



ATTOCK CEMENT PAKISTAN LIMITED



First Quarter Report

September 30, 2020



OUR STORY

Located at Hub, District Lasbela, Baluchistan, Attock Cement Pakistan Limited (ACPL) is a member company of the Pharaon Investment Group Limited, commonly known as Attock Oil Group, which is one of the largest foreign investment groups in Pakistan. Dr. Ghaith R. Pharaon (Late), being an international investor/industrialist, is the sponsor of Pharaon Group. Apart from his financial and trading interests in other parts of the world, he has made substantial investments in Pakistan in the oil and gas, power, real estate and cement sectors. The initial capital outlay of the cement plant was approximately Rs.1.5 billion with a foreign exchange component of around US\$ 45 million, making it not only the single largest enterprise in the private sector but also the most capital intensive business endeavor from the Middle East.

The journey of Attock Cement started from the year 1981 and the company started its commercial production in 1988. In 39 years, company has shown steady growth. ACPL has attained new peaks every year through strong team work, continuous modernization of plant to improve efficiency and with utmost hard work. ACPL has cemented its place not only in the local market but also in the regional markets through selling quality products.

We always want our customers to believe in our brand even before they purchase our product.



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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
Faysal Bank Limited
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
Habib Metropolitan 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

Plant

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 (Private) Ltd.
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, 2020.

Operational Results

Production and sales figures for the quarter ended September 30, 2020 are as follows:

	July-Sep. 2020	July-Sep. 2019
	----- Tons -----	
Clinker Production	755,920	749,373
Cement Production	434,714	466,434
Cement Dispatches - Local	292,444	294,131
- Export	150,148	182,983
Total Cement Dispatches	442,592	477,114
Clinker Dispatches - Export	437,499	276,987
Total Dispatches	880,091	754,101
Clinker Capacity Utilization	105%	104%

Industry Review

During the first quarter, after the Government relaxation of lock down owing to COVID-19, the cement industry has so far shown encouraging growth both in local and export markets. The overall local sales has increased by 19% as compared to same period last year while exports including clinker sales increased by 36% as compared to same period last year. Most of this incremental sales was made in the market of North.

In the market of South where your company is situated, local sales, however, increased by only 9% owing to continuous influx of northern brands, heavy rains in the months of July and August, 2020 and uncertainty over Government regulations in real estate sector. However, the exports showed phenomenal growth of 59% as compared to 1Q 2019-20.

Sales Review

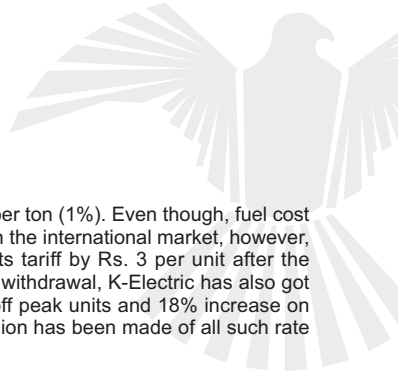
During the quarter under review, the overall cement dispatches of your company reduced by 34,523 tons (7%). The main reason behind this lower local sales was the unprecedented rain in Karachi during the month of August, 2020 which is the principal market of company's products.

The cement exports also declined by 32,835 tons (18%) as compared to same period last year as due to significant change in foreign exchange regime in the market of Sri Lanka the customers imported lesser cement.

On the back of high production, the company focused on export of clinker in the markets of Bangladesh, Sri Lanka & China and during the quarter under review the company exported 437,499 tons of clinker showing a robust growth of 58%.

Financial Review

The net sales revenue of the company increased by Rs. 256 million (5%) over corresponding period due to higher dispatches of clinker as compared to same period last year. The overall net retention (both cement & clinker) diluted by Rs. 652 per ton (10%) primarily due to higher dispatches of clinker as it constitute around 50% of total dispatches as compared to 37% in same period of last year. The prices in the local markets remain at the same level due to stiff competition.



