

*First Quarter
Report
September 30, 2021*



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
Shamim Ahmad Khan
Mohammad Haroon
Babar Bashir Nawaz

Chief Executive

Babar Bashir Nawaz

Alternate Directors

Shuaib A. Malik
Irfan Amanullah

Audit Committee of the Board

Shamim Ahmad Khan Chairman
Shuaib A. Malik Member
Abdus Sattar Member

HR & Remuneration Committee

Shamim Ahmad Khan Chairman
Shuaib A. Malik Member
Mohammad Haroon Member

Company Secretary

Irfan Amanullah

Chief Financial Officer

Muhammad Rehan

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Cost Auditors

UHY Hassan Naeem & Co.
Chartered Accountants

Legal Advisor

M/s. HNT & Associates

Bankers

MCB Bank Limited
The Bank of Punjab
Allied Bank Limited
Faysal 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
Web site: www.attockcement.com

Plant

1. Hub Chowki, Lasbella
Baluchistan
2. Cement Grinding Unit
Industrial Sector,
Land No. 1/7, Sector 56,
Al-Arqli 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, 2021.

Operational Results

Production and sales figures for the quarter ended September 30, 2021 are as follows:

	July-Sep. 2021	July-Sep. 2020
	----- Tons -----	
Clinker Production	<u>623,958</u>	<u>755,920</u>
Cement Production	<u>412,855</u>	<u>434,714</u>
Cement Dispatches - Local	351,400	292,444
- Export	52,395	150,148
Total Cement Dispatches	<u>403,795</u>	<u>442,592</u>
Clinker Dispatches - Export	195,566	437,499
Total Dispatches	<u>599,361</u>	<u>880,091</u>
Clinker Capacity Utilization	87%	105%

Industry Review

Local sales showed healthy growth of 20% during the first quarter in the market of South, where your Company is situated but the exports were badly affected and registered a negative growth of 58%. Prices in the export market remained under pressure and importers were not willing to increase the prices in line with increase in commodity prices world-wide owing to major surge in international shipping freights and other input costs in their own markets.

Sales Review

During the quarter under review, the local cement dispatches increased by 20% as compared to same period last year mainly due to surge in local demand as the 1Q 2020-21 was hit by COVID related shutdown. As far as export markets are concerned, the Company did not push for increased dispatches due to depressed prices. As a result both cement and clinker exports reduced by 65% and 55% respectively. Considering lower demand in export markets and pricing constraints the Company preferred to close its two production lines in order to preserve the cheap coal and lower cost produced cement in order to preserve the cash flows and to maintain the profitability of the Company at decent levels.

Financial Review

The net sales revenue of the Company decreased by Rs.798 million (15%) over corresponding period due to reduced dispatches by 280,730 tons as compared to same period last year. The overall net retention (both cement & clinker) increased by Rs.1,449 per ton (24%) primarily due to higher local sales as it constitutes around 59% of total dispatches as compared to 33% in same period last year. Due to robust local market, the Company was able to partially pass on the cost impact and net retention of cement in local market increased by 8% as compared to same period last year.

On the other side of equation, the production cost per ton has increased by Rs.1,154 per ton (24%) mainly due to steep rise in fuel prices in international market, followed by higher diesel cost, paper bag cost and fuel charge adjustments in electricity prices. The coal prices in the international market has so far increased from around US\$ 68 / ton FOB in September, 2020 to over US\$ 210 / ton FOB in September, 2021.



Increase in fuel and power costs along with other related increases in input costs eroded the gains achieved through increase in retention and gross margin remained at 19%. Due to lower exports, the operating margin improved from 4% to 8% for the quarter under review and the Company recorded net profit after tax of Rs. 271 million higher by 127% as compared to same period last year.

PROGRESS ON PROJECTS

20 MW Solar Power Plant

The trial operation of Solar Power Project has commenced and results are very encouraging. It is expected that the project would be completed during the 2Q 2021-22 and will contribute significantly towards the reduction in the power cost.

Line IV Project

As appraised earlier, the letters of credit of the project have been established and contractual advance payment has been remitted to the supplier. The ground breaking ceremony of civil work was carried out during October, 2021. It is expected that the plant erection would be completed by 1Q 2023.

