Shah	Chairman
Shuaib A. Malik	Member
Abdus Sattar	Member

HR & Remuneration Committee

Agha Sher Shah	Chairman
Shuaib A. Malik	Member
Abdus Sattar	Member

Company Secretary

Irfan Amanullah

Chief Financial Officer

Muhammad Rehan

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisor

M/s. HNT & Associates



Bankers

The Bank of Punjab
Allied Bank Limited
MCB Bank Limited
Askari Bank Limited
United Bank Limited
Habib Bank Limited
Bank Al-Habib Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited

Registered Office

D - 70, Block-4, Kehkashan-5
Clifton, Karachi-75600
Tel: (92-21) 35309773-4
UAN: (92) 111 17 17 17
Fax: (92-21) 35309775
Email: acpl@attockcement.com
Website: www.attockcement.com

Plants

1. Hub Chowki, Lasbella,
Baluchistan.
2. Cement Grinding Unit
Industrial Sector, Land No. 1/7, Sector-56,
Al-Arquli Al Janobi, Khor Al-Zubair,
Basra, Iraq.

Share Registrar

M/s. FAMCO Associates (Pvt) Limited
8-F, Near Hotel Faran,
Nursery, Block-6, PECHS
Shahra-e-Faisal, Karachi.
Tel: (92-21) 34380101-5,
(92-21) 34384621-3
Fax: (92-21) 34380106



DIRECTORS' REVIEW

The Directors are pleased to announce the results of the Company for the quarter ended September 30, 2019.

Operational Results

Production and sales figures for the quarter ended September 30, 2019 are as follows:

	July-Sep. 2019	July-Sep. 2018
	----- Tons -----	
Clinker Production	749,373	815,392
Cement Production	466,434	651,389
Cement Dispatches - Local	294,131	498,463
- Export	182,983	158,702
	477,114	657,165
Clinker Dispatches - Export	276,987	296,086
Total Dispatches	754,101	953,251
Clinker Capacity Utilization	104%	113%

Industry Review

During the first quarter, the overall domestic sales in south market have shown steep declining trend and reduced by approximately 32% as compared to same period last year owing to prevailing uncertain conditions in real estate sector in post budget environment and liquidity crunch due to lack of investors' confidence. However, on export front, due to higher exports of clinker the overall market showed a healthy growth of 27%. Net overall dispatches in the south region, however decreased by 11% as compared to same period last year.

Sales Review

During the quarter under review, the overall cement dispatches of the company reduced by 180,051 tones (27%). Local cement sales declined by 204,332 tons (41%), however, the export of cement increased by 24,281 tons (15%) as compared to same period last year.

The main reason behind significant reduction in local cement sale was due to arrival of new cement plant / additional expansion in South and slow down in demand.

On the back of high production, the company continued to export clinker in the markets of Bangladesh, Africa and Sri Lanka and during the quarter under review your company exported 276,987 tons showing a marginal decline of 6%. This decline is mostly attributable to stiff competition amongst local and regional capacities and seasonal effects of monsoon in Bangladesh.

Financial Review

The net sales revenue of the company decreased by Rs. 712 million (13%) over corresponding period due to lower dispatches as compared to same period last year. Though the overall net retention (both cement & clinker) increased by Rs. 629 per ton (11%) primarily due to better sales mix and also due to significant devaluation of PKR against US dollar resulting improved export proceeds.

On the other side of equation, the production cost per ton has shown an increase of Rs.161 per ton (3%). Even though, coal prices in the international market has been reduced by almost 40% as compared to same period last year, however said reduction in prices was partially offset against the devaluation of PKR against US dollar. Similarly all other major input cost elements like paper bags, raw material cost, diesel etc increased significantly due to higher inflation.

Due to better net retention, both the gross and operating margins improved from 21% and 11% to 26% and 13% respectively and the company recorded net profit after tax of Rs. 358 million.

Future Outlook

The country is facing serious economic and financial challenges which have significantly affected the overall performance of the large scale manufacturing sector and cement is no exception. Abnormally high devaluation, significant increase in interest rates, and uncertain geo-political conditions have affected the investors' confidence.

Besides above, the domestic cement demand have slowed down during 1Q FY20 as government spending dried up and private sector development halted due to strict tax reforms measures taken by the government.

This coupled with additional new capacities of around 9.8 million tons which are coming in next 12-18 months may put pressure on the pricing equilibrium both in local and export markets. In order to improve the profitability, the company is exploring various markets and cost saving projects.