On the other side of equation, production cost per ton has declined by Rs. 31 per ton (1%). Even though, fuel cost during the period is reduced by around 18% owing to reduction in coal prices in the international market, however, there is a significant increase in power cost as the K-Electric has revised its tariff by Rs. 3 per unit after the Government's withdrawal of Industrial Support Package subsidy. Besides this withdrawal, K-Electric has also got approval of increase in tariff rates by Rs. 2.89 per unit i.e. 22% increase on off peak units and 18% increase on peak hours unit w.e.f. September 01, 2020. As a matter of prudence full provision has been made of all such rate adjustments in the books of accounts of the company.

Due to low retention and significant increase in power cost both the gross and operating margins declined from 26% and 13% to 19% and 5% respectively and the company recorded net profit after tax of Rs. 119.4 million lowered by 67% as compared to same period last year.

Future Outlook

Since the last quarter of FY 2019-20, the country is facing serious economic and financial challenges due to pandemic COVID-19 and government is trying its best to arrest the down trend in economy through various fiscal and monetary adjustments and by announcing incentive packages to different segments of economy. Accordingly State Bank of Pakistan, besides reduction in bench mark interest rates, has announced various incentives to the business sector of Pakistan. The Central Bank has acted proactively and in the last 6 months has given various incentive based packages in order to stimulate the economy. These initiatives coupled with Prime Minister's construction package and significant progress on China Pakistan Economic Corridor related projects would definitely stimulate the economy and it is anticipated that the cement consumption would increase in months to come.

On the other side the cost push inflation and excess capacities in the market will continue to check the gross and operating margins of the sector and despite volumetric growth we don't anticipate any significant increase in profitability of the sector.

With the availability of huge surplus cement supply of around 15 million tons per annum in the country, it is a daunting task for the company to sell 100% of its capacity. Therefore, the management is trying to maximize its sales through such a market mix where it may achieve a balanced net retention. In the last one month the clinker prices have shown some improvement due to opening of China market for Pakistani clinker and it is hoped that this price momentum would continue in medium term.

As mentioned earlier that on the cost side of the equation another important matter which has affected the margins of the company is the higher electricity tariff. Considering the tariff vulnerability the management has already initiated a 20 MW Solar Power Project which would help the company to reduce its reliance on national grid and manage a sustainable energy mix.

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 its all 3 production lines by exploring each segment of both local and export markets.

On behalf of the Board

BABAR BASHIR NAWAZ
Chief Executive

October 20, 2020
Karachi, Pakistan





UNCONSOLIDATED
**FINANCIAL
STATEMENTS**

Condensed Interim Unconsolidated Statement of Financial Position

As at September 30, 2020

	Note	Unaudited Sep. 30, 2020	Audited June 30, 2020
----- (Rupees '000) -----			
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	4	17,067,289	17,255,963
Long-term investments		1,858,089	1,858,089
Long-term loans and advances - considered good		38,818	38,818
Long-term deposits		99,940	99,940
		19,064,136	19,252,810
Current assets			
Inventories	5	3,283,013	3,465,940
Trade receivables - considered good		2,102,137	494,535
Loans and advances - considered good		94,475	162,443
Short-term deposits and prepayments		51,240	13,248
Investments at fair value through profit or loss		275,000	-
Other receivables		387,633	324,522
Taxation - payments less provisions		2,795,978	2,866,866
Tax refunds due from Government - Sales tax		111,983	56,521
Cash and bank balances		19,053	785,559
		9,120,512	8,169,634
		28,184,648	27,422,444
Total assets			
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up		1,374,270	1,374,270
Unappropriated profit		15,297,854	15,178,386
		16,672,124	16,552,656
LIABILITIES			
Non-current liabilities			
Long-term loans		516,250	236,250
Long-term lease liabilities		46,456	46,456
Deferred tax liabilities		1,081,132	1,081,132
Employee benefit obligations		369,208	359,643
		2,013,046	1,723,481
Current liabilities			
Trade and other payables	6	5,014,709	4,185,436
Unclaimed dividend		10,388	10,416
Accrued mark-up		32,235	33,590
Short term borrowings		4,428,750	4,902,750
Current portion of long-term lease liabilities		13,396	14,115
		9,499,478	9,146,307
		11,512,524	10,869,788
Total liabilities			
Contingencies and commitments			
	7		
Total equity and liabilities			
		28,184,648	27,422,444

The annexed notes 1 to 13 form an integral part of these unconsolidated condensed interim 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, 2020 - Unaudited