Future Outlook

The local cement dispatches have shown a promising growth during last 6 months as the Government of Pakistan has taken various positive steps in order to revive the economy. The funds allocated for the Naya Pakistan Housing Scheme, construction of new water reservoirs and up-gradation of existing ones, higher allocation for Public Sector Development Program (PSDP) and massive investments allocation for the power related infrastructure clearly shows that the demand pattern of cement consumption may continue in next 2-3 years which would prove very healthy on the cement sector as a whole.

On export front, the dispatches are expected to remain under pressure unless the prices reach to the level of positive contribution margin for both cement and clinker.

During last 6 months, the coal prices are at un-precedented high level and at present it is trading at around US\$ 230 per ton. Due to high demand in China and India, it is expected that the coal prices will remain on higher side of the equation and an immediate reduction in coal prices is still a distinct reality. Further, the power cost is also increasing and with the rising inflationary numbers, the profitability of the Company may remain under pressure. Due to market dynamics it is not possible for the Company to pass on the entire impact of the higher input costs on the end user at once and this may keep the margins under check.

Your management is fully aligned with the rapid surge in global commodity prices and resulting changes in both local and international market dynamics and efforts are being made to curtail the costs wherever possible besides creating a price efficient sales mix to ensure a decent profitability.

The Company deeply acknowledges and recognizes the efforts put in by both the management and non-management staff and offers its sincere thanks to the support it has received from both federal and provincial governments, regulatory bodies, its customers, bankers and suppliers.

On behalf of the Board

BABAR BASHIR NAWAZ
Director & Chief Executive

October 21, 2021
Karachi, Pakistan.



**UNCONSOLIDATED
FINANCIAL
STATEMENTS**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

	Note	Unaudited Sep 30, 2021	Audited June 30, 2021
----- (Rupees '000) -----			
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	4	20,754,230	19,477,024
Long-term investments		1,863,743	1,863,743
Long-term loans and advances - considered good		67,964	67,964
Long-term deposits		99,940	99,940
		22,785,877	21,508,671
Current assets			
Inventories	5	5,690,906	3,642,496
Trade receivables - considered good		1,440,458	1,631,402
Loans and advances - considered good		120,888	143,929
Short-term deposits and prepayments		52,568	25,355
Other receivables		324,762	320,036
Taxation - payments less provisions		2,880,542	2,859,342
Tax refunds due from government - sales tax		2,556	19,431
Short-term investments		-	1,914,887
Cash and bank balances		210,644	591,414
		10,723,324	11,148,292
Total assets		33,509,201	32,656,963
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up		1,374,270	1,374,270
Unappropriated profit		16,097,224	15,826,272
		17,471,494	17,200,542
LIABILITIES			
Non-current liabilities			
Long-term loans		2,405,211	2,382,121
Deferred income - government grant		335,259	335,259
Long-term lease liabilities		38,279	38,279
Deferred tax liabilities		1,233,815	1,233,815
Employee benefit obligations		318,750	307,957
		4,331,314	4,297,431
Current liabilities			
Trade and other payables	6	6,497,598	6,657,144
Unclaimed dividend		10,476	10,674
Accrued mark-up		51,644	71,865
Short-term borrowings		5,121,941	4,393,854
Current portion of long-term lease liabilities		24,734	25,453
		11,706,393	11,158,990
Total liabilities		16,037,707	15,456,421
Contingencies and commitments	7		
Total equity and liabilities		33,509,201	32,656,963

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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED



	Note	Sep 30, 2021	Sep 30, 2020
------(Rupees '000)-----			
Revenue from contracts with customers	8	4,426,595	5,224,298
Cost of sales		(3,587,624)	(4,253,905)
Gross Profit		838,971	970,393
Distribution costs	9	(319,993)	(592,210)
Administrative expenses		(148,819)	(133,227)
Other expenses		(23,000)	(15,000)
Other income		43,097	16,304
Profit from operations		390,256	246,260
Finance cost		(38,304)	(45,792)
Profit before income tax		351,952	200,468
Income tax expense		(81,000)	(81,000)
Profit for the period		270,952	119,468
Other comprehensive income		-	-
Total comprehensive income		270,952	119,468
Basic and diluted earnings per share (Rupees)		1.97	0.87