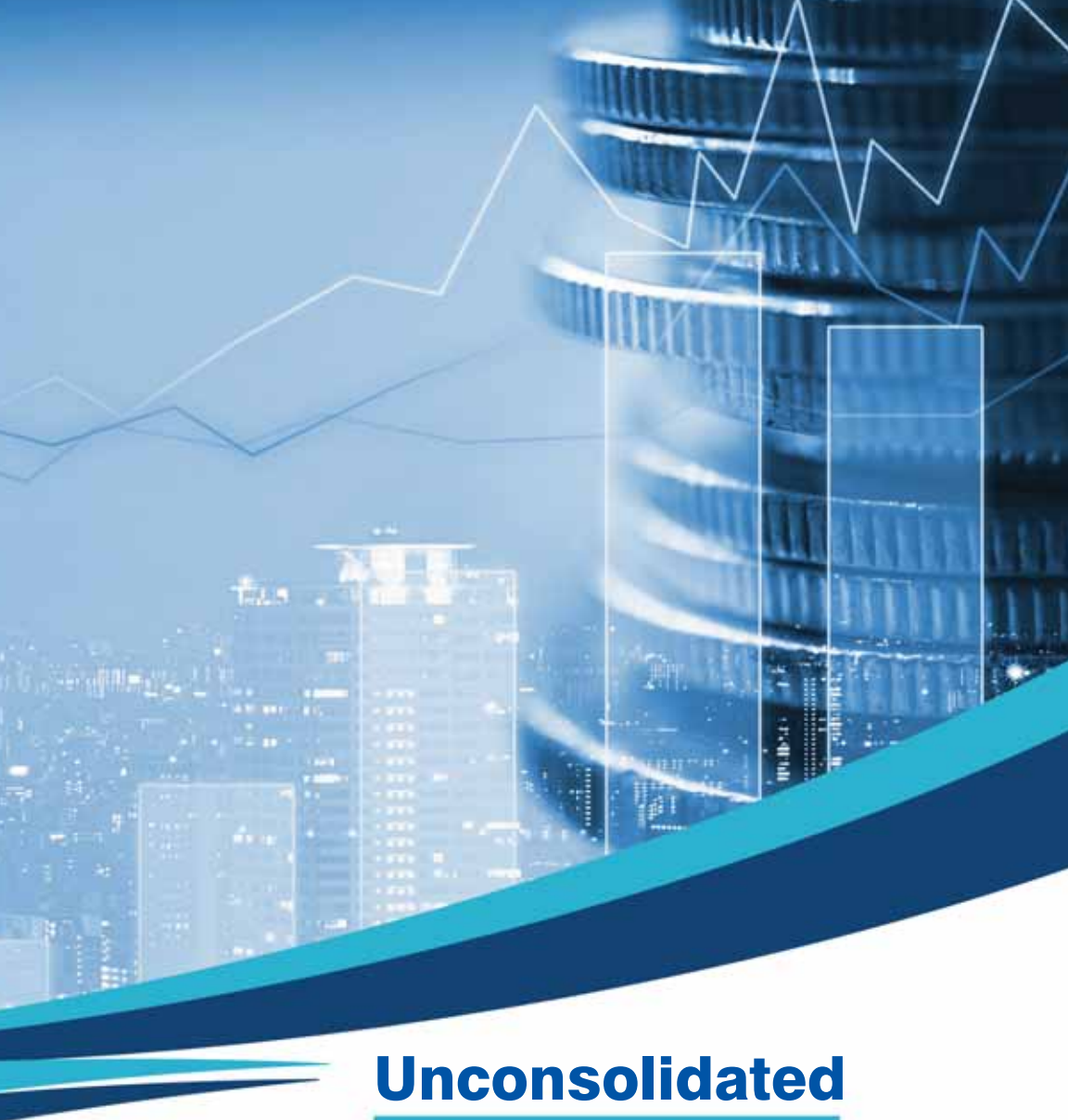
Your management is evaluating all the options and trying its level best to keep the momentum going. The immediate target of the company is to ensure 100% sales either in the form of cement or clinker from all its 3 production lines by exploring all segments of both local and export markets.