	Note	Sep. 30, 2020	Sep. 30, 2019
------(Rupees '000)-----			
Revenue from contracts with customers	8	5,224,298	4,968,083
Cost of sales		(4,253,905)	(3,668,224)
Gross profit		970,393	1,299,859
Distribution costs	9	(592,210)	(488,247)
Administrative expenses		(133,227)	(131,064)
Other expenses		(15,000)	(36,000)
Other income		16,304	20,352
Profit from operations		246,260	664,900
Finance cost		(45,792)	(158,500)
Profit before income tax		200,468	506,400
Income tax expense		(81,000)	(148,750)
Profit for the period		119,468	357,650
Other comprehensive income		-	-
Total comprehensive income		119,468	357,650
Basic and diluted earnings per share		Rs. 0.87	Rs. 2.60

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, 2020 - Unaudited

	Share capital	Unappropriated profit	Total
	------(Rupees '000)-----		
Balance as at July 01, 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)
Total comprehensive income for the year ended June 30, 2020			
Profit for the year ended June 30, 2020	-	1,107,491	1,107,491
Other comprehensive income for the year ended June 30, 2020	-	(104,586)	(104,586)
	-	1,002,905	1,002,905
Balance as at June 30, 2020	1,374,270	15,178,386	16,552,656
Total comprehensive income for the quarter ended September 30, 2020			
Profit for the quarter ended September 30, 2020	-	119,468	119,468
Other comprehensive income	-	-	-
	-	119,468	119,468
Balance as at September 30, 2020	1,374,270	15,297,854	16,672,124

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



Muhammad Rehan
Chief Financial Officer



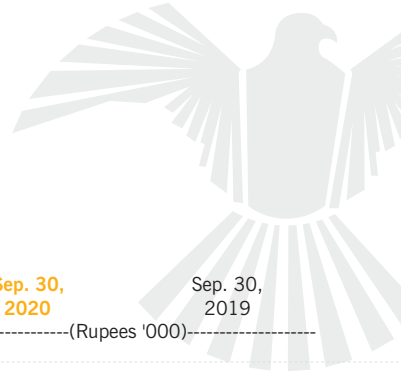
Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Condensed Interim Unconsolidated Statement of Cash Flows

For the quarter ended September 30, 2020 - Unaudited



	Note	Sep. 30, 2020	Sep. 30, 2019
----- (Rupees '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated (used in) / from operations	10	(215,269)	369,745
Finance cost paid		(47,148)	(158,607)
Income tax (paid) / refund		(10,112)	238,407
Employee benefit obligations paid		(18,598)	(23,842)
Net cash (used in) / generated from operating activities		(291,127)	425,703
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		49,445	(9,778)
Investment in subsidiary company		-	(15,625)
Proceeds from disposal of operating assets		353	214
Purchase of open ended mutual fund units		(535,000)	-
Proceeds from sale of open ended mutual fund units		261,257	-
Interest received		3,184	3,745
Net cash used in investing activities		(220,761)	(21,444)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(29)	(56,089)
Proceeds from long-term loan		280,000	(312,500)
Lease rentals paid		(60,589)	(719)
Net cash generated from / (used in) financing activities		219,382	(369,308)
Net (decrease) / increase in cash and cash equivalents		(292,506)	34,951
Cash and cash equivalents at the beginning of the period		(4,083,441)	(3,116,616)
Cash and cash equivalents at the end of the period		(4,375,947)	(3,081,665)

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, 2020 - 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 company is a subsidiary of Pharaon Investment Group Limited Holding S.A.L., Lebanon.

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

- 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 at Plot No. 581-0, Arzoo Building, Al Marrar, Dubai, UAE.

- 1.2 The company has investment in subsidiary company - Saqr Al Keetan for Cement Production Company Limited (SAKCPCL) incorporated in Basra, Iraq. These unconsolidated financial statements are the separate financial statements of the company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

2 BASIS OF PRESENTATION

This condensed interim financial information of the Company for the quarter ended September 30, 2020 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 of the Company for the year ended June 30, 2020.

