

**First Quarter Report  
September 30, 2018**

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**ATTOCK CEMENT  
PAKISTAN LIMITED**



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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: 111-17-17-17  
Fax: (92-21) 35309775  
Email: [acpl@attockcement.com](mailto:acpl@attockcement.com)  
Website: [www.attockcement.com](http://www.attockcement.com)

### Plant

Hub Chowki, Lasbella,  
Baluchistan

### Share Registrar

M/s. FAMCO Associates (Pvt) Ltd.  
8-F, Near Hotel Faran,  
Nursery, Block-6, PECHS,  
Shahrah-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, 2018.

### Operational Results

Production and sales figures for the quarter ended September 30, 2018 are as follows:

	July-Sept. 2018	July-Sept. 2017
	-----Tons-----	
Clinker Production	815,392	494,007
Cement Production	651,389	529,860
Cement Despatches - Local	498,163	390,544
- Export	158,702	130,908
	657,165	521,452
Clinker Export	296,086	-
Total Despatches	953,250	521,452
Clinker Capacity Utilization	113%	113%

### Industry Review

During the first quarter, the overall domestic sales have shown declining trend and reduced by approximately 5% as compared to same period last year. However, the local sales in South have shown an increase of 22%. Export market, due to export of clinker in bulk form, has shown a massive growth of 212% in which your company has a lion's share.

### Sales Review

During the quarter under review, the company, on the back of its higher production, continued its concentration on high retention price local sales as the demand patterns in the market of South were better. The local despatches of the company, therefore, increased by 107,619 tons (28%). On export front the company, with the commencement of line 3 operations, ensured that surplus cement is sold to the designated markets of region where over the years the company has created a name for itself. Therefore, the exports also increased by 27,794 tons (21%) as compared to corresponding period. The total cement despatches of the company increased by 135,713 tons (26%) as compared to same period last year.

As stated earlier, over and above the cement, the company also explored aggressively the regional markets for clinker export and despite stiff competition both from local and regional capacities, was successful in attracting customers from Tanzania, Bangladesh and Sri Lanka. As a result of these efforts your company exported 296,086 tons clinker in these regional markets.



### Financial Review

Due to additional sales of both cement and clinker, the net sales revenue of the company increased by Rs. 2,246 million (63%) over corresponding period. Though the overall net retention from sale of cement was only increased by Rs. 41 per ton, the massive growth in sales was primarily achieved due to higher volumetric growth.

On the other side of equation the production cost per ton has shown an increase of Rs.151 per ton (3%). Even though, all the major input cost elements like coal, paper bags, raw material cost, diesel etc increased significantly but due to higher dispatches of both cement & clinker the per ton fixed cost has been diluted significantly.

Due to significant increase in coal prices in international market & severe devaluation of Pak rupee against US Dollar, the fuel cost increased by Rs. 439 (29%) per ton as compared to same period last year.

Further due to higher exports of both cement & clinker by 323,880 tons, the distribution cost also increased by Rs. 342 million (120%) as compared to the same period last year.

As a result, both the gross and operating margins reduced from 34% and 22% to 23% and 11% respectively and the company recorded net profit after tax of Rs. 423 million which is lower by 30% as compared to same period last year.

### Future Outlook

The country is facing serious economic and financial challenges which have significantly affected the overall performance of the cement sector. Increase in interest rate and uncertain economic policies have affected the investors' confidence. Nearly all the input cost parameters including coal, gas, paper bags, diesel etc. are showing rising trend and uncertainty over rupee dollar parity has further raised the level of risk for investors.

Though there is considerable demand in the market, however, it is feared that overall market sentiments may be affected because of lack of clear direction on economic fronts. This coupled with additional new capacities of around 7.7 million tones which are coming in next 12-18 months may further affect the pricing equilibrium unfavorably. Because of stiff competition your company like any other cement plant in the country has so far not been able to pass on the impact of rising cost to the end user and this situation may continue till the demand increase to at least previous year's level.

There is a huge window of opportunity for clinker export in the markets of Bangladesh, Tanzania, Kenya & Uganda. This opportunity has been emerged because of closure of various plants in China owing to environmental issue. At the moment, Pakistan is the only country in the region which has surplus capacity and if government provides decent incentives in the form of rebates, not only this market can be captured but also sizable foreign exchange revenue can be earned for the country.

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 all segments of both local and export markets.

**BABAR BASHIR NAWAZ**  
Director & Chief Executive

October 12, 2018  
Rawalpindi, Pakistan.