BABAR BASHIR NAWAZ
Chief Executive

October 15, 2019
Islamabad, Pakistan





Unconsolidated **Financial** **Statements**

Condensed Interim Unconsolidated Statement of Financial Position

As at September 30, 2019

	Note	Unaudited Sep. 30, 2019	Audited June 30, 2019
-----Rupees '000-----			
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	4	17,496,397	17,685,584
Long-term investments		1,852,166	1,836,541
Long-term loans and advances - considered good		47,593	47,593
Long-term deposits		99,940	99,940
		<u>19,496,096</u>	<u>19,669,658</u>
Current assets			
Inventories	5	3,549,489	3,395,522
Trade receivables - considered good		1,200,335	795,061
Loans and advances - considered good		71,339	87,931
Short-term deposits and prepayments		47,993	45,212
Other receivables		233,131	235,807
Taxation - payments less provision		2,276,584	2,602,240
Tax refunds due from government - sales tax		-	182,587
Cash and bank balances		369,119	302,586
		<u>7,747,990</u>	<u>7,646,946</u>
Total assets		<u>27,244,086</u>	<u>27,316,604</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up		1,374,270	1,374,270
Unappropriated profit		14,533,131	14,725,189
		<u>15,907,401</u>	<u>16,099,459</u>
LIABILITIES			
Non-current liabilities			
Long-term loans		2,187,500	2,187,500
Liability against asset subject to finance lease		7,915	7,915
Deferred tax liabilities		412,783	351,283
Employee benefit obligations		266,878	266,878
		<u>2,875,076</u>	<u>2,813,576</u>
Current liabilities			
Trade and other payables	6	3,423,605	3,577,440
Dividend payable		503,801	10,182
Accrued mark up		143,760	143,867
Short-term borrowings		3,450,784	3,419,202
Current portion of long term loans		937,500	1,250,000
Current maturity of liability against assets subject to finance lease		2,159	2,878
		<u>8,461,609</u>	<u>8,403,569</u>
Total liabilities		<u>11,336,685</u>	<u>11,217,145</u>
Contingencies and commitments	7		
Total equity and liabilities		<u>27,244,086</u>	<u>27,316,604</u>

The annexed notes 1 to 13 form an integral part of these condensed interim unconsolidated financial statements.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Condensed Interim Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended September 30, 2019 - Unaudited

	Note	Sep. 30, 2019	Sep. 30, 2018
-----Rupees '000-----			
Revenue from contracts with customers	8	4,968,083	5,680,042
Cost of sales		(3,668,224)	(4,482,943)
Gross profit		1,299,859	1,197,099
Distribution costs	9	(488,247)	(470,335)
Administrative expenses		(131,064)	(129,389)
Other expenses		(36,000)	(25,000)
Other income		20,352	61,333
Profit from operations		664,900	633,708
Finance cost		(158,500)	(122,660)
Profit before income tax		506,400	511,048
Income tax expense		(148,750)	(88,000)
Profit for the period		357,650	423,048
Other comprehensive income		-	-
Total comprehensive income		357,650	423,048
Basic and diluted earnings per share		Rs. 2.60	Rs. 3.08

The annexed notes 1 to 13 form an integral part of these condensed interim unconsolidated financial statements.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Condensed Interim Unconsolidated Statement of Changes in Equity

For the quarter ended September 30, 2019 - Unaudited

	Share capital	Unappropriated profit	Total
	Rs. '000		
Balance as at June 30, 2018	1,145,225	13,727,410	14,872,635
Profit for the quarter ended September 30, 2018	-	423,048	423,048
Balance as at September 30, 2018	1,145,225	14,150,458	15,295,683
Bonus shares issued during the year in the ratio of 20 shares for every 100 shares held	229,045	(229,045)	-
Final dividend for the year ended June 30, 2018 @ Rs. 8/- per share	-	(916,180)	(916,180)
Total comprehensive income for the year ended June 30, 2019			
Profit for the year ended June 30, 2019	-	1,650,153	1,650,153
Other comprehensive income for the year ended June 30, 2019	-	69,803	69,803
Balance as at June 30, 2019	1,374,270	14,725,189	16,099,459
Final dividend for the year ended June 30, 2019 @ Rs. 4/- per share	-	(549,708)	(549,708)
Profit for the quarter ended September 30, 2019	-	357,650	357,650
Other comprehensive income	-	-	-
Balance as at September 30, 2019	1,374,270	14,533,131	15,907,401

The annexed notes 1 to 13 form an integral part of these condensed interim unconsolidated financial statements.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Condensed Interim Unconsolidated Statement of Cash Flows

