

*Half Yearly  
Report  
December 31, 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  
**BankIslami Pakistan Limited**

### Registered Office

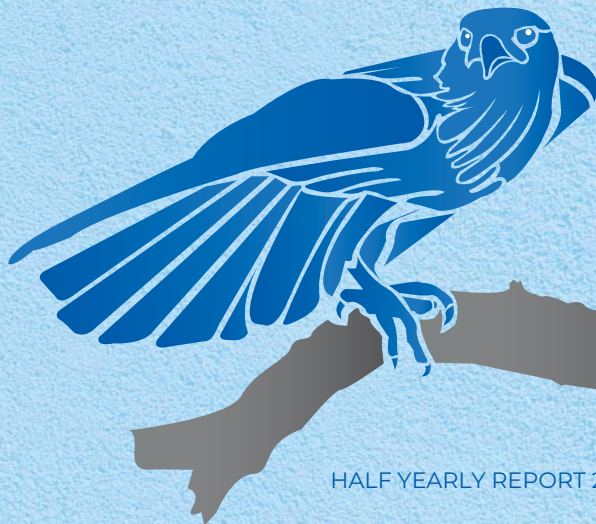
D-70, Block-4, Kehkashan-5,  
Clifton, Karachi-75600  
Tel: (92-21) 35309773-4  
UAN: (92) 111 17 17 17  
Fax: (92-21) 35309775  
Email: [acpl@attockcement.com](mailto:acpl@attockcement.com)  
Website: [www.attockcement.com](http://www.attockcement.com)

### Plant

1. Hub Chowki, Lasbella  
Balochistan
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 half year ended December 31, 2021.

### OPERATIONAL & FINANCIAL REVIEW

Production and sales figures for the half year ended December 31, 2021 are as follows:

	<b>July-Dec. 2021</b>	July-Dec. 2020
	----- Tons -----	
Clinker Production	<u>1,210,549</u>	<u>1,604,816</u>
Cement Production	<u>857,452</u>	<u>959,023</u>
Cement Dispatches - Local	747,126	674,690
- Export	114,992	301,355
Total Cement Dispatches	<b>862,118</b>	<b>976,045</b>
Clinker Dispatches - Export	385,191	834,677
Total Dispatches	<b>1,247,309</b>	<b>1,810,722</b>
Clinker Capacity Utilization	84%	111%

Due to rising coal prices in the international market and significant price reduction in the export markets, the Company reassessed its production and sales strategy and decided to temporarily close Line 1. Therefore the overall capacity utilization went down to 84%, which is significantly lower than the same period last year.

### Industry Review

Local sales showed healthy growth of 15% during the first half in the market of South, where your Company is situated but the exports were badly affected and registered a negative growth of 25%. 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 which resulted in significant reduction in exports.

### Sales Review

During the first half under review, the local cement dispatches increased by 11% as compared to same period last year mainly due to surge in local demand. As far as export markets are concerned, the company did not push for increased dispatches due to lower prices. As a result both export of cement and clinker reduced by 62% and 54% respectively. Considering lower demand in export markets and pricing constraints, the Company decided to close one of its production lines in order to preserve the lower priced coal and lower cost produced clinker in order to maintain the profitability of the Company at decent levels. However, as soon as the global prices of clinker / cement would improve and input cost will come down the Company will consider restarting its Line-1.

### Financial Review

The net sales revenue of the Company decreased by Rs. 1,175 million (11%) over corresponding period due to reduced dispatches by 563,413 tons as compared to same period last year. The overall net retention (both cement & clinker) increased by Rs 1,800 per ton (30%) primarily due to higher local sales as it constitutes around 60% of total dispatches as compared to 37% in same period of 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 12% as compared to same period last year.



On the other side of equation production cost per ton has increased by Rs. 1,745 per ton (36%) mainly due to steep rise in fuel prices in international market, followed by increase in electricity charges, higher diesel and bag prices. The coal prices in the international market has so far increased from around US\$ 75 / ton FOB in December 2020 to over US\$ 160 / ton FOB in December, 2021.

Increase in fuel and power cost along with other related increases in input costs eroded the gains achieved through increase in net retention and consequently the gross margin reduced from 24% to 20% as compared to same period last year as full impact of the cost increase could not be passed to the customers due to stiff competition in the local markets.