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



UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	------(Rupees '000)-----		
Balance as at July 01, 2020	1,374,270	15,178,386	16,552,656
Final dividend for the year ended June 30, 2020 @ Rs. 3.50 per share	-	(480,995)	(480,995)
Total comprehensive income for the year ended June 30, 2021			
Profit for the year ended June 30, 2021	-	1,107,352	1,107,352
Other comprehensive income for the year ended June 30, 2021	-	21,529	21,529
	-	1,128,881	1,128,881
Balance as at June 30, 2021	1,374,270	15,826,272	17,200,542
Total comprehensive income for the quarter ended September 30, 2021			
Profit for the quarter ended September 30, 2021	-	270,952	270,952
Other comprehensive income	-	-	-
	-	270,952	270,952
Balance as at September 30, 2021	1,374,270	16,097,224	17,471,494

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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021



	Note	Sep 30, 2021	Sep 30, 2020
------(Rupees '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	10	(1,395,809)	(215,269)
Finance cost paid		(58,526)	(47,148)
Income tax paid		(102,200)	(10,112)
Employee benefit obligations paid		(18,445)	(18,598)
Net cash used in operating activities		(1,574,980)	(291,127)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(1,479,407)	49,445
Proceeds from disposal of operating assets		-	353
Purchase of open ended mutual fund units		(253,970)	(535,000)
Proceeds from sale of open ended mutual fund units		2,174,910	261,257
Placement in term deposit receipt (TDR)		(10,000)	-
Interest received		2,416	3,184
Net cash generated from / (used in) investing activities		433,949	(220,761)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(198)	(29)
Proceeds from long-term loan		23,090	280,000
Repayment of long-term loan		(68,749)	-
Lease rentals paid		(719)	(60,589)
Net cash (used in) / generated from financing activities		(46,576)	219,382
Net decrease in cash and cash equivalents		(1,187,607)	(292,506)
Cash and cash equivalents at the beginning of the period		(3,617,440)	(4,083,441)
Cash and cash equivalents at the end of the period		(4,805,047)	(4,375,947)

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

SELECTED NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

1 THE COMPANY AND ITS OPERATION

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 unconsolidated financial information of the Company for the quarter ended September 30, 2021 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 unconsolidated 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 unconsolidated 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, 2021.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim unconsolidated 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, 2021.

4 FIXED ASSETS

	Sep 30, 2021	Audited June 30, 2021
	------(Rupees '000)-----	
Operating assets - note: 4.1	15,411,491	15,582,641
Capital work-in-progress	3,064,834	2,964,263
Stores held for capital expenditure	2,277,905	930,120
	20,754,230	19,477,024



Sep 30,
 2021
 -----(Rupees '000)-----
 Sep 30,
 2020

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

Buildings and roads on freehold land	-	230
Plant and machinery	27,277	27,872
Vehicles	11,952	3,905
Others	-	1,086
	39,229	33,093
Disposals during the period - Net book value	-	353
Transfers to stores during the period - Net book value	8,179	2,044

Sep 30,
 2021
 -----(Rupees '000)-----
 Audited
 June 30,
 2021

5 INVENTORIES

Stores, spares & loose tools - note: 5.1	4,175,727	2,519,884
Raw materials	160,152	131,206
Packing materials	206,066	163,230
Work in process	906,958	667,289
Finished goods	242,003	160,887
	5,690,906	3,642,496

5.1 Stores, spares & loose tools

Coal	2,986,300	1,533,601
Stores & spares	1,136,883	916,025
Bricks	119,140	133,822
Loose tools	2,715	2,538
	4,245,038	2,585,986
Less: Provision for slow moving and obsolete items	(69,311)	(66,102)
	4,175,727	2,519,884

6 TRADE AND OTHER PAYABLES

Creditors	669,184	1,102,942
Accrued liabilities	3,962,761	3,016,541
Electricity charges payable	118,591	371,046
Advances from customers	464,452	451,972
Excise duty payable on sales	145,241	239,056
Others	1,137,369	1,475,587
	6,497,598	6,657,144

SELECTED NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 - 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, 2021 is the same.
- 7.2 Commitments in respect of capital expenditure outstanding as at September 30, 2021 amounted to Rs. 8.27 billion (June 30, 2021: Rs. 8.24 million).