...companies are also included in 'Main Market - UK Users'

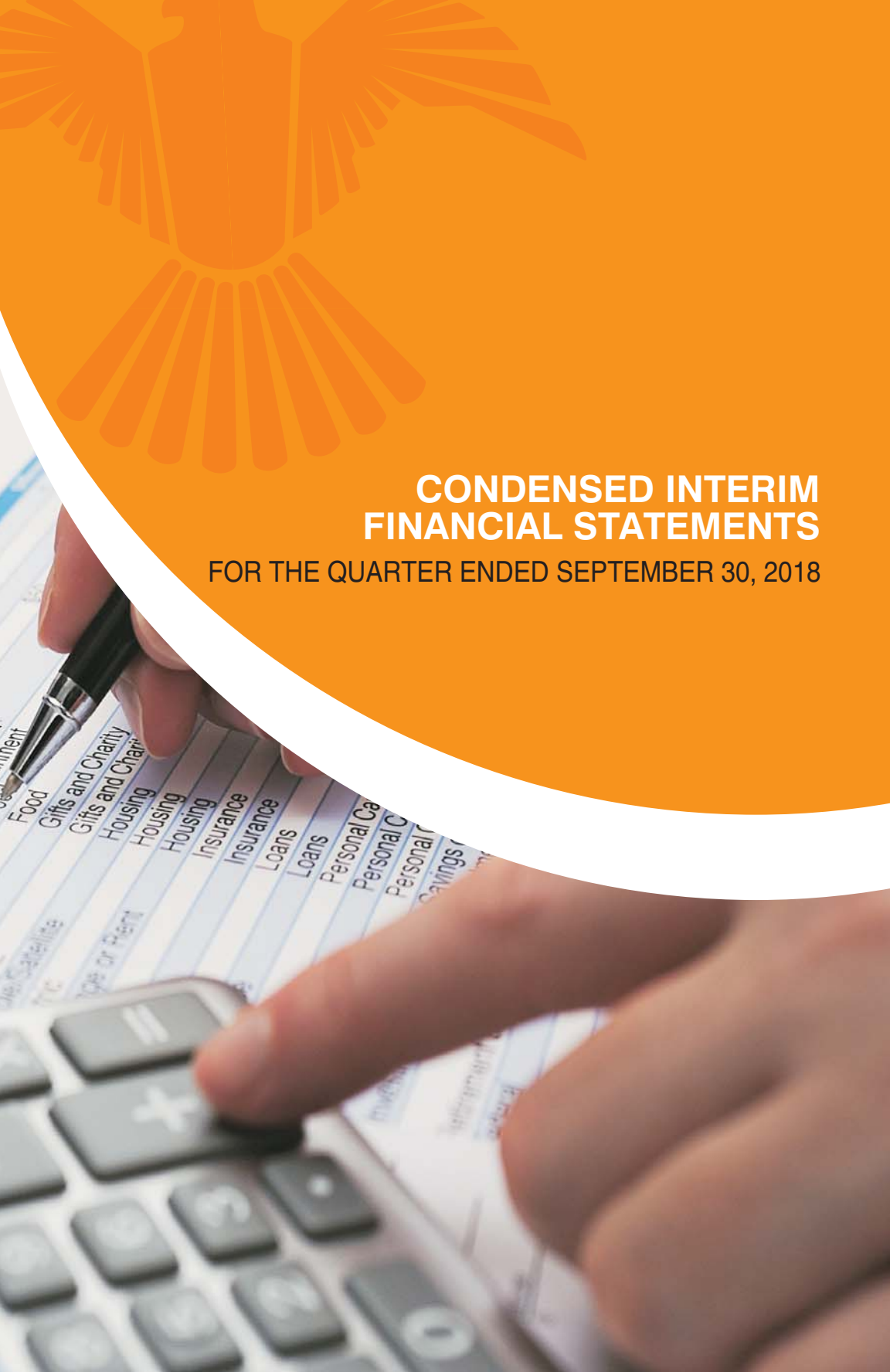
companies by equity market value



### Monthly Budget - Detail

Description	Category	Projected Cost
Extracurricular activities	Children	
Medical	Children	
School Supplies	Children	
Movies	Children	
Music (CDs, downloads, etc.)	Entertainment	
Sporting Events	Entertainment	
Joining Out	Entertainment	
Graduates	Entertainment	
Charity	Entertainment	





# CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2018

Food  
Gifts and Charity  
Gifts and Charity  
Housing  
Housing  
Housing  
Insurance  
Insurance  
Loans  
Loans  
Personal Ca  
Personal C  
Personal C  
Savings





## CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Note	Unaudited Sept. 30 2018	Audited June 30, 2018
-----Rs. in '000-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets - property, plant and equipment	4	18,085,855	17,962,931
Long-term investments		1,435,379	1,435,379
Long-term loans and advances - considered good		47,311	47,311
Long-term deposits		99,940	99,940
Deferred tax assets		131,543	131,543
		<u>19,800,028</u>	<u>19,677,104</u>
<b>Current assets</b>			
Inventories	5	3,800,845	3,649,066
Trade receivable - considered good		1,112,874	709,917
Loans and advances - considered good		101,509	78,499
Short-term deposits and prepayments		54,261	22,593
Other receivables		217,305	201,370
Taxation - payments less provision		1,562,465	1,453,299
Tax refund due from government - Sales tax		356,468	289,270
Cash and bank balances		83,671	324,936
		<u>7,289,398</u>	<u>6,728,950</u>
<b>Total assets</b>		<u>27,089,426</u>	<u>26,406,054</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital - issued, subscribed & paid-up		1,145,225	1,145,225
Unappropriated profit		14,150,458	13,727,410
		<u>15,295,683</u>	<u>14,872,635</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans		3,437,500	3,437,500
Liability against assets subject to finance lease		10,793	10,793
Employee benefit obligations		365,403	387,093
		<u>3,813,696</u>	<u>3,835,386</u>
<b>Current liabilities</b>			
Trade and other payables	6	3,630,842	4,983,843
Unclaimed dividend		8,973	8,998
Accrued mark up		107,685	88,773
Short term borrowings		3,292,372	1,362,508
Current portion of long term loans		937,500	1,250,000
Current maturity of liability against assets subject to finance lease		2,675	3,911
		<u>7,980,047</u>	<u>7,698,033</u>
<b>Total liabilities</b>		<u>11,793,743</u>	<u>11,533,419</u>
<b>Contingency and commitments</b>			
	7		
<b>Total equity and liabilities</b>		<u>27,089,426</u>	<u>26,406,054</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, 2018 - UNAUDITED

	Note	Sept. 30 2018	Sept. 30 2017
-----Rs. in '000-----			
Revenue	8	5,836,358	3,590,353
Cost of sales		(4,482,943)	(2,373,693)
Gross profit		1,353,415	1,216,660
Distribution cost	9	(626,651)	(284,469)
Administrative expenses		(129,389)	(107,616)
Other expenses		(25,000)	(35,000)
Other income		61,333	10,923
Profit from operations		633,708	800,498
Finance cost		(122,660)	(10,556)
Profit before income tax		511,048	789,942
Income tax		(88,000)	(185,000)
Profit for the period		423,048	604,942
Other comprehensive income		-	-
Total comprehensive income for the period		423,048	604,942
Basic and diluted earnings per share	Rs.	3.69	5.28

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, 2018 - UNAUDITED

	Share capital	Unappropriated profit	Total
	----- Rs. '000 -----		
<b>Balance as at July 1, 2017</b>	1,145,225	10,802,410	11,947,635
Profit for the period ended September 30, 2017	-	604,942	604,942
<b>Balance as at September 30, 2017</b>	1,145,225	11,407,352	12,552,577
Final dividend for the year ended June 30, 2017 @ Rs. 13.50 per share	-	(1,546,053)	(1,546,053)
Profit after taxation for the year ended June 30, 2018	-	3,794,842	3,794,842
Other comprehensive income for the year ended June 30, 2018	-	71,269	71,269
<b>Balance as at June 30, 2018</b>	1,145,225	13,727,410	14,872,635
Profit for the period ended September 30, 2018	-	423,048	423,048
<b>Balance as at September 30, 2018</b>	<u>1,145,225</u>	<u>14,150,458</u>	<u>15,295,683</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 CASH FLOWS