Subsequent to half year ended December 31, 2021, the Company received dividend of US\$ 2.0 million from its subsidiary Company Saqr Al Keetan For Cement Production Company Limited and accordingly the Company booked dividend income of Rs. 354 million. Further, exchange gain of Rs. 192 million has also been recorded on account of inward remittances. This leads to increase in operating margin from 9% to 14% as compared to same period last year.

Accordingly the profit after tax is reported at Rs. 852 million (December 31, 2020: Rs. 545 million) higher by Rs. 307 million (56%) as compared to same period last year.

## PROGRESS ON PROJECTS

### 20MW Solar Power Plant

By the Grace of Almighty Allah, 20MW Solar plant project was successfully completed on January 1, 2022 and complete power generation has started which is being used for internal consumption only. This will help the Company to reduce its dependence on the national grid which would in turn reduce overall power cost.

### Line-IV Project

Civil work on the project has commenced and almost 30% shipments of plant and machinery have arrived at plant site. The work on the project is in full swing and it is expected that the plant erection would be completed by 1HY 2023.

## FUTURE OUTLOOK

Though the local cement dispatches have shown an encouraging growth during last 6 months, however, massive escalation in coal prices, continuous rise in power tariff on account of fuel charge adjustments, rupee devaluation and overall inflationary increase in operational expenses have put a serious threat on the margins of the company. The head on competition in local markets amongst manufacturers is also affecting the company's ability to pass on the impact of the above mentioned higher input costs. The declining margins in export markets have also impacted the overall production and the Company has temporarily closed one of its production lines considering the sales demand.

Though the Government of Pakistan has taken various positive steps in order to revive construction sector and the huge funds have been allocated for the Naya Pakistan Housing Scheme and construction of new water reservoirs, however, it seems that rising trends in interest rates and cuts in Public Sector Development Program to meet fiscal deficit may affect the local demand pattern. The management is fully alive to the situation and is working hard to retain and increase its local market share in line with the demand and make inroads into untapped markets to ensure maximum capacity utilization.

Strategies have been devised both through innovation and by introducing cost cutting measures to counter the massive inflationary impact which would be helpful in maintaining the profitability of the company.

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

February 04, 2022  
Karachi, Pakistan.



**INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of Attock Cement Pakistan Limited**

**Report on review of Interim Financial Statements**

**Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Attock Cement Pakistan Limited as at December 31, 2021 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

Chartered Accountants  
Karachi

Date: February 23, 2022

UDIN: RR202110073iw2bHfBo5

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# UNCONSOLIDATED **FINANCIAL** **STATEMENTS**

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Note	(Unaudited) December 31, 2021	Audited June 30, 2021
------(Rupees '000)-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets - property, plant and equipment	5	20,111,242	19,477,024
Long-term investments	6	1,866,563	1,863,743
Long-term loans and advances - considered good		65,641	67,964
Long-term deposits		99,940	99,940
		<b>22,143,386</b>	<b>21,508,671</b>
<b>Current assets</b>			
Inventories	7	4,733,183	3,642,496
Trade receivables - considered good	8	1,686,786	1,631,402
Loans and advances - considered good		258,667	143,929
Short-term deposits and prepayments		71,338	25,355
Other receivables	9	789,584	320,036
Taxation - payments less provisions		2,831,736	2,859,342
Tax refunds due from Government - Sales tax		16,078	19,431
Short-term investments		700,518	1,914,887
Cash and bank balances	10	930,290	591,414
		<b>12,018,180</b>	<b>11,148,292</b>
<b>Total assets</b>		<b>34,161,566</b>	<b>32,656,963</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		16,128,542	15,826,272
		<b>17,502,812</b>	<b>17,200,542</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term loans	11	2,846,850	2,382,121
Deferred income - Government grant		344,032	335,259
Long-term lease liabilities		51,913	38,279
Deferred tax liabilities		1,509,084	1,233,815
Employee benefit obligations		286,481	307,957
		<b>5,038,360</b>	<b>4,297,431</b>
<b>Current liabilities</b>			
Trade and other payables		6,237,016	6,657,144
Unclaimed dividend		11,156	10,674
Accrued mark-up		100,183	71,865
Short-term borrowings	12	5,251,285	4,393,854
Current portion of long-term lease liabilities		20,754	25,453
		<b>11,620,394</b>	<b>11,158,990</b>
<b>Total liabilities</b>		<b>16,658,754</b>	<b>15,456,421</b>
<b>Contingencies and commitments</b>	13		
<b>Total equity and liabilities</b>		<b>34,161,566</b>	<b>32,656,963</b>

