



**ATTOCK CEMENT PAKISTAN LIMITED**



# **Third Quarter Report**

**March 31, 2021**





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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

## 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](mailto:acpl@attockcement.com)  
Website: [www.attockcement.com](http://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 period ended March 31, 2021.

### OPERATIONAL & FINANCIAL REVIEW

Production and sales figures for the period ended March 31, 2021 are as follows:

	July-Mar. 2021	July-Mar. 2020
	----- Tons -----	
Clinker Production	<b>2,377,000</b>	<b>2,294,018</b>
Cement Production	<b>1,512,513</b>	<b>1,472,987</b>
Cement Dispatches - Local	1,093,264	1,017,054
- Export	432,034	473,710
	<b>1,525,298</b>	<b>1,490,764</b>
Clinker Dispatches - Export	1,098,809	952,693
Total Dispatches	<b>2,624,107</b>	<b>2,443,457</b>
Clinker Capacity Utilization	110%	107%

During the period under review the Company achieved 110% of its overall clinker production capacity and all the three lines continued to operate well above their rated capacities.

The overall plant operations remained smooth, efficient and stable due to implementation of comprehensive preventive maintenance plan.

### Industry Review

During the nine months period ended March 31, 2021, the industry as a whole achieved growth of 17%. The local market showed overall growth of 18% whereas exports picked up by 10%.

In the local market of South, where your company is situated, construction activities resumed and gained some momentum after the COVID lock down period and showed growth of 21%. Exports also witnessed growth of 15% as regional markets relaxed their lock down policies and accordingly the manufacturers of cement in South started to receive pending orders from the markets of Bangladesh and Sri Lanka. Consequent to that the net positive growth in south market was recorded at 18%.

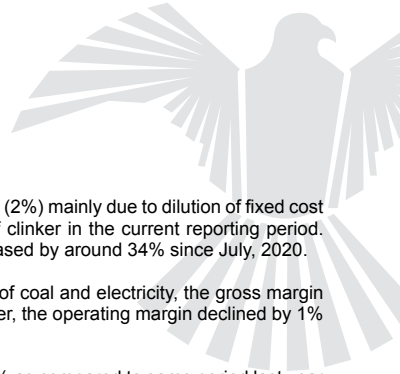
### Sales Review

During the nine months period ended March 31, 2021 the local cement sales increased by 8% as compared to same period last year and the company maintained its dominant position in its core market of Karachi both in terms of volume and price due to strong brand loyalty and superior quality. However, gradually, because of influx of northern brands and arrival of new capacities in South, the company is facing stiff challenges in maintaining its pricing position and consequent market share in Balochistan and parts of interior Sindh. At the moment the overall pricing delta between FALCON and other brands of South have increased to around Rs. 30-50 per bag.

The cement exports declined by 41,676 tons (9%) as compared to same period last year owing to significant change in foreign exchange regime, both in Sri Lanka and Pakistan making the market unviable for cement exports and, therefore, the company is now focusing on export of clinker in those markets as the clinker pricing is still a viable option. The Company continued to export clinker in the markets of Bangladesh, Sri Lanka & China and during the period under review exported 1,098,809 tons of clinker, showing growth of 15% as compared to same period last year.

### Financial Review

The net sales revenue of the company increased by Rs. 799 million (5%) over corresponding period because of 7% volumetric growth as compared to same period last year. However, the overall net retention (both cement & clinker) diluted by Rs 134 per ton (2%) primarily due to higher despatches of clinker as it constitute around 42% of total despatches as compared to 39% in same period last year. Despite the best efforts of the company the prices in the local markets remained more or less the same due to stiff competition amongst the local players.



Production cost per ton, during the period under review, declined by Rs. 112 per ton (2%) mainly due to dilution of fixed cost owing to higher despatches and also the cost mix changed due to higher sale of clinker in the current reporting period. However, there is a significant increase in power cost as the K-Electric rates increased by around 34% since July, 2020.

Despite significant higher costs on account of higher energy prices, both in terms of coal and electricity, the gross margin of the company, during the current period, remained constant around 23%. However, the operating margin declined by 1% and remained at 10%.

Overall, the Company recorded net profit after tax of Rs. 959 million lowered by 14% as compared to same period last year as distribution and administrative expenses increased by almost Rs. 270 million owing to higher clinker exports and upward revision in diesel prices.

## Progress on Projects

### Installation of 20 MW Solar Power Project

As earlier apprised, the Company is installing 20 MW Solar Power Plant at its plant site. The progress on project is as per time line and it is anticipated that the plant will be operational by 4Q 2021.