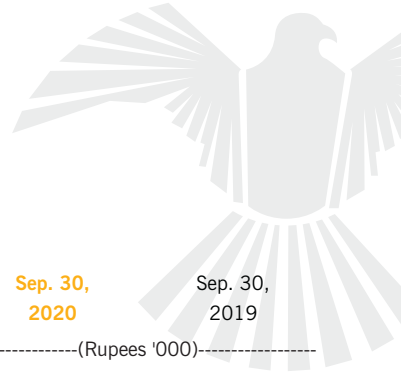
3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2020.

	Sep. 30, 2020	Audited June 30, 2020
	------(Rupees '000)-----	

4 FIXED ASSETS

Operating assets - note 4.1	16,053,728	16,221,746
Capital work-in-progress	2,847	4,195
Stores held for capital expenditure	1,010,714	1,030,022
	17,067,289	17,255,963



Sep. 30,
2020

Sep. 30,
2019

------(Rupees '000)-----

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

Buildings and roads on freehold land	230	395
Plant and Machinery	27,872	43,140
Vehicles	3,905	9,835
Others	1,085	1,277
	33,092	54,647

4.2 Disposals during the period - Net book value	353	214
---------------------------------------------------------	------------	-----

4.3 Transfers to stores during the period - Net book value	2,044	55,746
-------------------------------------------------------------------	--------------	--------

Sep. 30,
2020

Audited
June 30,
2020

------(Rupees '000)-----

5 INVENTORIES

Stores, spares & loose tools - note 5.1	2,320,963	2,113,256
Raw materials	133,390	139,810
Packing materials	125,722	124,172
Work in process	557,531	913,751
Finished goods	145,407	174,951
	3,283,013	3,465,940

5.1 Stores, spares & loose tools

Coal	1,350,196	1,029,428
Stores & spares	897,983	929,637
Bricks	125,394	206,215
Loose tools	2,439	2,515
	2,376,012	2,167,795
Less: Provision for slow moving and obsolete items	(55,049)	(54,539)
	2,320,963	2,113,256

6 TRADE AND OTHER PAYABLES

Creditors	639,275	438,828
Accrued liabilities	2,451,026	1,917,451
Electricity charges payable	292,830	360,474
Advances from customers	379,158	221,868
Excise duty payable	319,018	190,458
Others	933,402	1,056,357
	5,014,709	4,185,436

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

For the quarter ended September 30, 2020 - Unaudited

7 CONTINGENCIES AND COMMITMENTS

7.1 The status of contingencies as reported in note 22 to the financial statements for the year ended June 30, 2020 is the same.

7.2 Commitments in respect of capital expenditure outstanding as at September 30, 2020 amounted to Rs. 5.50 million (June 30, 2020: Rs. 5.83 million).

Sep. 30, 2020	Sep. 30, 2019
------(Rupees '000)-----	

8 Revenue from contracts with customers

Local sale of goods	3,477,136	3,608,930
Excise duty and sales tax	(1,017,093)	(1,162,489)
	2,460,043	2,446,441
Rebates, discount and commission	(99,986)	(79,713)
Net local sale of goods	2,360,057	2,366,728
Exports sales	2,864,241	2,601,355
	5,224,298	4,968,083

9 DISTRIBUTION COSTS

Distribution cost includes Rs. 483 million (September 30, 2019: Rs. 401 million) in respect of export sales.

Sep. 30, 2020	Sep. 30, 2019
------(Rupees '000)-----	

10 CASH GENERATED FROM OPERATIONS

Profit before taxation	200,468	506,400
Add/(Less): Adjustment for non cash charges and other items		
Depreciation	198,750	198,750
Gain on sale of open ended mutual fund units	(1,257)	-
Interest income	(3,184)	(3,745)
Provision for stores, spares and loose tools	510	(1,660)
Employee benefits obligations	28,161	23,842
Finance cost	45,792	158,500
	268,772	375,687
	469,240	882,087

Sep. 30,
2020

Sep. 30,
2019

----- (Rupees '000) -----

Effect on cash flow due to working capital changes

Decrease/(Increase) in current assets

Inventories	182,417	(152,308)
Trade receivables	(1,607,602)	(405,274)
Loans and advances	67,968	16,593
Short-term deposits and prepayments	(37,992)	(2,781)
Other receivables	(63,111)	2,676
Tax refunds due from government - Sales tax	(55,462)	182,587
	(1,513,782)	(358,507)