The annexed notes 1 to 24 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 HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED



	Note	Quarter ended		Half year ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
------(Rupees '000)-----					
Revenue from contracts with customers	14	5,391,379	5,768,927	9,817,974	10,993,225
Cost of sales		(4,308,612)	(4,098,544)	(7,896,236)	(8,352,449)
Gross profit		1,082,767	1,670,383	1,921,738	2,640,776
Distribution costs	15	(419,610)	(763,382)	(739,603)	(1,355,592)
Administrative expenses		(175,587)	(142,018)	(324,406)	(275,245)
Other expenses		(45,000)	(37,000)	(68,000)	(52,000)
Other income	16	576,679	31,711	619,776	48,015
Profit from operations		1,019,249	759,694	1,409,505	1,005,954
Finance cost	17	(68,043)	(131,440)	(106,347)	(177,232)
Share of net income of associate accounted for using equity method		2,820	2,985	2,820	2,985
Profit before income tax		954,026	631,239	1,305,978	831,707
Income tax expense	18	(373,000)	(206,000)	(454,000)	(287,000)
Profit for the period		581,026	425,239	851,978	544,707
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>581,026</b>	<b>425,239</b>	<b>851,978</b>	<b>544,707</b>
Basic and diluted earnings per share (Rs.)	19	4.23	3.09	6.20	3.96

The annexed notes 1 to 24 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 HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Share capital	Unappropriated profit	Total
	------(Rupees '000)-----		
<b>Balance as at July 1, 2020</b>	1,374,270	15,178,386	16,552,656
Final dividend for the year ended June 30, 2020 @ Rs. 3.5 per share	-	(480,995)	(480,995)
<b>Total comprehensive income for the half year ended December 31, 2020</b>	-	544,707	544,707
<b>Balance as at December 31, 2020</b>	<u>1,374,270</u>	<u>15,242,098</u>	<u>16,616,368</u>
<b>Balance as at July 1, 2021</b>	<b>1,374,270</b>	<b>15,826,272</b>	<b>17,200,542</b>
Final dividend for the year ended June 30, 2021 @ Rs. 4 per share	-	(549,708)	(549,708)
<b>Total comprehensive income for the half year ended December 31, 2021</b>	-	<b>851,978</b>	<b>851,978</b>
<b>Balance as at December 31, 2021</b>	<u><b>1,374,270</b></u>	<u><b>16,128,542</b></u>	<u><b>17,502,812</b></u>

The annexed notes 1 to 24 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 HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Note	December 31, 2021	December 31, 2020
------(Rupees '000)-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	20	(349,779)	843,647
Finance cost paid		(73,939)	(176,079)
Income tax paid		(151,125)	(91,987)
Decrease / (increase) in long-term loans and advances		2,323	(4,459)
Retirement benefit obligations paid		(62,533)	(55,300)
Net cash (used in) / generated from operating activities		(635,053)	515,822
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure incurred		(1,034,698)	(49,429)
Placement in term deposit receipt		(10,000)	(41,000)
Proceeds from disposal of operating assets		104	3,129
Purchase of open ended mutual fund units		(700,000)	-
Proceeds from sale of open ended mutual fund units		1,920,939	-
Interest received		5,474	7,931
Net cash generated from / (used in) investing activities		181,819	(79,369)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(549,226)	(480,302)
Long-term loans obtained		455,270	280,000
Lease rentals paid		(13,157)	(3,363)
Net cash used in financing activities		(107,113)	(203,665)
Net (decrease) / increase in cash and cash equivalents		(560,347)	232,788
<b>Cash and cash equivalents at beginning of the period</b>		<b>(3,617,440)</b>	<b>(4,112,441)</b>
<b>Cash and cash equivalents at end of the period</b>	21	<b>(4,177,787)</b>	<b>(3,879,653)</b>

The annexed notes 1 to 24 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 HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

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## 1. THE COMPANY AND ITS OPERATIONS

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

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

- 1.2 The Board of Directors in their meeting held on January 26, 2021 approved installation of an additional Line 4 to their existing site in order to enhance the Company's production capacity by 4,250 tons per day. The estimated cost of completion of the project is expected to be USD 100 million which is being financed through Temporary Economic Refinance Facility and Long Term Finance Facility of the SBP. The project is under construction.
- 1.3 Subsequent to December 31, 2021, the project of 20MW Captive Solar Power Plant has been commissioned with effect from January 1, 2022.