### Installation of new Production Line

The Board of Directors in the last meeting has kindly approved the management proposal for the enhancement in cement capacity by installing a new production line of 4,250 TPD of cement capacity at existing plant site. The company has signed the contract with Chinese Supplier and Letter of Credit has been established by availing Temporary Economic Relief Facility (TERF) from the State Bank of Pakistan.

## Future Outlook

The pandemic situation is still continuing and at the moment the country is facing the 3rd wave which is more lethal than the first two waves. Though the Government has taken various measures to boost the economy, foremost amongst them is reduction in bench mark interest rates and announcement of construction package including Naya Pakistan Housing Scheme. However, the impact of construction package is more witnessed in Punjab and KPK while in Sindh and Balochistan the overall activities under different initiatives are still not up to the mark. As a result the cement plants of South are still focusing on low priced regional markets in order to ensure 100% capacity utilization. Besides this, another significant challenge is the rising coal and electricity prices. The current power tariff has made cement exports unviable and, therefore, it is anticipated that industry may lose hard earned cement export markets to regional competitors because of cost escalation.

Your management is fully alive to the situation and making every effort to ensure that margins remain intact through better market mix and cost efficient structure. Our Solar Power Project is basically a step in this direction.

The Company deeply acknowledges and recognizes the efforts put in by both 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

April 26, 2021  
Karachi,  
Pakistan





# UNCONSOLIDATED FINANCIAL STATEMENTS

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# Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2021

	Note	Unaudited Mar. 31, 2021	Audited June 30, 2020
----- (Rupees '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets - property, plant and equipment	4	17,015,988	17,255,963
Long-term investments		1,861,074	1,858,089
Long-term loans and advances - considered good		38,818	38,818
Long-term deposits		99,940	99,940
		<b>19,015,820</b>	<b>19,252,810</b>
<b>Current assets</b>			
Inventories	5	2,280,813	3,465,940
Trade receivables - considered good		2,595,880	494,535
Loans and advances - considered good		172,519	162,443
Short-term deposits and prepayments		11,683	13,248
Investments at fair value through profit or loss		852,490	-
Other receivables		363,900	324,522
Taxation - payments less provision		2,714,695	2,866,866
Tax refunds due from Government - Sales tax		157,859	56,521
Cash and bank balances		414,833	785,559
		<b>9,564,672</b>	<b>8,169,634</b>
<b>Total assets</b>		<b>28,580,492</b>	<b>27,422,444</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital - issued, subscribed and paid-up		1,374,270	1,374,270
Unappropriated profit		15,656,076	15,178,386
		<b>17,030,346</b>	<b>16,552,656</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term loans		689,988	236,250
Long-term lease liabilities		44,532	46,456
Deferred tax liabilities		1,176,132	1,081,132
Employee benefit obligations		343,470	359,643
		<b>2,254,122</b>	<b>1,723,481</b>
<b>Current liabilities</b>			
Trade and other payables	6	5,308,326	4,185,436
Unclaimed dividend		10,789	10,416
Accrued mark-up		36,202	33,590
Short term borrowings		3,928,750	4,902,750
Current portion of long-term lease liabilities		11,957	14,115
		<b>9,296,024</b>	<b>9,146,307</b>
<b>Total liabilities</b>		<b>11,550,146</b>	<b>10,869,788</b>
<b>Contingencies and commitments</b>	7		
<b>Total equity and liabilities</b>		<b>28,580,492</b>	<b>27,422,444</b>

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 nine months period ended March 31, 2021 - Unaudited

	Note	Quarter ended		Nine months ended	
		Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
------(Rupees '000)-----					
Revenue from contracts with customers	8	5,356,472	4,939,377	16,349,696	15,550,395
Cost of sales		(4,121,573)	(3,770,868)	(12,474,022)	(11,888,774)
Gross profit		1,234,899	1,168,509	3,875,674	3,661,621
Distribution costs	9	(440,402)	(504,093)	(1,795,994)	(1,566,659)
Administrative expenses		(158,520)	(127,207)	(433,765)	(392,852)
Other expenses		(34,000)	(7,000)	(86,000)	(75,000)
Other income		13,238	18,398	61,253	63,076
Profit from operations		615,215	548,607	1,621,168	1,690,186
Finance cost		(66,236)	(101,269)	(243,468)	(447,616)
Share of net income of associate accounted for using equity method		-	-	2,985	2,500
Profit before income tax		548,979	447,338	1,380,685	1,245,070
Income tax expense		(135,000)	(94,000)	(422,000)	(129,000)
Profit for the period		413,979	353,338	958,685	1,116,070
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>413,979</b>	<b>353,338</b>	<b>958,685</b>	<b>1,116,070</b>
Basic and diluted earnings per share (Rs.)		3.02	2.57	6.98	8.12