For the quarter ended September 30, 2019 - Unaudited

	Note	Sep. 30, 2019	Sep. 30, 2018
-----Rupees '000-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	10	369,745	(1,075,965)
Finance cost paid		(158,607)	(103,748)
Income tax refund / (paid)		238,407	(197,165)
Employee benefit obligations paid		(23,842)	(47,866)
Net cash generated from / (used in) operating activities		425,703	(1,424,744)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(9,778)	(435,143)
Investment in subsidiary company		(15,625)	-
Proceeds from disposal of property, plant & equipment		214	183
Interest received		3,745	2,336
Net cash used in investing activities		(21,444)	(432,624)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(56,089)	(25)
Repayment of long-term loans		(312,500)	(312,500)
Lease rentals paid		(719)	(1,236)
Net cash used in financing activities		(369,308)	(313,761)
Net increase / (decrease) in cash and cash equivalents		34,951	(2,171,129)
Cash and cash equivalents at the beginning of the period		(3,116,616)	(1,037,572)
Cash and cash equivalents at the end of the period		(3,081,665)	(3,208,701)

The annexed notes 1 to 13 form an integral part of these condensed interim unconsolidated financial statements.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the quarter ended September 30, 2019 - Unaudited

1 THE COMPANY AND ITS OPERATIONS

- 1.1** The company was incorporated in Pakistan on October 14, 1981 as a public limited company and is listed on Pakistan Stock Exchange. Its main business activity is manufacturing and sale of cement. The registered office of the company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi. The company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan. The company also has a representative / liaison office in Dubai, UAE, to explore business opportunities in the growing markets of Middle East and Africa.

The company is a subsidiary of Pharaon Investment Group Limited Holding S.A.L., Lebanon.

- 1.2** The company had entered into a Joint Venture agreement with Al-Geetan Commercial Agencies, Iraq, to form a limited liability company in Iraq. The principal activity of the company will be to build and operate a cement grinding plant having production capacity of approximately 900,000 metric tons per annum. The new limited liability company has been established and registered under the Iraqi law on November 3, 2014 by the name Saqr Al-Keetan for Cement Production Company Limited having share capital of 30,000,000 Iraqi Dinar. Attock Cement Pakistan Limited will hold 60% share in the company. Moreover, subsequent to approval from SBP Company has remitted US\$ 16.3 million (approx) to Iraq. Equity investment in subsidiary company has been approved by the members in its Extra Ordinary General Meeting held on May 12, 2015 as was required under section 208 of the repealed Companies Ordinance, 1984. The Company has started commercial production from September 01, 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2019.

3 BASIS OF PRESENTATION

This condensed interim unconsolidated financial information of the Company for the quarter ended September 30, 2019 has 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information is being posted on Company's Website for information of members as required by section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2019.

4 FIXED ASSETS

	Sep. 30, 2019	Audited June 30, 2019
	-----Rupees '000-----	
Operating assets - note 4.1	16,508,135	16,708,856
Capital work-in-progress	195,020	204,459
Stores held for capital expenditure	793,242	772,269
	<u>17,496,397</u>	<u>17,685,584</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the quarter ended September 30, 2019 - Unaudited

	Sep. 30, 2019	Sep. 30, 2019
	-----Rupees '000-----	
4.1 Additions to operating assets during the period were as follows:		
Buildings and roads on freehold land	395	1,111
Plant and machinery	43,140	69,152
Vehicles	9,835	6,094
Others	1,277	111
	<u>54,647</u>	<u>76,468</u>
Disposals during the period - Net book value	<u>214</u>	<u>175</u>
Transfers to stores during the period - Net book value	<u>55,746</u>	<u>10,012</u>
	Sep. 30, 2019	Audited June 30, 2019
	-----Rupees '000-----	

5 INVENTORIES

Stores, spares & loose tools - note 5.1	2,069,671	1,988,856
Raw materials	166,826	101,350
Packing materials	178,525	161,513
Work-in-process	1,015,407	975,008
Finished goods	119,060	168,795
	<u>3,549,489</u>	<u>3,395,522</u>

5.1 Stores, spares & loose tools

Coal	548,521	911,853
Stores & spares	1,449,642	1,045,738
Bricks	115,111	76,326
Loose tools	2,570	2,771
	<u>2,115,844</u>	<u>2,036,688</u>
Less: Provision for slow moving and obsolete items	<u>(46,173)</u>	<u>(47,832)</u>
	<u>2,069,671</u>	<u>1,988,856</u>

6 TRADE AND OTHER PAYABLES

Creditors	462,827	497,738
Accrued liabilities	1,661,436	1,914,028
Electricity charges payable	118,591	111,633
Advances from customers	289,419	142,817
Excise duty payable	-	9,936
Others	891,332	901,288
	<u>3,423,605</u>	<u>3,577,440</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the quarter ended September 30, 2019 - Unaudited

7 CONTINGENCIES AND COMMITMENTS

- 7.1** The status of contingencies as reported in note 23 to the financial statements for the year ended June 30, 2019 is the same.
- 7.2** Commitments in respect of capital expenditure outstanding as at Sept. 30, 2019 amounted to Rs. 115.70 million (June 30, 2019: Rs. 3.90 million).