## 2. BASIS OF PREPARATION

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements for the year ended June 30, 2021.

### 2.1 Changes in accounting standards, interpretations and pronouncements

#### a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

#### b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.



### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2021.

### 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended June 30, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

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

	<b>December 31, 2021</b>	(Audited) June 30, 2021
	------(Rupees '000)-----	
Operating assets - note 5.1	<b>15,127,032</b>	15,518,899
Capital work-in-progress - note 5.2	<b>3,977,169</b>	2,964,263
Right of use assets - note 5.3	<b>81,743</b>	80,847
Less: Depreciation	<b>(11,737)</b>	(17,105)
	<b>70,006</b>	63,742
Stores held for capital expenditures	<b>937,035</b>	930,120
	<b>20,111,242</b>	19,477,024

	<b>December 31, 2021</b>	December 31, 2020
	------(Rupees '000)-----	

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

Buildings and roads on freehold land	<b>1,127</b>	1,179
Plant and machinery	<b>40,951</b>	48,826
Vehicles	<b>12,018</b>	9,225
Others	<b>1,817</b>	1,485
	<b>55,913</b>	60,715
Disposals during the period - Net book value	<b>104</b>	1,565
Transfer to stores during the period - Net book value	<b>41,094</b>	35,129

**SELECTED NOTES TO AND FORMING PART OF THE UNCONSOLIDATED  
CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	December 31, 2021	(Audited) June 30, 2021
	------(Rupees '000)-----	
<b>5.2 Capital work-in-progress</b>		
<b>Captive Solar Power Project</b>		
Civil and electrical works	267,857	169,572
Plant and machinery	1,320,447	1,318,023
Others - note 5.2.1	71,883	31,719
	1,660,187	1,519,314
<b>Installation of Line-4</b>		
Civil works	262,375	12,568
Plant and machinery	712,564	-
Advances to suppliers	1,274,805	1,399,792
Others - note 5.2.2	63,609	9,803
	2,313,353	1,422,163
<b>Others</b>		
Civil works	244	244
Plant and machinery	3,385	22,542
	3,629	22,786
	3,977,169	2,964,263

**5.2.1** This includes directly attributable expenditure for the development, construction and operation of the Captive Solar Power Plant. Furthermore, the borrowing cost amounting to Rs. 20.78 million (June 30, 2021: Rs. 5.81 million) were capitalised at the internal rate of return of 3.25% on specific borrowing obtained for the financing of this project.

**5.2.2** This includes directly attributable expenditure for the development, construction and operation of Line 4 to their existing site as disclosed in note 1.2. Furthermore, the borrowing cost net of deferred grant amounting to Rs. 14.57 million (June 30, 2021: Rs. 3.73 million) were capitalised at the internal rate of return of 1.96% per annum on specific borrowing obtained for financing of this project.

**5.3** The right-of-use assets comprise leasehold buildings used by the Company for its operations.



	December 31, 2021	(Audited) June 30, 2021
	------(Rupees '000)-----	
<b>6. LONG-TERM INVESTMENTS</b>		
<b>Investment in subsidiary Company</b>		
Saqr Al-Keetan For Cement Production Company Limited - at cost - note 6.1	<b>1,823,001</b>	1,823,001
<b>Investment in associated Company accounted for using equity method</b>		
Attock Information Technology Services (Private) Limited - 450,000 (June 30, 2021: 450,000) fully paid ordinary shares of Rs. 10 each	<b>43,562</b>	40,742
	<b>1,866,563</b>	1,863,743

**6.1** The Company has a Joint Venture agreement with Al Geetan Commercial Agencies, Iraq, to form a limited liability company in Iraq. The principal activity of the company is manufacturing and sale of cement for which it has built a cement grinding plant having production capacity of approximately 900,000 metric tons per annum. The new limited liability company has been established and registered under the Iraqi law on November 3, 2014 by the name Saqr Al-Keetan for Cement Production Company Limited (SAKCPCL) having share capital of 30,000,000 Iraqi Dinar. Attock Cement Pakistan Limited will hold 60% share in the company. The expected investment of the Company in foreign subsidiary would be USD 24 million. The Company has made total investment amounting to USD 16.30 million in SAKCPCL.