Increase/(Decrease) in current liabilities

Trade and other payables	829,273	(153,835)
	(684,509)	(512,342)

Cash generated from operations

	(215,269)	369,745
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11 TRANSACTIONS WITH RELATED PARTIES

Holding Company

Recovery of expenses

- 10

Subsidiary Company

Investment

- 15,625

Expenses incurred on behalf of subsidiary company

2,866 3,580

Group Companies

Purchase of goods

105,933 131,554

Reimbursement of expenses

224 248

Recovery of expenses from related parties

6 6,576

Other related parties

Payments made to retirement benefit funds

18,598 23,842

Key management personnel

Sale of goods / vehicle

1,723 -

Salaries and other short-term employee benefits

39,212 40,369

Post-employment benefits

1,168 1,168

12 CORRESPONDING FIGURES

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

13 DATE OF AUTHORISATION FOR ISSUE

This condensed unconsolidated interim financial information was authorised for issue on October 20, 2020 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, 2020

	Note	Unaudited Sep. 30, 2020	Audited June 30, 2020
------(Rupees '000)-----			
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	4	21,618,370	21,847,996
Long-term investment		35,088	35,088
Long-term loans and advances - considered good		38,818	38,818
Long-term deposits		99,940	99,940
		21,792,216	22,021,842
Current assets			
Inventories	5	4,529,612	4,785,692
Trade receivables - considered good		2,132,955	548,068
Loans and advances - considered good		402,294	221,053
Short-term deposits and prepayments		54,040	43,440
Investments at fair value through profit or loss		275,000	-
Other receivables		100,185	37,074
Taxation - payments less provisions		2,795,978	2,866,866
Tax refunds due from Government - Sales tax		111,983	56,521
Cash and bank balances		1,184,086	1,501,063
		11,586,133	10,059,777
Total assets		33,378,349	32,081,619
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up		1,374,270	1,374,270
Unappropriated profit		16,516,947	16,054,152
Exchange revaluation reserve		936,295	936,295
Attributable to owners of Attock Cement Pakistan Ltd. - Holding Company		18,827,512	18,364,717
Non-controlling interests		2,885,374	2,656,490
		21,712,886	21,021,207
LIABILITIES			
Non-current liabilities			
Long-term loans		516,250	236,250
Long-term lease liabilities		46,456	46,456
Deferred tax liabilities		1,081,132	1,081,132
Employee benefit obligations		369,208	359,643
		2,013,046	1,723,481
Current liabilities			
Trade and other payables	6	5,167,648	4,376,060
Unclaimed dividend		10,388	10,416
Accrued mark-up		32,235	33,590
Short term borrowings		4,428,750	4,902,750
Current portion of long-term lease liabilities		13,396	14,115
		9,652,417	9,336,931
Total liabilities		11,665,463	11,060,412
Contingencies and commitments	7		
Total equity and liabilities		33,378,349	32,081,619

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, 2020 - Unaudited

	Note	Sep. 30, 2020	Sep. 30, 2019
------(Rupees '000)-----			
Revenue from contracts with customers	8	7,308,603	5,372,062
Cost of sales		(5,598,727)	(4,004,745)
Gross profit		1,709,876	1,367,317
Distribution costs	9	(636,477)	(489,255)
Administrative expenses		(213,162)	(133,920)
Other expenses		(15,000)	(36,000)
Other income		16,479	20,352
Profit from operations		861,716	728,494
Finance cost		(89,037)	(158,595)
Profit before income tax		772,679	569,899
Income tax expense		(81,000)	(148,750)
Profit for the period		691,679	421,149
Other comprehensive income:			
Items that will be reclassified to profit or loss			
Exchange revaluation reserve		-	(109,947)
Total comprehensive income for the period		691,679	311,202
Total comprehensive income attributable to:			
Owners of Attock Cement Pakistan Limited - Holding Company		462,795	329,661
Non-controlling interests		228,884	(18,459)
		691,679	311,202
Basic and diluted earnings per share		Rs. 3.37	Rs. 2.88