FOR THE QUARTER ENDED SEPTEMBER 30, 2018 - UNAUDITED

	Note	Sept. 30 2018	Sept. 30 2017
-----Rs. in '000-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	(1,075,965)	1,271,696
Finance cost paid		(103,748)	(7,756)
Income tax paid		(197,165)	(57,007)
Employee benefit obligations paid		(47,866)	(30,395)
<b>Net cash generated from operating activities</b>		<b>(1,424,744)</b>	<b>1,176,538</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure incurred		(435,143)	(922,625)
Investment in subsidiary company		-	(158,850)
Proceeds from disposal of operating assets		183	1,686
Interest received		2,336	1,803
<b>Net cash used in investing activities</b>		<b>(432,624)</b>	<b>(1,077,986)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(25)	-
Repayment of long term loans		(312,500)	-
Lease rentals paid		(1,236)	(516)
<b>Net cash used in financing activities</b>		<b>(313,761)</b>	<b>(516)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2,171,129)</b>	<b>98,036</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(1,037,572)</b>	<b>(1,859,000)</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>(3,208,701)</b>	<b>(1,760,964)</b>

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, 2018 - 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 / plant 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 Mararr, 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 PREPARATION

This condensed interim financial information of the Company for the quarter ended September 30, 2018 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. These condensed interim financial statements are being posted on company's website for information of member as required by section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange.

These condensed interim financial statements do 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, 2018.

### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim 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, 2018.

### 4. FIXED ASSETS

Operating assets - note 4.1  
Capital work-in-progress  
Stores held for capital expenditure

Sept. 30 2018	Audited June 30, 2018
-----Rs. in '000-----	
17,016,527	17,141,954
128,074	12,574
941,254	808,403
18,085,855	17,962,931

Sept. 30 2018	Sept. 30 2017
-----Rs. in '000-----	

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

Buildings and roads on freehold land  
Plant and machinery  
Furniture and fittings  
Office equipment  
Vehicles

1,111	-
69,152	81,479
-	368
111	511
6,094	3,603
76,468	85,961

Disposals during the period - Net book value

175	652
-----	-----

Transfers to stores during the period - Net book value

10,012	15,724
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**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2018 - UNAUDITED**

	Sept. 30 2018	(Audited) June 30, 2018
-----Rs. in '000-----		
<b>5 INVENTORIES</b>		
Stores, spares & loose tools - note 5.1	3,158,651	2,671,379
Raw materials	143,402	105,704
Packing materials	170,869	143,214
Work-in-progress	143,705	529,009
Finished goods	184,218	199,760
	<u>3,800,845</u>	<u>3,649,066</u>
<b>5.1 Stores, spares &amp; loose tools</b>		
Coal	1,972,191	1,627,122
Stores & spares	1,066,207	984,470
Bricks	163,815	100,862
Loose tools	6,590	6,996
	<u>3,208,803</u>	<u>2,719,450</u>
Less: Provision for slow moving and obsolete items	(50,152)	(48,071)
	<u>3,158,651</u>	<u>2,671,379</u>
<b>6 TRADE AND OTHER PAYABLES</b>		
Creditors	332,860	461,269
Accrued liabilities	2,025,006	3,053,173
Electricity charges payable	101,600	175,342
Advances from customers	241,684	190,084
Excise duty payable	90,769	7,148
Others	838,923	1,096,827
	<u>3,630,842</u>	<u>4,983,843</u>
<b>7 CONTINGENCIES AND COMMITMENTS</b>		
<b>7.1</b> The status of contingency as reported in note 23.1 to the financial statements for the year ended June 30, 2018 is the same.		
<b>7.2</b> Commitments in respect of capital expenditure outstanding as at September 30, 2018 amounted to Rs. 34.59 million (June 30, 2018: Rs. 67.6 million).		
<b>8 REVENUE</b>	Sept. 30 2018	Sept. 30 2017
-----Rs. in '000-----		
Local sale of goods	5,161,848	4,225,803
Sale tax & Federal excise duty	(1,610,920)	(1,159,620)
	<u>3,550,928</u>	<u>3,066,183</u>
Commission	(66,957)	(259,152)
Net local sale of goods	<u>3,483,971</u>	<u>2,807,031</u>
Export sales	2,352,387	783,322
	<u>5,836,358</u>	<u>3,590,353</u>



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2018 - UNAUDITED

### 9 DISTRIBUTION COST

Distribution cost includes Rs. 572.3 million (Sept. 30, 2017: Rs. 242.9 million) in respect of export sales.