Sep 30,
2021
 -----(Rupees '000)-----
 Sep 30,
2020

8 REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sale of goods	4,412,453	3,477,136
Sales tax and Federal excise duty	(1,251,990)	(1,017,093)
	3,160,463	2,460,043
Rebates, discounts and commission	(107,490)	(99,986)
Net local sale of goods	3,052,973	2,360,057
Exports sales	1,373,622	2,864,241
	4,426,595	5,224,298

9 DISTRIBUTION COSTS

Distribution costs include Rs. 197 million (September 30, 2020: Rs. 483 million) in respect of export sales.

Sep 30,
2021
 -----(Rupees '000)-----
 Sep 30,
2020

10 CASH GENERATED FROM OPERATIONS

Profit before taxation	351,952	200,468
Add / (Less): Adjustment for non cash charges and other items:		
Depreciation	202,201	198,750
Gain on sale of open ended mutual fund units	(6,052)	(1,257)
Interest income	(2,416)	(3,184)
Provision for stores, spares and loose tools	3,209	510
Employee benefits obligations	29,238	28,161
Finance cost	38,304	45,792
	264,484	268,772
Profit before working capital changes	616,436	469,240



Sep 30,
2021

Sep 30,
2020

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

Effect on cash flow due to working capital changes

Decrease / (Increase) in current assets :

Inventories	(2,051,619)	182,417
Trade receivables	190,944	(1,607,602)
Loans and advances	23,041	67,968
Short - term deposits and prepayments	(27,213)	(37,992)
Other receivables	(4,726)	(63,111)
Tax refunds due from government - sales tax	16,875	(55,462)
	(1,852,698)	(1,513,782)

(Decrease) / Increase in current liabilities:

Trade and other payables	(159,547)	829,273
	(2,012,245)	(684,509)

Cash (used in) / generated from operations

(1,395,809) (215,269)

11 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

Holding Company

Recovery of expenses 84 -

Subsidiary Company

Expenses incurred on behalf of subsidiary company - 2,866

Associated Companies

Purchase of goods 119,277 105,933

Reimbursement of expenses 306 224

Recovery of expenses 17 6

Other related parties

Payments made to retirement benefit funds 18,445 18,598

Key management compensation

Sales of goods / vehicles 62 1,723

Salaries and other short-term employee benefits 31,674 39,212

Post employment benefits 1,226 1,168



SELECTED NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

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 21, 2021 by the Board of Directors of the Company.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

CONSOLIDATED
FINANCIAL
STATEMENTS

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2021

	Note	Unaudited Sep 30, 2021	Audited June 30, 2021
(Rupees '000)			
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	4	24,968,648	23,716,819
Investment in associate		40,742	40,742
Long-term loans and advances - considered good		67,964	67,964
Long-term deposits		99,940	99,940
		25,177,294	23,925,465
Current assets			
Inventories	5	7,133,956	4,785,062
Trade receivables - considered good		1,485,993	1,707,826
Loans and advances - considered good		459,053	338,460
Short-term deposits and prepayments		52,568	32,742
Other receivables		47,544	42,816
Taxation - payments less provisions		2,880,542	2,859,342
Tax refunds due from government - sales tax		2,556	19,431
Short term investments		-	1,914,887
Cash and bank balances		2,111,015	2,767,118
		14,173,227	14,467,684
Total assets		39,350,521	38,393,149
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up		1,374,270	1,374,270
Unappropriated profit		17,797,388	17,465,015
Exchange revaluation reserve		704,135	704,135
Attributable to owners of Attock Cement Pakistan Limited - Holding company		19,875,793	19,543,420
Non-controlling interests		3,037,773	2,996,826
		22,913,566	22,540,246
LIABILITIES			
Non-current liabilities			
Long - term loans		2,405,211	2,382,121
Deferred income - government grant		335,259	335,259
Long-term lease liabilities		38,279	38,279
Deferred tax liabilities		1,233,815	1,233,815
Employee benefit obligations		318,750	307,957
		4,331,314	4,297,431
Current liabilities			
Trade and other payables	6	6,896,846	7,053,626
Unclaimed dividend		10,476	10,674
Accrued mark-up		51,644	71,865
Short term borrowings		5,121,941	4,393,854
Current portion of long-term lease liabilities		24,734	25,453
		12,105,641	11,555,472
Total liabilities		16,436,955	15,852,903
Contingencies and commitments	7		
Total equity and liabilities		39,350,521	38,393,149