Equity investment in SAKCPCL, Basra Iraq had been approved by the members in its Extra Ordinary General Meeting held on May 12, 2015, as was required under Section 208 of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017).

	December 31, 2021	(Audited) June 30, 2021
	------(Rupees '000)-----	
<b>7. INVENTORIES</b>		
Stores, spares and loose tools - note 7.1	<b>3,480,174</b>	2,519,884
Raw materials	<b>152,664</b>	131,206
Packing materials	<b>185,119</b>	163,230
Semi-finished goods - note 7.2	<b>697,428</b>	622,627
Work-in-process	<b>44,556</b>	44,662
Finished goods	<b>173,242</b>	160,887
	<b>4,733,183</b>	3,642,496



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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	December 31, 2021	(Audited) June 30, 2021
	------(Rupees '000)-----	
<b>7.1 Stores, spares and loose tools</b>		
Coal - note 7.1.1	2,369,498	1,533,601
Stores and spares - note 7.1.2	1,098,233	916,025
Bricks	85,548	133,822
Loose tools	2,794	2,538
	<b>3,556,073</b>	<b>2,585,986</b>
Less: Provision for slow moving and obsolete items	<b>(75,899)</b>	<b>(66,102)</b>
	<b>3,480,174</b>	<b>2,519,884</b>

**7.1.1** This includes coal in transit of Rs. 642.21 million (June 30, 2021: Rs. 1,217.63 million).

**7.1.2** This includes stores and spares in transit amounting to Rs. 50.75 million (June 30, 2021: Rs. 42 million).

**7.2** This includes clinker held at port for export amounting to Rs. Nil (June 30, 2021: Rs. 170.43 million).

	December 31, 2021	(Audited) June 30, 2021
	------(Rupees '000)-----	
<b>8. TRADE RECEIVABLES – considered good</b>		
Secured	1,594,251	1,608,921
Unsecured	92,535	22,481
	<b>1,686,786</b>	<b>1,631,402</b>

### 9. OTHER RECEIVABLES

Other receivables include Rs. 310.42 million (June 30, 2021: Rs. 277.22 million) incurred by the Company for its Iraq project that are recoverable from the subsidiary and Rs: 353.8 million (June 30, 2021: Rs. Nil) in respect of dividend announced by subsidiary.



	December 31, 2021	(Audited) June 30, 2021
	------(Rupees '000)-----	
<b>10. CASH AND BANK BALANCES</b>		
<b>Cash at bank</b>		
- On PLS savings accounts		
Local currency	433,750	263,215
Foreign currency	696	620
- Term deposit receipt (TDR) - note 10.1	100,000	90,000
- On current accounts		
Local currency	228,067	125,476
Foreign currency	166,456	111,231
<b>Cash in hand</b>	<b>1,321</b>	<b>872</b>
	<b>930,290</b>	<b>591,414</b>

**10.1** These carry mark up at 6.5% to 7.5% per annum payable at maturity. The maturity dates of TDRs amounting to Rs. 90 million and Rs. 10 million are due to mature by June 30, 2022 and September 30, 2022 respectively. The TDR is held under lien against the guarantee issued by bank on behalf of the Company.

	December 31, 2021	(Audited) June 30, 2021
	------(Rupees '000)-----	
<b>11. LONG-TERM LOANS</b>		
<b>Long-Term Finance - secured</b>		
- under Temporary Economic Refinance Facility - notes 11.1 & 11.2	675,784	691,200
- under Long Term Finance Facility - notes 11.1 & 11.3	1,074,276	708,592
- under Renewable Energy Financing Scheme - notes 11.1 & 11.4	1,096,093	1,281,017
- under Payroll Refinance Scheme - notes 11.1 & 11.5	304,010	489,198
	<b>3,150,163</b>	<b>3,170,007</b>
<b>Less:</b>		
- Deferred government grant	(60,105)	(483,636)
- Advisory and arrangement fee paid	-	(29,250)
	<b>(60,105)</b>	<b>(512,886)</b>
Less: Current portion of long-term loans - note 12	<b>(243,208)</b>	<b>(275,000)</b>
	<b>2,846,850</b>	<b>2,382,121</b>

**11.1** The above facilities are secured against ranking and first pari passu hypothecation / mortgage charges on the Company's present and future fixed assets excluding land and building to cover the facility amount along with a 25% margin.