8 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Sep. 30, 2019	Sep. 30, 2018
	-----Rupees '000-----	
Local sale of goods	3,608,930	5,161,848
Excise duty and sales tax	(1,162,489)	(1,610,920)
	2,446,441	3,550,928
Commission	(79,713)	(66,957)
Net local sale of goods	2,366,728	3,483,971
Exports sales	2,601,355	2,196,071
	4,968,083	5,680,042

9 DISTRIBUTION COSTS

Distribution costs includes Rs. 401.4 million (Sept. 30, 2018: Rs. 416.0 million) in respect of export sales.

	Sep. 30, 2019	Sep. 30, 2018
	-----Rupees '000-----	

10 CASH GENERATED FROM OPERATIONS

Profit before taxation	506,400	511,048
Add/(Less): Adjustment for non cash charges and other items:		
Depreciation	198,750	198,325
Gain on disposal of property, plant and equipment	-	(8)
Interest income	(3,745)	(2,336)
Provision for stores, spares and loose tools	(1,660)	2,081
Employee benefits obligations	23,842	26,176
Finance cost	158,500	122,660
	375,687	346,898
	882,087	857,946

Effect on cash flow due to working capital changes

(Increase) in current assets :

Inventories	(152,308)	(153,860)
Trade receivables	(405,274)	(402,957)
Loans and advances	16,593	(23,010)
Short - term deposits and prepayments	(2,781)	(31,668)
Other receivables	2,676	(15,935)
Tax refunds due from government - sales tax	182,587	(67,198)
	(358,507)	(694,628)

(Decrease) in current liabilities:

Trade and other payables	(153,835)	(1,239,283)
	(512,342)	(1,933,911)
Cash generated from / (used in) operations	369,745	(1,075,965)

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the quarter ended September 30, 2019 - Unaudited

	Sep. 30, 2019	Sep. 30, 2018
	-----Rupees '000-----	
11 SUMMARY OF TRANSACTIONS WITH RELATED PARTIES		
Holding Company		
Recovery of expenses	10	719
Subsidiary Company		
Investment	15,625	-
Expense incurred on behalf of subsidiary company	3,580	16,202
Group Companies		
Purchase of goods	131,554	118,312
Reimbursement of expenses	248	3,297
Recovery of expenses	6,576	5,890
Other related parties		
Payments made to retirement benefit funds	23,842	47,866
Key management compensation		
Salaries and other short-term employee benefits	41,537	40,011

12 CORRESPONDING FIGURES

Prior period figures have been reclassified wherever necessary for the purpose of appropriate presentation.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial information was approved and authorised for issue on October 15, 2019 by the Board of Directors of the company.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director





Consolidated **Financial** **Statements**

Condensed Interim Consolidated Statement of Financial Position

As at September 30, 2019

	Note	Unaudited Sep. 30, 2019	Audited June 30, 2019
----- Rupees '000 -----			
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	4	22,008,530	22,269,354
Long-term investments		29,165	29,165
Long-term loans and advances - considered good		47,593	47,593
Long-term deposits		99,940	99,940
		<u>22,185,228</u>	<u>22,446,052</u>
Current assets			
Inventories	5	3,919,747	3,408,050
Trade receivables - considered good		1,218,058	795,061
Loans and advances - considered good		71,339	87,931
Short-term deposits and prepayments		62,098	55,082
Other receivables		42,676	48,932
Taxation - payments less provisions		2,276,584	2,602,240
Tax refund due from government - sales tax		-	182,587
Cash and bank balances		590,692	450,262
		<u>8,181,194</u>	<u>7,630,145</u>
Total assets		<u><u>30,366,422</u></u>	<u><u>30,076,197</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up		1,374,270	1,374,270
Unappropriated profit		14,571,231	14,725,189
Exchange revaluation reserve		789,806	855,895
Attributable to owners of Attock Cement Pakistan Limited - Holding company		16,735,307	16,955,354
Non-controlling interests		1,952,311	1,708,303
		<u>18,687,618</u>	<u>18,663,657</u>
LIABILITIES			
Non-current liabilities			
Long-term loans		2,187,500	2,187,500
Liability against asset subject to finance lease		7,915	7,915
Deferred tax liabilities		412,783	351,283
Employee benefit obligations		266,878	266,878
		<u>2,875,076</u>	<u>2,813,576</u>
Current liabilities			
Trade and other payables	6	3,765,724	3,772,835
Dividend payable		503,801	10,182
Accrued mark-up		143,760	143,867
Short-term borrowings		4,388,284	4,669,202
Current maturity of liability against assets subject to finance lease		2,159	2,878
		<u>8,803,728</u>	<u>8,598,964</u>
Total liabilities		<u><u>11,678,804</u></u>	<u><u>11,412,540</u></u>
Contingencies and commitments			
Total equity and liabilities	7	<u><u>30,366,422</u></u>	<u><u>30,076,197</u></u>