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED



	Note	Sep 30, 2021	Sep 30, 2020
----- (Rupees '000) -----			
Revenue from contracts with customers	8	5,732,381	7,308,603
Cost of sales		(4,694,693)	(5,598,727)
Gross profit		1,037,688	1,709,876
Distribution costs	9	(370,830)	(636,477)
Administrative expenses		(186,334)	(213,162)
Other expenses		(23,000)	(15,000)
Other income		43,097	16,479
Profit from operations		500,621	861,716
Finance cost		(46,301)	(89,037)
Profit before income tax		454,320	772,679
Income tax expense		(81,000)	(81,000)
Profit for the period		373,320	691,679
Other comprehensive income		-	-
Total comprehensive income for the period		373,320	691,679
Total comprehensive income attributable to:			
Owners of Attock Cement Pakistan Limited - Holding Company		332,373	462,795
Non-controlling interests		40,947	228,884
		373,320	691,679
Basic and diluted earnings per share (Rupees)		2.42	3.37

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

	Attributable to the owners of Holding Company			Sub - Total	Non-controlling interests	Total Equity
	Issued, subscribed and paid-up capital	Unappropriated profit	Exchange revaluation reserve			
	------(Rupees '000)-----					
Balance as at July 01, 2020	1,374,270	16,054,152	936,295	16,990,447	2,656,490	21,021,207
Final dividend for the year ended June 30, 2020 @ Rs. 3.5 per share	-	(480,995)	-	(480,995)	-	(480,995)
Total comprehensive income for the year ended June 30, 2021						
Profit for the year ended June 30, 2021	-	1,870,329	-	1,870,329	508,269	2,378,598
Other comprehensive income for the year ended June 30, 2021	-	21,529	(232,160)	(210,631)	(167,933)	(378,564)
	-	1,891,858	(232,160)	1,659,698	340,336	2,000,034
Balance as at June 30, 2021	1,374,270	17,465,015	704,135	18,169,150	2,996,826	22,540,246
Total comprehensive income for the quarter ended September 30, 2021						
Profit for the quarter ended September 30, 2021	-	332,373	-	332,373	40,947	373,320
Other comprehensive income	-	-	-	-	-	-
	-	332,373	-	332,373	40,947	373,320
Balance as at September 30, 2021	1,374,270	17,797,388	704,135	18,501,523	3,037,773	22,913,566

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

	Note	Sep. 30, 2021	Sep. 30, 2020
------(Rupees '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	10	(1,536,648)	224,470
Finance cost paid		(66,286)	(47,148)
Income tax paid		(102,200)	(10,112)
Employee benefit obligations paid		(18,445)	(18,598)
Net cash (used in) / generated from operating activities		(1,723,579)	148,612
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(1,606,141)	59,235
Proceeds from disposal of operating assets		-	353
Purchase of open ended mutual fund units		(253,970)	(535,000)
Proceeds from sale of open ended mutual fund units		2,174,910	261,257
Placement in term deposit receipt (TDR)		(10,000)	-
Interest received		2,416	3,184
Net cash generated from / (used in) investing activities		307,215	(210,971)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(198)	(29)
Proceeds from long-term loan		23,090	280,000
Repayment of long-term loan		(68,749)	-
Lease rentals paid		(719)	(60,589)
Net cash (used in) / generated from financing activities		(46,576)	219,382
Net (decrease) / increase in cash and cash equivalents		(1,462,940)	157,023
Cash and cash equivalents at beginning of the period		(1,441,736)	(3,401,687)
Cash and cash equivalents at end of the period		(2,904,676)	(3,244,664)

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

SELECTED NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 - 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 consolidated financial information of the Company for the quarter ended September 30, 2021 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 consolidated 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 consolidated 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, 2021.

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, 2021.