**11.2** This represents syndicated finance facility loan obtained under the SBP's Temporary Economic Refinance Facility available to the Company at below-market interest rate for setting up of new industrial units.

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

- 11.3** This represents syndicated finance facility loan obtained under the SBP's Long Term Finance Facility for purchase of plant and machinery in respect of export-oriented projects.
- 11.4** This represents loan obtained under the SBP's Renewable Energy Financing Scheme available to the Company for installation of Captive Solar Power Plant at below-market interest rate.
- 11.5** The Company entered into a long-term loan agreement with Faysal Bank Limited under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the SBP.

	<b>December 31, 2021</b>	(Audited) June 30, 2021
	----- (Rupees '000) -----	
<b>12. SHORT-TERM BORROWINGS</b>		
Short term running finance - notes 12.1 & 12.2	<b>1,113,077</b>	223,854
Export refinance facility - notes 12.1 & 12.3	<b>3,895,000</b>	3,895,000
Current maturity of long-term loans - note 11	<b>243,208</b>	275,000
	<b>5,251,285</b>	4,393,854

- 12.1** The facilities available from various banks amount to Rs. 9.51 billion (June 30, 2021: Rs. 6.41 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's inventories and trade receivables.
- 12.2** The rates of mark-up ranged between one month KIBOR and three months KIBOR plus 0.5% (June 30, 2021: one-month KIBOR to one-month KIBOR plus 0.5%) per annum.
- 12.3** The export refinance facilities available from different banks are secured by way of hypothecation of inventories and trade receivables and carry mark up ranging between State Bank of Pakistan (SBP) export refinance rate plus 0.5% to 1% (June 30, 2021: 0.75% to 1%).
- 12.4** The facilities for opening letters of credit and guarantee as at December 31, 2021 amounted to Rs. 7.5 billion (June 30, 2021: Rs. 6 billion) of which unutilised balance at period end amounted to Rs. 6.9 billion (June 30, 2021: Rs. 4.30 billion).

## 13. CONTINGENCIES AND COMMITMENTS

- 13.1** There has been no change in the status of contingencies as reported in annual financial statements for the year ended June 30, 2021.
- 13.2** Commitments for capital expenditure outstanding as at December 31, 2021 amounted to Rs. 9.8 billion (June 30, 2021: Rs. 8.24 billion).



	December 31, 2021	December 31, 2020
	----- (Rupees '000) -----	
<b>14. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Local sale of goods	9,781,602	8,062,776
Sales tax	(1,584,741)	(1,324,781)
Federal excise duty	(1,120,487)	(1,005,637)
	(2,705,228)	(2,330,418)
Rebates, discount and commission	(245,824)	(241,908)
Net local sale of goods	6,830,550	5,490,450
Export sales	3,481,693	6,081,527
Freight	(494,269)	(578,752)
	2,987,424	5,502,775
	9,817,974	10,993,225

#### 15. DISTRIBUTION COSTS

This includes Rs. 470.07 million (December 31, 2020: Rs. 998.97 million) incurred in respect of export sales.

	December 31, 2021	December 31, 2020
	----- (Rupees '000) -----	
<b>16. OTHER INCOME</b>		
Interest on PLS savings accounts under interest / markup arrangements	5,474	7,931
Gain on sale of open ended mutual fund units	6,052	-
Unrealised gain on investments classified as fair value through profit or loss	518	-
Exchange gain - net	225,161	-
Export rebate	-	2,220
Dividend income from subsidiary company - Saqr Al Keetan for Cement Production Company Limited (SAKCPCL) (USD: 2,000,000)	353,800	-
Scrap sales	15,198	33,392
Gain on disposal of operating assets	-	1,564
Grant income	13,560	-
Others	13	2,908
	619,776	48,015

#### 17. FINANCE COST

This includes foreign exchange loss amounting to Rs. Nil (December 31, 2020: Rs. 80.72 million).