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, 2020 - Unaudited

	Attributable to the owners of the Holding Company					Total Equity
	Issued, subscribed and paid up capital	Unappropriated profit	Exchange revaluation reserve	Sub - Total	Non-controlling interests	
	(Rupees '000)					
Balance as at July 01, 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	-	-	-	-	259,269	259,269
Total comprehensive income for the year ended June 30, 2020						
Profit for the year ended June 30, 2020	-	1,983,257	-	1,983,257	583,844	2,567,101
Other comprehensive income for the year ended June 30, 2020	-	(104,586)	80,400	(24,186)	105,074	80,888
	-	1,878,671	80,400	1,959,071	688,918	2,647,989
Balance as at June 30, 2020	1,374,270	16,054,152	936,295	16,990,447	2,656,490	21,021,207
Total comprehensive income for the quarter ended September 30, 2020						
Profit for the quarter ended September 30, 2020	-	462,795	-	462,795	228,884	691,679
Other comprehensive income	-	-	-	-	-	-
	-	462,795	-	462,795	228,884	691,679
Balance as at September 30, 2020	1,374,270	16,516,947	936,295	17,453,242	2,885,374	21,712,886

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, 2020 - Unaudited

	Note	Sep. 30, 2020	Sep. 30, 2019
------(Rupees '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	224,470	633,855
Finance cost paid		(47,148)	(158,703)
Income tax (paid) / refund		(10,112)	238,406
Employee benefit obligations paid		(18,598)	(23,842)
Net cash generated from operating activities		148,612	689,716
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		59,235	(469,329)
Proceeds from disposal of operating assets		353	214
Purchase of open ended mutual fund units		(535,000)	-
Proceeds from sale of open ended mutual fund units		261,257	-
Interest received		3,184	3,745
Net cash used in investing activities		(210,971)	(465,370)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(29)	(56,089)
Amount received from Non-controlling interests		-	262,467
Proceeds from long-term loan		280,000	(312,500)
Lease rentals paid		(60,589)	(719)
Net cash generated from / (used in) financing activities		219,382	(106,841)
Net increase in cash and cash equivalents		157,023	117,505
Cash and cash equivalents at beginning of the period		(3,401,687)	(2,968,940)
Effects of exchange rate changes in cash and cash equivalents		-	(8,657)
Cash and cash equivalents at end of the period		(3,244,664)	(2,860,092)

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, 2020 - 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.

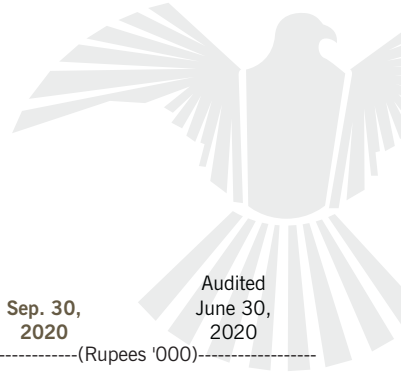
2 BASIS OF PRESENTATION

This condensed interim financial information of the Company for the quarter ended September 30, 2020 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 Limited.

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, 2020.

3 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, 2020.



	Sep. 30, 2020	Audited June 30, 2020
	------(Rupees '000)-----	
4 FIXED ASSETS - property, plant and equipment		
Operating assets - note 4.1	20,543,552	20,757,083
Capital work-in-progress	64,104	60,891
Stores held for capital expenditure	<u>1,010,714</u>	<u>1,030,022</u>
	21,618,370	21,847,996
	Sep. 30, 2020	Sep. 30, 2019
	------(Rupees '000)-----	
4.1 Additions to operating assets during the period were as follows:		
Buildings and roads on freehold land	230	524,295
Plant and machinery	27,872	3,908,081
Furniture and fittings	-	4,256
Vehicles	3,905	9,835
Others	<u>1,085</u>	<u>4,266</u>
	33,092	4,450,733
Disposals during the period - Net book value	<u>353</u>	<u>214</u>
Transfers to stores during the period - Net book value	2,044	55,746
	Sep. 30, 2020	Audited June 30, 2020
	------(Rupees '000)-----	
5 INVENTORIES		
Stores, spares & loose tools - note 5.1	2,517,584	2,304,036
Raw materials	1,131,008	1,219,231
Packing materials	148,020	151,762
Work-in-process	557,531	913,751
Finished goods	<u>175,469</u>	<u>196,912</u>
	4,529,612	4,785,692
5.1 Stores, spares and loose tools		
Coal	1,350,196	1,029,428
Stores & spares	1,094,604	1,120,417
Bricks	125,394	206,215
Loose tools	<u>2,439</u>	<u>2,515</u>
	2,572,633	2,358,575
Less: Provision for slow moving and obsolete items	<u>(55,049)</u>	<u>(54,539)</u>
	2,517,584	2,304,036