The annexed notes 1 to 13 form an integral part of these condensed interim consolidated financial statements.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended September 30, 2019 - Unaudited

	Note	Sep. 30, 2019	Sep. 30, 2018
		----- Rupees '000 -----	
Revenue from contracts with customers	8	5,372,062	5,680,042
Cost of sales		(4,004,745)	(4,482,943)
Gross profit		1,367,317	1,197,099
Distribution costs	9	(489,255)	(470,335)
Administrative expenses		(133,920)	(129,389)
Other expenses		(36,000)	(25,000)
Other income		20,352	61,333
Profit from operations		728,494	633,708
Finance cost		(158,595)	(122,660)
Profit before income tax		569,899	511,048
Income tax expense		(148,750)	(88,000)
Profit for the period		421,149	423,048
Other comprehensive income:			
Items that will be reclassified to profit or loss			
Exchange revaluation reserve		(109,947)	66,025
Total comprehensive income for the period		311,202	489,073
Total comprehensive income attributable to:			
Owners of Attock Cement Pakistan Limited - Holding Company		329,661	465,447
Non-controlling interests		(18,459)	23,626
		311,202	489,073
Basic and diluted earnings per share		Rs. 3.06	Rs. 3.08

The annexed notes 1 to 13 form an integral part of these condensed interim consolidated financial statements.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Condensed Interim Consolidated Statement of Changes in Equity

For the quarter ended September 30, 2019 - Unaudited

Attributable to the owners of the Holding Company

	Issued, subscribed, and paid up capital	Unappropriated profit	Exchange revaluation reserve	Sub - Total	Non-controlling interests	Total Equity
	Rupees '000					
Balance as at July 01, 2018	1,145,225	13,727,410	217,129	13,944,539	946,558	16,036,322
Equity contribution by Non-controlling interest	-	-	-	-	85,995	85,995
Total comprehensive income for the quarter ended Sep. 30, 2018	-	-	-	-	-	-
Profit for the quarter ended Sep. 30, 2018	-	423,048	-	423,048	-	423,048
Other comprehensive income for the quarter ended Sep. 30, 2018	-	-	42,399	42,399	23,626	66,025
	-	423,048	42,399	465,447	23,626	489,073
Balance as at Sep. 30, 2018	1,145,225	14,150,458	259,528	14,409,986	1,056,179	16,611,390
Final dividend for the year ended June 30, 2018 @ Rs. 8 per share	-	(916,180)	-	(916,180)	-	(916,180)
Bonus shares issued during the year in the ratio of 20 shares for every 100 shares held	229,045	(229,045)	-	(229,045)	-	-
Equity contribution by Non-controlling interests	-	-	-	-	304,314	304,314
Total comprehensive income for the year ended June 30, 2019	-	-	-	-	-	-
Profit for the year ended June 30, 2019	-	1,650,153	-	1,650,153	-	1,650,153
Other comprehensive income for the year ended June 30, 2019	-	69,803	596,367	666,170	347,810	1,013,980
	-	1,719,956	596,367	2,316,323	347,810	2,664,133
Balance as at June 30, 2019	1,374,270	14,725,189	855,895	15,581,084	1,708,303	18,663,657
Final dividend for the year ended June 30, 2019 @ Rs. 4 per share	-	(549,708)	-	(549,708)	-	(549,708)
Equity contribution by Non-controlling interests	-	-	-	-	262,467	262,467
Total comprehensive income for the quarter ended Sep. 30, 2019	-	-	-	-	-	-
Profit for the quarter ended Sep. 30, 2019	-	395,750	-	395,750	25,399	421,149
Other comprehensive income for the quarter ended Sep. 30, 2019	-	-	(66,089)	(66,089)	(43,858)	(109,947)
	-	395,750	(66,089)	329,661	(18,459)	311,202
Balance as at Sep. 30, 2019	1,374,270	14,571,231	789,806	15,361,038	1,952,311	18,687,618