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 nine months period ended March 31, 2021 - Unaudited

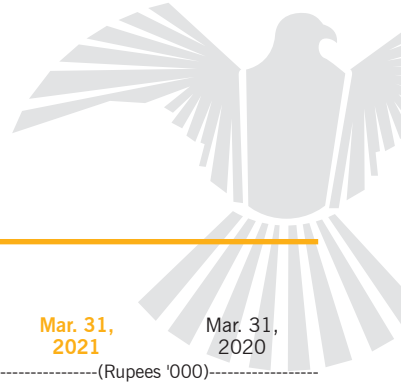
	Share capital	Unappropriated profit	Total
	------(Rupees '000)-----		
<b>Balance as at July 01, 2019</b>	1,374,270	14,725,189	16,099,459
Final dividend for the year ended June 30, 2019 @ Rs. 4.00 per share	-	(549,708)	(549,708)
Total comprehensive income for the nine months period ended March 31, 2020	-	1,116,070	1,116,070
	-	566,362	566,362
<b>Balance as at March 31, 2020</b>	<b>1,374,270</b>	<b>15,291,551</b>	<b>16,665,821</b>
<b>Balance as at July 01, 2020</b>	<b>1,374,270</b>	<b>15,178,386</b>	<b>16,552,656</b>
Final dividend for the year ended June 30, 2020 @ Rs. 3.50 per share	-	(480,995)	(480,995)
Total comprehensive income for the nine months period ended March 31, 2021	-	958,685	958,685
	-	477,690	477,690
<b>Balance as at March 31, 2021</b>	<b>1,374,270</b>	<b>15,656,076</b>	<b>17,030,346</b>

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 nine months period ended March 31, 2021 - Unaudited

	Note	Mar. 31, 2021	Mar. 31, 2020
		----- (Rupees '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	2,348,159	2,485,412
Finance cost paid		(240,856)	(493,910)
Income tax (paid) / refunds		(174,829)	250,922
Decrease in long-term loans and advances		-	76
Employee benefit obligations paid		(83,697)	(63,144)
Net cash generated from operating activities		1,848,777	2,179,356
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure incurred		(388,163)	(59,325)
Placement in term deposit receipt		(195,000)	-
Investment in subsidiary company		-	(15,625)
Proceeds from disposal of operating assets		3,982	5,584
Purchase of open ended mutual fund units		(1,809,759)	(40,000)
Proceeds from sale of open ended mutual fund units		963,381	-
Profit on PLS accounts		11,272	12,315
Net cash used in investing activities		(1,414,287)	(97,051)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(480,622)	(549,453)
Long-term loans obtained / (repaid)		453,738	(2,437,500)
Lease rentals paid		(4,082)	(6,459)
Net cash used in financing activities		(30,966)	(2,993,412)
Net increase / (decrease) in cash and cash equivalents		403,524	(911,107)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(4,112,441)</b>	<b>(3,116,616)</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>(3,708,917)</b>	<b>(4,027,723)</b>

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 nine months period ended March 31, 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 / 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 PRESENTATION

This condensed interim unconsolidated financial information of the Company for the quarter ended March 31, 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.

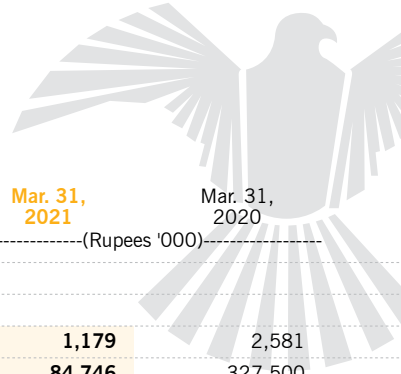
This condensed interim unconsolidated financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2020.