Sept. 30 2018	Sept. 30 2017
------------------	------------------

-----Rs. in '000-----

### 10 CASH GENERATED FROM OPERATIONS

Profit before income tax	511,048	789,942
Add/(Less): Adjustment for non cash charges and other items		
Depreciation	198,325	109,293
Gain on disposal of property, plant & equipment	(8)	(880)
Interest income	(2,336)	(1,803)
Provision for stores, spares and loose tools	2,081	-
Employee benefit obligations	26,176	-
Finance cost	122,660	10,556
	346,898	117,166
	857,946	907,108
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase)/Decrease in current assets :</b>		
Inventories	(153,860)	(130,919)
Trade receivable	(402,957)	(79,655)
Loans and advances	(23,010)	(85,787)
Short-term deposits and prepayments	(31,668)	(48,635)
Other receivables	(15,935)	(12,337)
Tax refund due from government - Sales tax	(67,198)	196,397
	(694,628)	(160,936)
<b>(Decrease)/Increase in current liabilities:</b>		
Trade and other payables	(1,239,283)	525,524
	(1,933,911)	364,588
<b>Cash generated from operations</b>	(1,075,965)	1,271,696



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2018 - UNAUDITED

	Sept. 30 2018	Sept. 30 2017
-----Rs. in '000-----		
<b>11 SUMMARY OF TRANSACTIONS WITH RELATED PARTIES</b>		
<b>Holding Company</b>		
Recovery of expenses	719	700
<b>Subsidiary Company</b>		
Expense incurred	16,202	167,889
<b>Group Companies</b>		
Purchase of goods	118,312	64,813
Reimbursement of expenses	3,297	1,063
Recovery of expenses from related parties	5,890	6,185
<b>Other related parties</b>		
Payments made to retirement benefit funds	47,866	30,395
<b>Key management personnel</b>		
Salaries and other short-term employee benefits	40,011	38,447

## 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 statements were authorised for issue on October 12, 2018 by the Board of Directors of the company.

**Muhammad Rehan**  
Chief Financial Officer

**Babar Bashir Nawaz**  
Chief Executive

**Abdus Sattar**  
Director

companies are also focused in 'Main Market - UK (listed)

companies by equity market value



### Monthly Budget - Detail

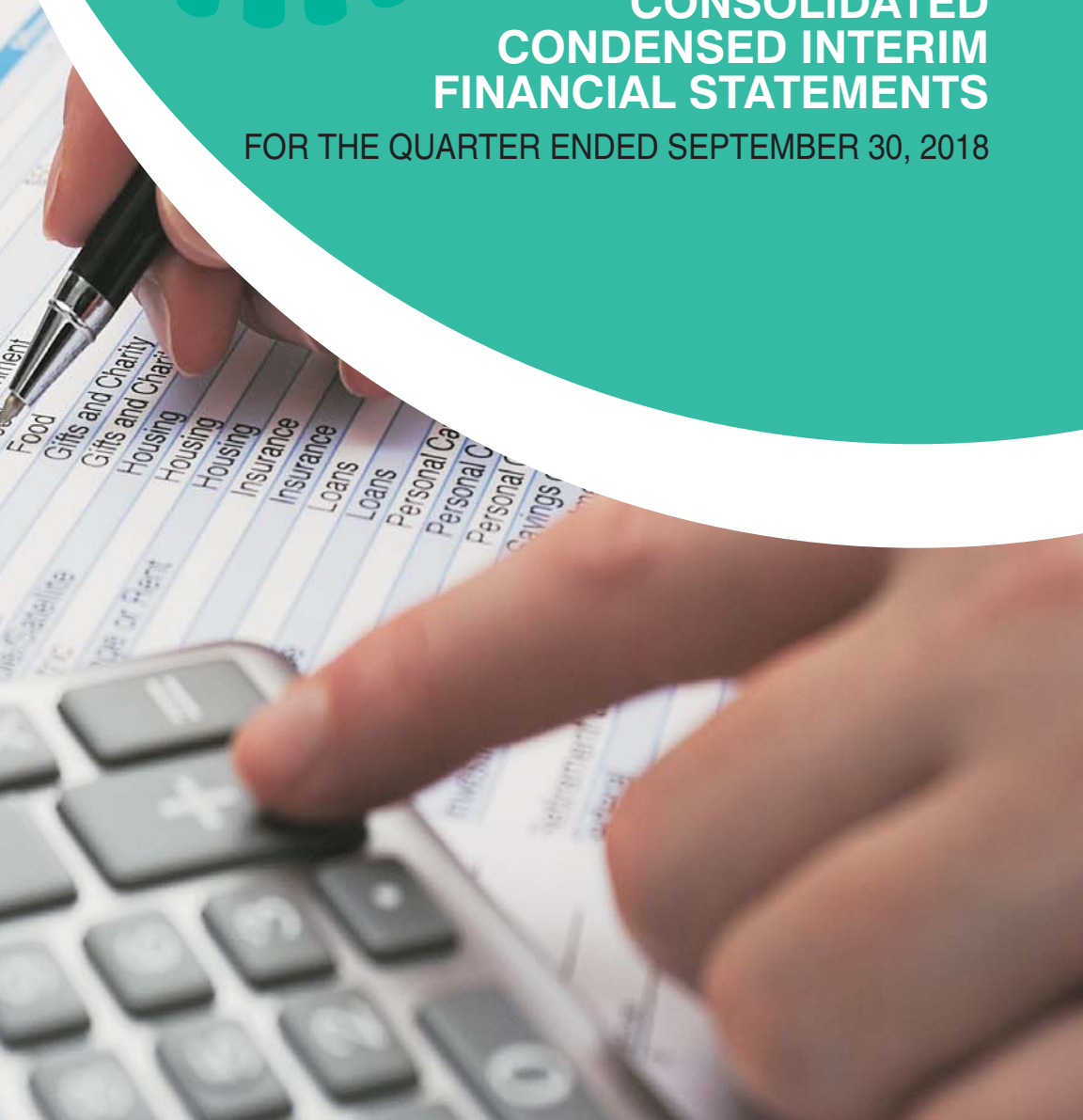
Description	Category	Proposed Cost
Extracurricular activities	Children	
Medical Supplies	Children	
Movies	Children	
Music (CDs, downloads, etc)	Entertainment	
Sporting Events	Entertainment	
Dining Out	Entertainment	
Groceries		
Charity		





# CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2018





## CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

Note	Unaudited Sept 30, 2018	Audited June 30, 2018
-----Rs. in '000-----		
<b>ASSETS</b>		
<b>Non-current assets</b>		
	Fixed assets - property, plant and equipment	20,425,000
	Long-term investment	4,500
	Long-term loans and advances - considered good	47,311
	Long-term deposits	99,940
	Deferred tax assets	131,543
	<b>21,190,219</b>	<b>20,708,294</b>
<b>Current assets</b>		
	Inventories	3,649,066
	Trade receivables - considered good	709,917
	Loans and advances - considered good	78,499
	Short-term deposits and prepayments	28,258
	Other receivables	83,863
	Taxation - payments less provisions	1,453,299
	Tax refund due from government - Sales tax	289,270
	Cash and bank balances	634,395
	<b>7,320,410</b>	<b>6,926,567</b>
	<b>28,510,629</b>	<b>27,634,861</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
	Share capital - issued, subscribed and paid up	1,145,225
	Unappropriated profit	13,727,410
	Exchange revaluation reserve	217,129
	Attributable to owners of Attock Cement Pakistan Limited - Holding company	15,089,764
	Non-controlling interests	946,558
	<b>16,611,390</b>	<b>16,036,322</b>
<b>LIABILITIES</b>		
<b>Non-Current liabilities</b>		
	Long term loans	3,437,500
	Liability against assets subject to finance lease	10,793
	Employee benefit obligations	387,093
	<b>3,813,696</b>	<b>3,835,386</b>
<b>Current liabilities</b>		
	Trade and other payables	5,048,963
	Unclaimed dividend	8,998
	Accrued mark-up	88,773
	Short term borrowings	1,362,508
	Current maturity of long term loans	1,250,000
	Current maturity of liability against assets subject to finance lease	3,911
	<b>8,085,543</b>	<b>7,763,153</b>
	<b>11,899,239</b>	<b>11,598,539</b>
<b>Contingency and commitments</b>		
	<b>28,510,629</b>	<b>27,634,861</b>

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, 2018 - UNAUDITED

	Note	Sept. 30, 2018	Sept. 30, 2017
-----Rs. in '000-----			
Revenue	8	5,836,358	3,590,353
Cost of sales		(4,482,943)	(2,373,693)
Gross profit		1,353,415	1,216,660
Distribution costs	9	(626,651)	(284,469)
Administrative expenses		(129,389)	(107,616)
Other expenses		(25,000)	(35,000)
Other income		61,333	10,923
Profit from operations		633,708	800,498
Finance cost		(122,660)	(10,556)
Profit before income tax		511,048	789,942
Income tax		(88,000)	(185,000)
Profit for the period		423,048	604,942
<b>Other comprehensive income:</b>			
<b>Items that will be reclassified to profit or loss</b>			
Exchange revaluation reserve		66,025	4,050
<b>Total comprehensive income for the period</b>		<b>489,073</b>	<b>608,992</b>
Total comprehensive income attributable to:			
Owners of Attock Cement Pakistan Limited - Holding Company		465,447	607,372
Non-controlling interest		23,626	1,620
		489,073	608,992
Basic and diluted earnings per share	Rs.	3.69	5.28