The annexed notes 1 to 13 form an integral part of these condensed interim consolidated financial statements.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Condensed Interim Consolidated Statement of Cash Flows

For the quarter ended September 30, 2019 - Unaudited

	Note	Sep. 30, 2019	Sep. 30, 2018
		Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	10	633,855	(1,019,555)
Finance cost paid		(158,703)	(103,748)
Income tax refund / (paid)		238,406	(197,165)
Employee benefit obligations paid		(23,842)	(47,866)
Net cash generated from / (used in) operating activities		689,716	(1,368,334)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(469,329)	(731,827)
Proceeds from disposal of property, plant and equipment		214	183
Interest received		3,745	2,336
Net cash used in investing activities		(465,370)	(729,308)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(56,089)	(25)
Amount received from Non-controlling interests		262,467	85,995
Repayment of long term loan		(312,500)	(312,500)
Lease rentals paid		(719)	(1,236)
Net cash used in financing activities		(106,841)	(227,766)
Net increase / (decrease) in cash and cash equivalents		117,505	(2,325,408)
Cash and cash equivalents at beginning of the period		(2,968,940)	(728,113)
Effects of exchange rate changes in cash and cash equivalents		(8,657)	5,605
Cash and cash equivalents at end of the period		(2,860,092)	(3,047,916)

The annexed notes 1 to 13 form an integral part of these condensed interim consolidated financial statements.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2019 - Unaudited

1 THE GROUP AND ITS OPERATIONS

1.1 The group consists of:

Holding Company - Attock Cement Pakistan Limited (the "Company")

The company was incorporated in Pakistan on October 14, 1981 as a public limited company and is listed on Pakistan Stock Exchange. Its main business activity is manufacturing and sale of cement.

Pharaon Investment Group Limited Holding S.A.L., Lebanon is the ultimate holding company as it holds 84.06% of the total paid-up share capital of the company.

The geographical locations and addresses of the Holding Company's business units, including mills / plant are as under:

- The registered office of the Holding Company is at D-70, Block-4, Kehkashan-5, Clifton, Karachi.
- The Holding Company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan.
- The Holding Company also has a representative / liaison office at Plot No. 581-0, Arzoo Building, Al Mararr, Dubai, UAE.

Subsidiary Company - Saqr Al-Keetan for Cement Production Company Limited (SAKCPCL)

SAKCPCL was incorporated under Iraqi law on November 3, 2014. Its main business activity is manufacturing and sale of cement and the principal place of business is in Iraq.

The geographical locations and addresses of the Subsidiary's business units, including mills / plant are as under:

- The registered office of SAKCPCL is at House # 35, Square 29, Near Al Buradia Super Market, Al Rbeea District Al Buradia, Basra, Iraq.
- SAKCPCL's cement manufacturing plant is located in Industrial Sector, Land No. 1/7, Sector 56, Al-Arquili Al Janobi, Khor Al-Zubair, Basra, Iraq.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are the same as those applied in the preparation of the preceding annual financial statements of the company for the year ended June 30, 2019.

3 BASIS OF PREPARATION

This condensed interim financial information of the Company for the quarter ended September 30, 2019 has 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information is being posted on Company's Website for information of members as required by section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2019.

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2019 - Unaudited

	Sep. 30, 2019	Audited June 30, 2019
	-----Rupees '000-----	
4 FIXED ASSETS - property, plant and equipment		
Operating assets - note 4.1	20,935,970	16,758,931
Capital work-in-progress	195,020	4,738,154
Stores held for capital expenditure	877,540	772,269
	<u>22,008,530</u>	<u>22,269,354</u>
	Sep. 30, 2019	Sep. 30, 2018
	-----Rupees '000-----	

4.1 Additions to operating assets during the period were as follows:

Buildings and roads on freehold land	524,295	1,111
Plant and machinery	3,908,081	69,152
Furniture and fittings	4,256	555
Vehicles	9,835	6,094
Others	4,266	1,451
	<u>4,450,733</u>	<u>78,363</u>
Disposals during the period - Net book value	<u>214</u>	<u>175</u>
Transfers to stores during the period - Net book value	<u>55,746</u>	<u>10,012</u>