## 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.

## 4 FIXED ASSETS - property, plant and equipment

	Mar. 31, 2021	Audited June 30, 2020
	------(Rupees '000)-----	
Operating assets - note 4.1	15,664,869	16,221,746
Capital work-in-progress	351,724	4,195
Stores held for capital expenditures	999,395	1,030,022
	<b>17,015,988</b>	<b>17,255,963</b>



Mar. 31,  
2021

Mar. 31,  
2020

(Rupees '000)

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

Buildings and roads on freehold land	1,179	2,581
Plant and machinery	84,746	327,500
Vehicles	17,490	17,365
Others	10,173	14,162
	<b>113,588</b>	<b>361,608</b>
Disposals during the period - Net book value	<b>2,418</b>	2,961
Transfers to stores during the period - Net book value	<b>57,665</b>	97,857

Mar. 31,  
2021

Audited  
June 30,  
2020

(Rupees '000)

**5 INVENTORIES**

Stores, spares and loose tools - note 5.1	1,562,789	2,113,256
Raw materials	136,204	139,810
Packing materials	111,018	124,172
Work-in-process	355,077	913,751
Finished goods	115,725	174,951
	<b>2,280,813</b>	<b>3,465,940</b>

**5.1 Stores, spares and loose tools**

Coal	1,084,768	1,029,428
Stores and spares	415,318	929,637
Bricks	122,284	206,215
Loose tools	2,569	2,515
	<b>1,624,939</b>	<b>2,167,795</b>
Less: Provision for slow moving and obsolete items	<b>(62,150)</b>	(54,539)
	<b>1,562,789</b>	<b>2,113,256</b>

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

For the nine months period ended March 31, 2021 - Unaudited

	Mar. 31, 2021	Audited June 30, 2020
	----- (Rupees '000) -----	
<b>6 TRADE AND OTHER PAYABLES</b>		
Creditors	699,147	438,828
Accrued liabilities	2,255,075	1,917,451
Electricity charges payable	292,830	360,474
Advances from customers	399,398	221,868
Excise duty payable	389,966	190,458
Others	1,271,910	1,056,357
	<b>5,308,326</b>	<b>4,185,436</b>

## 7 CONTINGENCIES AND COMMITMENTS

7.1 There has been no change in the status of contingencies as reported in the financial statements for the half year ended December 31, 2020.

7.2 Commitments for capital expenditure outstanding as at March 31, 2021 amounted to Rs. 1,545.41 million (June 30, 2020: Rs. 5.83 million).

	Mar. 31, 2021	Mar. 31, 2020
	----- (Rupees '000) -----	
<b>8 REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Local sale of goods	13,044,057	12,189,999
Sales tax	(2,144,727)	(2,037,273)
Federal excise duty	(1,630,355)	(2,025,337)
	<b>(3,775,082)</b>	<b>(4,062,610)</b>
Rebates, discounts and commission	(377,418)	(344,776)
Net local sale of goods	<b>8,891,557</b>	<b>7,782,613</b>
Export sales	8,214,976	8,468,340
Freight	(756,837)	(700,558)
	<b>7,458,139</b>	<b>7,767,782</b>
	<b>16,349,696</b>	<b>15,550,395</b>

## 9 DISTRIBUTION COSTS

This includes Rs. 1,351 million (March 31, 2020: Rs. 1,238 million) incurred in respect of export sales.

Mar. 31,  
2021

Mar. 31,  
2020

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

## 10 CASH GENERATED FROM OPERATIONS

Profit before income tax	<b>1,380,685</b>	1,245,070
Add/(Less): Adjustments for non-cash charges and other items:		
Depreciation	<b>620,970</b>	606,974
Gain on disposal of property, plant and equipment	<b>(1,564)</b>	(2,623)
Gain on sale of open ended mutual fund units	<b>(6,111)</b>	-
Profit on PLS accounts	<b>(11,272)</b>	(12,315)
Provision for stores, spares and loose tools	<b>7,611</b>	6,064
Employee benefits obligations	<b>67,523</b>	63,997
Finance cost	<b>243,468</b>	447,616
Share of net income of associate accounted for using equity method	<b>(2,985)</b>	(2,500)
	<b>917,640</b>	1,107,213
Profit before working capital changes	<b>2,298,325</b>	2,352,283

### Effect on cash flow due to working capital changes

#### Decrease/(Increase) in current assets:

Inventories	<b>1,177,516</b>	(765,471)
Trade receivables	<b>(2,101,345)</b>	(269,352)
Loans and advances	<b>(10,075)</b>	(17,283)
Short-term deposits and prepayments	<b>1,565</b>	16,244
Other receivables	<b>(39,378)</b>	(89,589)
Tax refunds due from Government - Sales tax	<b>(101,339)</b>	182,587
	<b>(1,073,057)</b>	(942,864)

#### Increase in current liabilities

Trade and other payables	<b>1,122,890</b>	1,075,993
	<b>49,834</b>	133,129
Cash generated from operations	<b>2,348,159</b>	2,485,412