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, 2018 - UNAUDITED

	Share capital	Unappropriated profit	Exchange revaluation reserve	Non-controlling interests	Total
	-----Rupees '000-----				
<b>Balance as at July 01, 2017</b>	1,145,225	10,802,410	(577)	624,285	12,571,343
Total comprehensive income for the quarter ended September 30, 2017	-	604,942	2,430	-	607,372
	1,145,225	11,407,352	1,853	624,285	13,178,715
Final dividend for the year ended June 30, 2017 @ Rs. 13.50 per share	-	(1,546,053)	-	-	(1,546,053)
Equity contribution by Non-controlling interests	-	-	-	198,109	198,109
Total comprehensive income for the year ended June 30, 2018					
Profit for the period ended June 30, 2018	-	3,794,842	-	-	3,794,842
Other comprehensive income for the year ended June 30, 2018	-	71,269	215,276	124,164	410,709
	-	3,866,111	215,276	124,164	4,205,551
<b>Balance as at June 30, 2018</b>	1,145,225	13,727,410	217,129	946,558	16,036,322
Equity contribution by Non-controlling interests	-	-	-	85,995	85,995
Total comprehensive income for the period ended September 30, 2018	-	423,048	-	-	423,048
Other comprehensive income for the period ended September 30, 2018	-	-	42,399	23,626	66,025
	-	423,048	42,399	23,626	489,073
<b>Balance as at September 30, 2018</b>	<b>1,145,225</b>	<b>14,150,458</b>	<b>259,528</b>	<b>1,056,179</b>	<b>16,611,390</b>

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, 2018 - UNAUDITED

	Note	Sept. 30, 2018	Sept. 30, 2017
-----Rs. in '000-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	(1,019,555)	1,285,226
Finance cost paid		(103,748)	(7,756)
Income tax paid		(197,165)	(57,007)
Employee benefit obligations paid		(47,866)	(30,395)
Net cash generated from operating activities		(1,368,334)	1,190,068
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure incurred		(731,827)	(990,009)
Proceeds from disposal of operating assets		183	1,686
Amount received from Non-controlling interests		85,995	65,572
Interest received		2,336	1,803
Net cash used in investing activities		(643,313)	(920,948)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(25)	-
Repayment of long term loan		(312,500)	-
Lease rental paid		(1,236)	(516)
Net cash used in financing activities		(313,761)	(516)
Net (decrease) / increase in cash and cash equivalents		(2,325,408)	268,604
<b>Cash and cash equivalents at beginning of the period</b>		(728,113)	(734,722)
<b>Effects of exchange rate changes in cash and cash equivalents</b>		5,605	-
<b>Cash and cash equivalents at end of the period</b>		(3,047,916)	(466,118)

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, 2018 - 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 Company is in the process of constructing the plant which is expected to be completed by next year.

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-Arquli Al Janobi, Khor Al-Zubair, Basra, Iraq.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim 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, 2018

## 3. Basis of preparation

This condensed interim consolidated financial statement of the Company for the quarter ended September 30, 2018 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. These condensed interim consolidated financial statements are being posted on company's website for information of member as required by section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange.

These condensed interim consolidated financial statements do 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, 2018.



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2018 - UNAUDITED

	Sept. 30, 2018	Audited June 30, 2018
	-----Rs. in '000-----	
<b>4 FIXED ASSETS - property, plant and equipment</b>		
Operating assets - note 4.1	17,058,170	17,184,187
Capital work-in-progress	2,907,501	2,432,410
Stores held for capital expenditure	941,254	808,403
	<b>20,906,925</b>	<b>20,425,000</b>

	Sept. 30, 2018	Sept. 30, 2017
	-----Rs. in '000-----	
<b>4.1 Additions to operating assets during the period were as follows:</b>		
Buildings and roads on freehold land	1,111	-
Plant and machinery	69,152	81,479
Furniture and fittings	555	368
Office equipment	1,451	511
Vehicles	6,094	3,603
	<b>78,363</b>	<b>85,961</b>
Disposals during the period - Net book value	<b>175</b>	<b>652</b>
Transfers to stores during the period - Net book value	<b>10,012</b>	<b>15,724</b>