Sep. 30, 2021	Audited June 30, 2021
------(Rupees '000)-----	

4. FIXED ASSETS - property, plant and equipment

Operating assets - note: 4.1	19,546,269	19,757,627
Capital work-in-progress	3,144,473	3,029,072
Stores held for capital expenditure	2,277,906	930,120
	<u>24,968,648</u>	<u>23,716,819</u>

Sep. 30, 2021	Sep. 30, 2020
------(Rupees '000)-----	

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

Buildings and roads on freehold land	-	230
Plant and machinery	27,277	27,872
Vehicles	11,952	3,905
Others	-	1,085
	<u>39,229</u>	<u>33,092</u>
Disposals during the period - Net book value	-	353
Transfers to stores during the period - Net book value	8,179	2,044

Sep. 30, 2021	Audited June 30, 2021
------(Rupees '000)-----	

5. INVENTORIES

Stores, spares and loose tools - note: 5.1	4,437,734	2,752,422
Raw materials	1,240,655	920,334
Packing materials	258,305	237,239
Work-in-process	906,958	667,289
Finished goods	290,304	207,778
	<u>7,133,956</u>	<u>4,785,062</u>

SELECTED NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

Audited
 June 30,
 2021
 -----(Rupees '000)-----
 Sep. 30,
 2021

5.1 Stores, spares and loose tools

Coal	2,986,300	1,533,601
Stores & spares	1,398,890	1,148,563
Bricks	119,140	133,822
Loose tools	2,715	2,538
	<u>4,507,045</u>	<u>2,818,524</u>
Less: Provision for slow moving and obsolete items	(69,311)	(66,102)
	<u>4,437,734</u>	<u>2,752,422</u>

6. TRADE AND OTHER PAYABLES

Creditors	669,184	1,102,942
Accrued liabilities	4,359,520	3,407,492
Electricity charges payable	118,591	371,046
Advances from customers	464,452	451,972
Excise duty payable on sales	145,241	239,056
Others	1,139,858	1,481,118
	<u>6,896,846</u>	<u>7,053,626</u>

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, 2021 is the same.
- 7.2** Commitments in respect of capital expenditure outstanding as at September 30, 2021 amount to Rs. 8.27 billion (June 30, 2021: Rs. 8.24 million).

	Sep. 30, 2021	Sep. 30, 2020
	------(Rupees '000)-----	
8. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local sale of goods	5,718,239	5,588,199
Sales tax and Federal excise duty	(1,251,990)	(1,017,093)
	4,466,249	4,571,106
Rebates, discounts and commission	(107,490)	(126,744)
Net local sale of goods	4,358,759	4,444,362
Export sales	1,373,622	2,864,241
	<u>5,732,381</u>	<u>7,308,603</u>

9. DISTRIBUTION COSTS

Distribution costs include Rs. 197 million (September 30, 2020: Rs. 483 million) in respect of export sales.

	Sep. 30, 2021	Sep. 30, 2020
	------(Rupees '000)-----	
10. CASH GENERATED FROM OPERATIONS		
Profit before taxation	454,320	772,679
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	220,405	229,914
Gain on sale of open ended mutual fund units	(6,052)	(1,257)
Interest income	(2,416)	(3,184)
Provision for stores, spares and loose tools	3,209	510
Employee benefit obligations	29,238	28,161
Finance cost	38,304	45,792
	<u>282,688</u>	<u>299,936</u>
Profit before working capital changes	737,008	1,072,615
10.1 Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Inventories	(2,213,481)	255,571
Trade receivables	221,833	(1,584,887)
Loans and advances	(120,593)	67,968
Short term deposits and prepayments	(19,826)	(318,419)
Other receivables	(4,728)	(63,111)
Tax refunds due from government - sales tax	16,875	(55,462)
	<u>(2,119,920)</u>	<u>(1,698,340)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(153,736)	850,195
	<u>(2,273,656)</u>	<u>(848,145)</u>
Cash (used in) / generated from operations	<u>(1,536,648)</u>	<u>224,470</u>

**SELECTED NOTES TO AND FORMING PART OF THE CONSOLIDATED
CONDENSED INTERIM FINANCIAL STATEMENTS**
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 - UNAUDITED

	Sep 30, 2021	Sep. 30, 2020
------(Rupees '000)-----		
11. TRANSACTIONS WITH RELATED PARTIES		
Transactions with related parties during the period are as follows:		
Holding company		
Recovery of expenses	84	-
Group companies		
Purchase of goods	119,277	105,933
Reimbursement of expenses	306	224
Recovery of expenses	17	6
Other related parties		
Payments made to retirement benefit funds	18,445	18,598
Key management compensation		
Sale of goods / vehicles	62	1,723
Salaries and other short-term employee benefits	31,674	39,212
Post-employment benefits	1,226	1,168


12 CORRESPONDING FIGURES

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

13 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue on October 21, 2021 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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