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

For the nine months period ended March 31, 2021 - Unaudited

Mar. 31,  
2021

Mar. 31,  
2020

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

## 11 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

### Holding Company

Dividend paid	404,342	462,105
Recovery of expenses	750	567

### Subsidiary Company

Investment	2,985	15,625
Expenses incurred on behalf of subsidiary company	4,483	12,765

### Associated Companies

Purchase of goods	361,322	436,178
Reimbursement of expenses	1,885	2,366
Recovery of expenses	3,997	7,597

### Other related parties

Payments made to retirement benefit funds	83,697	63,144
-------------------------------------------	--------	--------

### Key management personnel

Sale of goods / vehicle	3,379	1,912
Salaries and other short-term employee benefits	118,154	120,685
Post-employment benefits	3,504	3,504

## 12 CORRESPONDING FIGURES

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

## 13 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on April 26, 2021.



Muhammad Rehan  
Chief Financial Officer



Babar Bashir Nawaz  
Chief Executive



Abdus Sattar  
Director



# **CONSOLIDATED FINANCIAL STATEMENTS**

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# Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2021

	Note	Unaudited Mar. 31, 2021	Audited June 30, 2020
----- (Rupees '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets - property, plant and equipment	4	21,130,958	21,847,996
Long-term investment		38,073	35,088
Long-term loans and advances - considered good		38,818	38,818
Long-term deposits		99,940	99,940
		<b>21,307,789</b>	<b>22,021,842</b>
<b>Current assets</b>			
Inventories	5	3,501,043	4,785,692
Trade receivables - considered good		2,646,882	548,068
Loans and advances - considered good		172,519	221,053
Short-term deposits and prepayments		393,543	43,440
Investments at fair value through profit or loss		852,490	-
Other receivables		69,188	37,074
Taxation - payments less provision		2,714,695	2,866,866
Tax refunds due from Government - Sales tax		157,859	56,521
Cash and bank balances		1,938,287	1,501,063
		<b>12,446,506</b>	<b>10,059,777</b>
<b>Total assets</b>		<b>33,754,295</b>	<b>32,081,619</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital - issued, subscribed and paid-up		1,374,270	1,374,270
Unappropriated profit		17,154,748	16,054,152
Exchange revaluation reserve		542,802	936,295
Attributable to owners of Attock Cement Pakistan Limited- Holding company		19,071,820	18,364,717
Non-controlling interests		2,805,713	2,656,490
		<b>21,877,533</b>	<b>21,021,207</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term loans		689,988	236,250
Long-term lease liabilities		44,532	46,456
Deferred tax liabilities		1,176,132	1,081,132
Employee benefit obligations		343,470	359,643
		<b>2,254,122</b>	<b>1,723,481</b>
<b>Current liabilities</b>			
Trade and other payables	6	5,634,942	4,376,060
Unclaimed dividend		10,789	10,416
Accrued mark-up		36,202	33,590
Short term borrowings		3,928,750	4,902,750
Current portion of long-term lease liabilities		11,957	14,115
		<b>9,622,640</b>	<b>9,336,931</b>
<b>Total liabilities</b>		<b>11,876,762</b>	<b>11,060,412</b>
<b>Contingencies and commitments</b>	7		
<b>Total equity and liabilities</b>		<b>33,754,295</b>	<b>32,081,619</b>

The annexed notes 1 to 13 form an integral part of these consolidated condensed interim 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 nine months period ended March 31, 2021 - Unaudited