	Sep. 30, 2019	Audited June 30, 2019
	-----Rupees '000-----	
5 INVENTORIES		

Stores, spares & loose tools - note 5.1	2,083,660	1,988,856
Raw materials	504,200	105,580
Packing materials	193,822	169,811
Work-in-progress	1,015,407	975,008
Finished goods	122,658	168,795
	<u>3,919,747</u>	<u>3,408,050</u>

5.1 Stores, spares and loose tools

Coal	548,521	911,853
Stores & spares	1,463,631	1,045,738
Bricks	115,111	76,326
Loose tools	2,570	2,771
	<u>2,129,833</u>	<u>2,036,688</u>
Less: Provision for slow moving and obsolete items	<u>(46,173)</u>	<u>(47,832)</u>
	<u>2,083,660</u>	<u>1,988,856</u>

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2019 - Unaudited

	Sep. 30, 2019	Audited June 30, 2019
	-----Rupees '000-----	
6 TRADE AND OTHER PAYABLES		
Creditors	462,827	497,738
Accrued Liabilities	1,948,581	2,003,300
Electricity charges payable	118,591	111,633
Advances from customers	289,419	142,817
Excise duty payable	-	9,936
Others	946,306	1,007,411
	<u>3,765,724</u>	<u>3,772,835</u>

7 CONTINGENCIES AND COMMITMENTS

7.1 The status of contingencies as reported in note 23 to the financial statements for the year ended June 30, 2019 is the same.

7.2 Commitments in respect of capital expenditure outstanding as at Sept. 30, 2019 amounted to Rs. 115.70 million (June 30, 2019: Rs. 3.90 million).

	Sep. 30, 2019	Sep. 30, 2018
	-----Rupees '000-----	
8 REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local sale of goods	4,012,910	5,161,848
Sales tax & federal excise duty	(1,162,490)	(1,610,920)
	<u>2,850,420</u>	<u>3,550,928</u>
Commission	(79,713)	(66,957)
Net local sale of goods	<u>2,770,707</u>	<u>3,483,971</u>
Exports sales	<u>2,601,355</u>	<u>2,196,071</u>
	<u>5,372,062</u>	<u>5,680,042</u>

9 DISTRIBUTION COSTS

Distribution costs includes Rs. 401.4 million (Sept. 30, 2018: Rs. 416.0 million) in respect of export sales.

	Sep. 30, 2019	Sep. 30, 2018
	-----Rupees '000-----	
10 CASH GENERATED FROM OPERATIONS		
Profit before taxation	569,899	511,048
Add/(Less): Adjustment for non cash charges and other items:		
Depreciation	213,214	198,325
Gain on disposal of property, plant and equipment	-	(8)
Interest income	(3,745)	(2,336)
Provision for stores, spares and loose tools	(1,660)	2,081
Employee benefits obligations	23,842	26,176
Finance cost	158,500	122,660
	<u>390,151</u>	<u>346,898</u>
	<u>960,050</u>	<u>857,946</u>

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2019 - Unaudited

	Sep. 30, 2019	Sep. 30, 2018
	-----Rupees '000-----	
Effect on cash flow due to working capital changes		
(Increase)/Decrease in current assets :		
Inventories	(517,862)	(153,860)
Trade receivables	(422,997)	(402,957)
Loans and advances	16,592	(23,010)
Short - term deposits and prepayments	(7,225)	(29,827)
Other receivables	6,256	268
Tax refunds due from government - sales tax	182,587	(67,198)
	(742,649)	(676,584)
Increase/(Decrease) in current liabilities:		
Trade and other payables	416,454	(1,200,917)
	(326,195)	(1,877,501)
Cash generated from / (used in) operations	633,855	(1,019,555)

11 SUMMARY OF TRANSACTIONS WITH RELATED PARTIES

Ultimate holding Company

Recovery of expenses	10	719
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Group Companies

Purchase of goods	131,554	118,312
Reimbursement of expenses	248	3,297
Recovery of expenses	6,576	5,890

Other related parties

Payments made to retirement benefit funds	23,842	47,866
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Key management compensation

Salaries and other short-term employee benefits	41,537	40,011
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12 CORRESPONDING FIGURES

Prior period figures have been reclassified wherever necessary for the purpose of appropriate presentation.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial information was approved and authorised for issue on October 15, 2019 by the Board of Directors of the company.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

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