	Sept. 30, 2018	Audited June 30, 2018
	-----Rs. in '000-----	
<b>5 INVENTORIES</b>		
Stores, spares & loose tools - note: 5.1	3,158,651	2,671,379
Raw materials	143,402	105,704
Packing materials	170,869	143,214
Work in process	143,705	529,009
Finished goods	184,218	199,760
	<b>3,800,845</b>	<b>3,649,066</b>



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2018 - UNAUDITED

	Sept. 30, 2018	Audited June 30, 2018
-----Rs. in '000-----		
<b>5.1 Stores, spares and loose tools</b>		
Coal	1,972,191	1,627,122
Stores & spares	1,066,207	984,470
Bricks	163,815	100,862
Loose tools	6,590	6,996
	<u>3,208,803</u>	<u>2,719,450</u>
Less: Provision for slow moving and obsolete items	(50,152)	(48,071)
	<u>3,158,651</u>	<u>2,671,379</u>
<b>6 TRADE AND OTHER PAYABLES</b>		
Creditors	434,460	461,269
Accrued liabilities	2,028,902	3,118,293
Electricity charges payable	101,600	175,342
Advances from customers	241,684	190,084
Excise duty payable	90,769	7,148
Others	838,923	1,096,827
	<u>3,736,338</u>	<u>5,048,963</u>

### 7 CONTINGENCIES AND COMMITMENTS

- 7.1** The status of contingency as reported in note 23.1 to the financial statements for the year ended June 30, 2018 is the same.
- 7.2** Commitments in respect of capital expenditure outstanding as at Sept. 30, 2018 amounted to Rs. 156.59 million (June 30, 2018: Rs. 729 million).

	Sept. 30, 2018	Sept. 30, 2017
-----Rs. in '000-----		
<b>8 REVENUE</b>		
Local sale of goods	5,161,848	4,225,803
Sales tax & federal excise duty	(1,610,920)	(1,159,620)
	<u>3,550,928</u>	<u>3,066,183</u>
Commission	(66,957)	(259,152)
Net local sale of goods	<u>3,483,971</u>	<u>2,807,031</u>
Export sales	2,352,387	783,322
	<u>5,836,358</u>	<u>3,590,353</u>

### 9 DISTRIBUTION COST

Distribution cost includes Rs. 572.3 million (Sept. 30, 2017: Rs. 242.9 million) in respect of export sales.



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2018 - UNAUDITED

	Sept. 30, 2018	Sept. 30, 2017
-----Rs. in '000-----		
<b>10 CASH GENERATED FROM OPERATIONS</b>		
Profit before income tax	511,048	789,942
Add/(Less): Adjustment for non cash charges and other items:		
Depreciation	198,325	109,293
Gain on disposal of property, plant & equipment	(8)	(880)
Interest income	(2,336)	(1,803)
Provision for stores, spares & loose tools	2,081	-
Employee benefit obligations	26,176	-
Finance cost	122,660	10,556
	<u>346,898</u>	<u>117,166</u>
	857,946	907,108
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase)/Decrease in current assets :</b>		
Inventories	(153,860)	(130,918)
Trade receivable	(402,957)	(79,655)
Loans and advances	(23,010)	(85,787)
Short term deposits and prepayments	(29,827)	(45,497)
Other receivables	268	(3,298)
Tax refunds due from government - Sales tax	(67,198)	196,397
	<u>(676,584)</u>	<u>(148,758)</u>
<b>(Decrease)/Increase in current liabilities:</b>		
Trade and other payables	(1,200,917)	526,876
	<u>(1,877,501)</u>	<u>378,118</u>
<b>Cash generated from operations</b>	<u>(1,019,555)</u>	<u>1,285,226</u>
<b>11 SUMMARY OF TRANSACTIONS WITH RELATED PARTIES</b>		
<b>Ultimate holding Company</b>		
Recovery of expenses	719	700
<b>Group Companies</b>		
Purchase of goods	118,312	64,813
Reimbursement of expenses	3,297	1,063
Recovery of expenses for related parties	5,890	6,185
<b>Other related parties</b>		
Payments made to retirement benefit funds	47,866	30,395
<b>Key management personnel</b>		
Salaries and other short-term employee benefits	40,011	38,447



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2018 - 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 consolidated condensed interim financial statements were authorised for issue on October 12, 2018 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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