	Note	Quarter ended		Nine months ended	
		Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
----- (Rupees '000) -----					
Revenue from contracts with customers	8	<b>7,048,097</b>	6,601,530	<b>22,137,583</b>	19,061,484
Cost of sales		<b>(5,407,176)</b>	(4,876,260)	<b>(16,418,255)</b>	(14,420,918)
Gross profit		<b>1,640,921</b>	1,725,270	<b>5,719,328</b>	4,640,566
Distribution costs	9	<b>(485,463)</b>	(511,957)	<b>(1,941,255)</b>	(1,578,704)
Administrative expenses		<b>(213,558)</b>	(128,344)	<b>(753,767)</b>	(407,045)
Other expenses		<b>(34,000)</b>	(7,000)	<b>(86,000)</b>	(75,000)
Other income		<b>13,199</b>	18,398	<b>62,884</b>	63,076
Profit from operations		<b>921,099</b>	1,096,367	<b>3,001,190</b>	2,642,893
Finance cost		<b>(33,748)</b>	(120,621)	<b>(585,314)</b>	(480,229)
Share of net income of associate accounted for using equity method		-	-	<b>2,985</b>	2,500
Profit before income tax		<b>887,351</b>	975,746	<b>2,418,861</b>	2,165,164
Income tax expense		<b>(135,000)</b>	(94,000)	<b>(422,000)</b>	(129,000)
Profit for the period		<b>752,351</b>	881,746	<b>1,996,861</b>	2,036,164
<b>Other comprehensive income:</b>					
<b>Items that will be reclassified to profit or loss</b>					
Exchange revaluation reserve		<b>(341,566)</b>	359,962	<b>(659,540)</b>	200,976
<b>Total comprehensive income</b>		<b>410,785</b>	1,241,708	<b>1,337,321</b>	2,237,140
<b>Total comprehensive income attributable to:</b>					
Owners of Attock Cement Pakistan Limited - Holding Company		<b>413,162</b>	890,077	<b>1,188,098</b>	1,791,034
Non-controlling interests		<b>(2,377)</b>	351,631	<b>149,223</b>	446,106
		<b>410,785</b>	1,241,708	<b>1,337,321</b>	2,237,140
Basic and diluted earnings per share (Rupees)		<b>4.49</b>	4.88	<b>11.51</b>	12.14

The annexed notes 1 to 13 form an integral part of these consolidated 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 nine months period ended March 31, 2021 - Unaudited

	Attributable to the owners of Holding Company			Sub - Total	Non-controlling interests	Total Equity
	Share capital	Unappropriated profit	Exchange revaluation reserve			
	---(Rupees '000)---					
<b>Balance as at July 01, 2019</b>	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. 4.00 per share	-	(549,708)	-	(549,708)	-	(549,708)
Equity contribution by Non-controlling interests	-	-	-	-	257,886	257,886
<b>Total comprehensive income for the nine months period ended March 31, 2020:</b>						
Profit for the nine months period ended March 31, 2020	-	1,668,127	-	1,668,127	368,037	2,036,164
Other comprehensive income for the nine months period ended March 31, 2020	-	-	122,907	122,907	78,069	200,976
Balance as at March 31, 2020	1,374,270	15,843,608	978,802	16,822,410	2,412,295	20,608,975
<b>Balance as at July 01, 2020</b>	<b>1,374,270</b>	<b>16,054,152</b>	<b>936,295</b>	<b>16,990,447</b>	<b>2,656,490</b>	<b>21,021,207</b>
Final dividend for the year ended June 30, 2020 @ Rs. 3.50 per share	-	(480,995)	-	(480,995)	-	(480,995)
Equity contribution by Non-controlling interests	-	-	-	-	-	-
<b>Total comprehensive income for the nine months period ended March 31, 2021:</b>						
Profit for the nine months period ended March 31, 2021	-	1,581,591	-	1,581,591	415,270	1,996,861
Other comprehensive income for the nine months period ended March 31, 2021	-	-	(393,493)	(393,493)	(266,047)	(659,540)
Balance as at March 31, 2021	1,374,270	17,154,748	542,802	17,697,550	2,805,713	21,877,533

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



**Muhammad Rehan**  
Chief Financial Officer



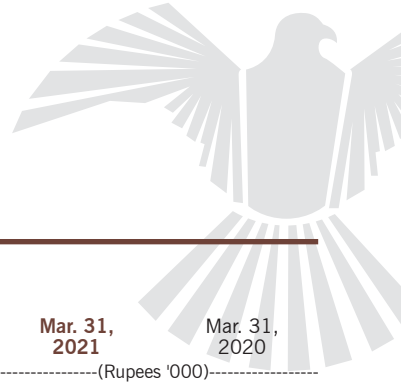
**Babar Bashir Nawaz**  
Chief Executive