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

For the quarter ended September 30, 2020 - Unaudited

	Sep. 30, 2020	Audited June 30, 2020
	------(Rupees '000)-----	
6 TRADE AND OTHER PAYABLES		
Creditors	639,275	438,828
Accrued liabilities	2,451,026	1,983,522
Electricity charges payable	292,830	360,474
Advances from customers	379,158	263,452
Excise duty payable	319,018	190,458
Others	1,086,341	1,139,326
	5,167,648	4,376,060

7 CONTINGENCIES AND COMMITMENTS

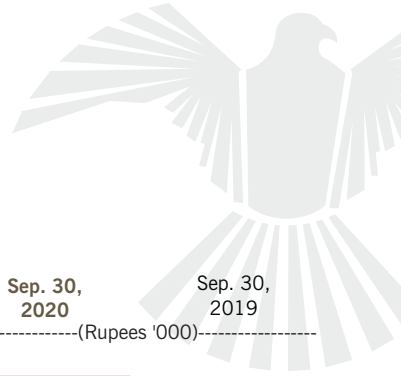
7.1 The status of contingency as reported in note 22 to the financial statements for the year ended June 30, 2020 is the same.

7.2 Commitments in respect of capital expenditure outstanding as at September 30, 2020 amounted to Rs. 5.50 million (June 30, 2020: Rs. 5.83 million).

	Sep. 30, 2020	Sep. 30, 2019
	------(Rupees '000)-----	
8 REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local sale of goods	5,588,199	4,012,910
Sales tax & federal excise duty	(1,017,093)	(1,162,490)
	4,571,106	2,850,420
Rebates, discount and commission	(126,744)	(79,713)
Net local sale of goods	4,444,362	2,770,707
Exports sales	2,864,241	2,601,355
	7,308,603	5,372,062

9 DISTRIBUTION COSTS

Distribution cost includes Rs. 483 million (September 30, 2019: Rs. 401 million) in respect of export sales.



	Sep. 30, 2020	Sep. 30, 2019
	----- (Rupees '000) -----	
10 CASH GENERATED FROM OPERATIONS		
Profit before taxation	772,679	569,899
Add/(Less): Adjustment for non cash charges and other items		
Depreciation	229,914	213,214
Gain on sale of open ended mutual fund units	(1,257)	-
Interest income	(3,184)	(3,745)
Provision for stores, spares and loose tools	510	(1,660)
Employee benefits obligations	28,161	23,842
Finance cost	45,792	158,500
	299,936	390,151
	1,072,615	960,050
Effect on cash flow due to working capital changes		
(Increase)/Decrease in current assets		
Inventories	255,571	(517,862)
Trade receivables	(1,584,887)	(422,997)
Loans and advances	67,968	16,592
Short - term deposits and prepayments	(318,419)	(7,225)
Other receivables	(63,111)	6,256
Tax refunds due from government - sales tax	(55,462)	182,587
	(1,698,340)	(742,649)
Increase in current liabilities		
Trade and other payables	850,195	416,454
	(848,145)	(326,195)
Cash generated from operations	224,470	633,855
11 TRANSACTIONS WITH RELATED PARTIES		
Holding Company		
Recovery of expenses	-	10
Group Companies		
Purchase of goods	105,933	131,554
Reimbursement of expenses	224	248
Recovery of expenses from related parties	6	6,576
Other related parties		
Payments made to retirement benefit funds	18,598	23,842
Key management compensation		
Sale of goods / vehicle	1,723	-
Salaries and other short term employee benefits	39,212	40,369
Post-employment benefits	1,168	1,168



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

For the quarter ended September 30, 2020 - Unaudited

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 20, 2020 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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