**Abdus Sattar**  
Director

# Consolidated Condensed Interim Statement of Cash Flows

For the nine months period ended March 31, 2021 - Unaudited



	Note	Mar. 31, 2021	Mar. 31, 2020
		------(Rupees '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	<b>3,689,622</b>	2,492,899
Finance cost paid		<b>(582,702)</b>	(526,524)
Income tax (paid) / refunds		<b>(174,829)</b>	250,922
Decrease in long-term loans and advances		-	76
Employee benefit obligations paid		<b>(83,697)</b>	(63,144)
Net cash generated from operating activities		<b>2,848,394</b>	2,154,229
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure incurred		<b>(463,392)</b>	(19,816)
Proceeds from disposal of operating assets		<b>3,982</b>	5,584
Placement in term deposit receipt		<b>(195,000)</b>	-
Purchase of open ended mutual fund units		<b>(1,809,759)</b>	(40,000)
Proceeds from sale of open ended mutual fund units		<b>963,381</b>	-
Profit on PLS account		<b>11,272</b>	12,315
Net cash used in investing activities		<b>(1,489,516)</b>	(41,917)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		<b>(480,622)</b>	(549,453)
Long-term loans obtained / (repaid)		<b>453,738</b>	(2,437,500)
Amount received from non-controlling interests		-	257,886
Lease rentals paid		<b>(4,082)</b>	(6,459)
Net cash used in financing activities		<b>(30,966)</b>	(2,735,526)
Net increase / (decrease) in cash and cash equivalents		<b>1,327,912</b>	(623,214)
Cash and cash equivalents at beginning of the period		<b>(3,396,937)</b>	(2,968,940)
Effects of exchange rate changes on cash and cash equivalents		<b>(116,438)</b>	23,080
Cash and cash equivalents at end of the period		<b>(2,185,463)</b>	(3,569,074)

The annexed notes 1 to 13 form an integral part of these consolidated 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 Consolidated Condensed Interim Financial Statements

For the nine months period ended March 31, 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-Arqli Al Janobi, Khor Al-Zubair, Basra, Iraq.

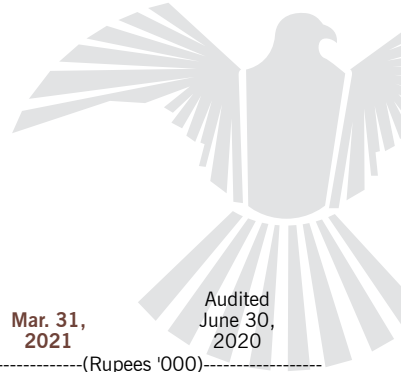
## 2 BASIS OF PRESENTATION

This condensed interim consolidated financial information of the Company for the quarter ended March 31, 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, 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.



Mar. 31,  
2021

Audited  
June 30,  
2020

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

#### 4. FIXED ASSETS - property, plant and equipment

Operating assets - note 4.1	<b>19,727,185</b>	20,757,083
Capital work-in-progress	<b>404,378</b>	60,891
Stores held for capital expenditures	<b>999,395</b>	1,030,022
	<b>21,130,958</b>	21,847,996

Mar. 31,  
2021

Mar. 31,  
2020

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

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

Buildings and roads on freehold land	<b>59,781</b>	549,212
Plant and machinery	<b>85,222</b>	4,250,062
Vehicles	<b>24,230</b>	17,365
Others	<b>24,037</b>	49,634
	<b>193,270</b>	4,866,273
Disposals during the period - Net book value	<b>1,565</b>	2,961
Transfer to stores during the period - Net book value	<b>35,129</b>	97,857

Mar. 31,  
2021

Audited  
June 30,  
2020

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

#### 5. INVENTORIES

Stores, spares and loose tools - note 5.1	<b>1,759,919</b>	2,304,036
Raw materials	<b>1,060,560</b>	1,219,231
Packing materials	<b>183,065</b>	151,762
Work-in-process	<b>355,077</b>	913,751
Finished goods	<b>142,422</b>	196,912
	<b>3,501,043</b>	4,785,692



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

For the nine months period ended March 31, 2021 - Unaudited

Mar. 31,  
2021  
June 30,  
2020  
----- (Rupees '000) -----

## 5.1 Stores, spares and loose tools

Coal	1,084,768	1,029,428
Stores and spares	612,448	1,120,417
Bricks	122,284	206,215
Loose tools	2,569	2,515
	<b>1,822,069</b>	<b>2,358,575</b>
Less: Provision for slow moving and obsolete items	<b>(62,150)</b>	<b>(54,539)</b>
	<b>1,759,919</b>	<b>2,304,036</b>

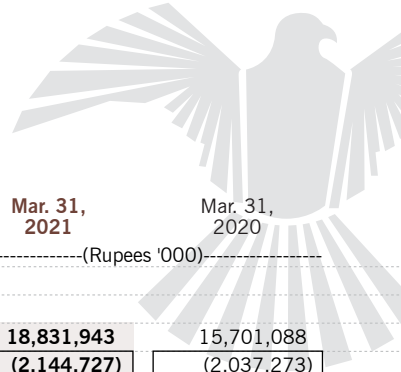
## 6. TRADE AND OTHER PAYABLES

Creditors	894,375	438,828
Accrued liabilities	2,381,967	1,983,522
Electricity charges payable	565,242	360,474
Advances from customers	399,398	263,452
Excise duty payable	389,966	190,458
Others	1,003,995	1,139,326
	<b>5,634,943</b>	<b>4,376,060</b>

## 7. CONTINGENCIES AND COMMITMENTS

7.1 There has been no change in the status of contingencies as reported in the financial statements for the half year ended December 31, 2020.

7.2 Commitments for capital expenditure outstanding as at March 31, 2021 amounted to Rs. 1,545.41 million (June 30, 2020: Rs. 5.83 million).



Mar. 31,  
2021

Mar. 31,  
2020

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

**8. REVENUE FROM CONTRACTS WITH CUSTOMERS**

Local sale of goods	<b>18,831,943</b>	15,701,088
Sales tax	<b>(2,144,727)</b>	(2,037,273)
Federal excise duty	<b>(1,630,355)</b>	(2,025,337)
	<b>(3,775,082)</b>	(4,062,610)
Rebates, discount and commission	<b>(377,417)</b>	(344,776)
Net local sale of goods	<b>14,679,444</b>	11,293,702
Export sales	<b>8,214,976</b>	8,468,340
Freight	<b>(756,837)</b>	(700,558)
	<b>7,458,139</b>	7,767,782
	<b>22,137,583</b>	19,061,484

**9. DISTRIBUTION COSTS**

This includes Rs. 1,351 million (March 31, 2020: Rs. 1,238 million) incurred in respect of export sales.

Mar. 31,  
2021

Mar. 31,  
2020

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

**10. CASH GENERATED FROM OPERATIONS**

Profit before income tax	<b>2,418,861</b>	2,165,164
<b>Add / (Less): Adjustments for non-cash charges and other items</b>		
Depreciation	<b>756,484</b>	652,768
Gain on disposal of Property, plant and equipment	<b>(1,564)</b>	(2,623)
Gain on sale of open ended mutual fund units	<b>(6,111)</b>	-
Provision for stores, spares and loose tools	<b>7,611</b>	6,064
Profit on PLS accounts	<b>(11,272)</b>	(12,315)
Finance cost	<b>585,314</b>	480,229
Employee benefit obligations	<b>67,523</b>	63,997
Share of net income of associate accounted for using equity method	<b>(2,985)</b>	(2,500)
	<b>1,395,000</b>	1,185,620
Profit before working capital changes	<b>3,813,861</b>	3,350,784

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

For the nine months period ended March 31, 2021 - Unaudited

Mar. 31,  
2021

Mar. 31,  
2020

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

## Effect on cash flow due to working capital changes

(Increase) in current assets

Inventories	1,153,725	(1,682,799)
Trade Receivables	(2,103,893)	(293,796)
Loans and advances	(10,075)	(17,283)
Short-term deposits and prepayments	(370,986)	(101,549)
Tax refunds due from Government - Sales tax	(101,339)	182,587
Other receivables	(39,378)	(73,457)
	(1,471,946)	(1,986,297)
Increase in current liabilities		
Trade and other payables	1,347,707	1,128,412
	(124,239)	(857,885)
Cash generated from operations	3,689,622	2,492,899

## 11. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

### Holding Company

Dividend paid	404,342	462,105
Recovery of expenses	750	567

### Group companies

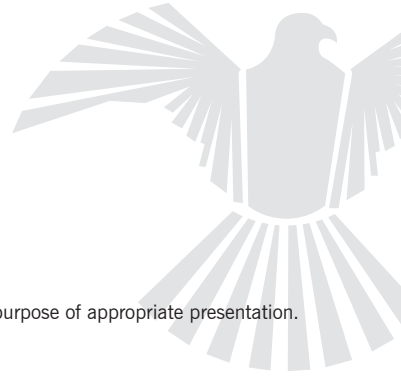
Purchase of goods	234,113	436,178
Reimbursement of expenses	1,459	2,366
Recovery of expenses	2,443	7,597

### Other related parties

Payments made to retirement benefit funds	47,311	63,144
-------------------------------------------	--------	--------

### Key management personnel

Salaries and other short-term employee benefits	78,980	120,685
Post-employment benefits	2,336	3,504
Sale of goods / vehicle	2,448	1,912



## 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 approved and authorised for issue by the Board of Directors of the Holding Company on April 26, 2021.

**Muhammad Rehan**  
Chief Financial Officer

**Babar Bashir Nawaz**  
Chief Executive

**Abdus Sattar**  
Director

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## **ATTOCK CEMENT PAKISTAN LIMITED**

### **CORPORATE OFFICE:**

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