**SELECTED NOTES TO AND FORMING PART OF THE UNCONSOLIDATED  
CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	December 31, 2021	December 31, 2020
	------(Rupees '000)-----	
<b>18. INCOME TAX EXPENSE</b>		
Current	325,000	192,000
Deferred	129,000	95,000
	<b>454,000</b>	<b>287,000</b>
<b>19. BASIC AND DILUTED EARNINGS PER SHARE</b>		
Profit for the period	851,978	544,707
Weighted average number of outstanding shares at the end of the period (in thousand)	137,427	137,427
Basic and diluted earnings per share (Rupees)	6.20	3.96
<b>20. CASH (USED IN) / GENERATED FROM OPERATIONS</b>		
Profit before income tax	1,305,978	831,707
<b>Add / (Less): Adjustments for non-cash charges and other items</b>		
Depreciation	418,378	413,773
Gain on disposal of property, plant and equipment	-	(1,564)
Dividend income from subsidiary company - Saqr Al Keetan for Cement Production Company Limited (SAKCPL)	(353,800)	-
Unrealised gain on investments classified as fair value through profit or loss	(518)	-
Gain on sale of open ended mutual fund units	(6,052)	-
Provision for stores, spares and loose tools	9,797	5,311
Interest income	(5,474)	(7,931)
Finance cost	106,347	177,232
Employee benefit obligations	41,057	39,931
Government grant recognised in income	(13,560)	-
Share of net income of associate accounted for using equity method	(2,820)	(2,985)
Profit before working capital changes	<b>1,499,333</b>	<b>1,455,474</b>



December 31,      December 31,  
2021                      2020  
----- (Rupees '000) -----

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

**(Increase) / decrease in current assets**

Inventories	<b>(1,100,484)</b>	538,294
Trade receivables	<b>(55,384)</b>	(2,392,422)
Loans and advances	<b>(114,738)</b>	19,589
Short-term deposits and prepayments	<b>(45,983)</b>	(31,367)
Tax refunds due from Government - Sales tax	<b>3,353</b>	77,438
Other receivables	<b>(115,748)</b>	(54,266)
	<b>(1,428,984)</b>	(1,842,734)
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	<b>(420,128)</b>	1,230,907
	<b>(1,849,112)</b>	(611,827)
Cash (used in) / generated from operations	<b>(349,779)</b>	843,647

**21. CASH AND CASH EQUIVALENTS**

Cash and bank balances excluding TDR having term of more than 3 months	<b>830,290</b>	584,178
Short-term running finance	<b>(1,113,077)</b>	(568,831)
Export refinance facility	<b>(3,895,000)</b>	(3,895,000)
	<b>(4,177,787)</b>	(3,879,653)



**SELECTED NOTES TO AND FORMING PART OF THE UNCONSOLIDATED  
CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

December 31,                      December 31,  
2021                                      2020  
------(Rupees '000)-----

**22. TRANSACTIONS WITH RELATED PARTIES**

Transactions with related parties during the period are as follows:

**Holding Company**

**- Pharaon Investment Group Limited (PIGL)**

Dividend paid	462,105	404,342
Recovery of expenses	84	750

**Subsidiary company**

**- Saqr Al Keetan for Cement Production Co. Ltd (SAKCPCL)**

Dividend income	353,800	-
Expense incurred on behalf of subsidiary company	-	7,263

**Associated companies**

**- Attock Petroleum Limited (APL)**

Purchase of goods	236,550	234,113
Recovery of expenses	2,112	1,370
Reimbursement of expenses	728	1,093

**- The Attock Oil Company Limited (AOC)**

Recovery of expenses	1,511	1,065
Reimbursement of expenses	713	353

**- National Refinery Limited (NRL)**

Sale of goods	294	139
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**- Pakistan Oilfields Limited (POL)**

Recovery of expenses	-	6
Reimbursement of expenses	-	13

**- Falcon Pakistan (Pvt.) Ltd (FPPL)**

Recovery of expenses	-	2
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**Other related parties**

Payments made to retirement benefit obligation	62,406	47,311
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**Key management personnel**

Loans and advances recovered during the period	2,880	-
Salaries and other short-term employee benefits	93,740	78,980
Post-employment benefits	2,882	2,336
Sale of goods	62	2,448



### 23. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in their meeting held on February 4, 2022 have declared an interim cash dividend of Rs. 2.00 per share (December 31, 2020: Rs. Nil per share) for the year ending June 30, 2022 amounting to Rs.275 million. The unconsolidated condensed interim financial statements do not include the effect of above interim dividend which will be accounted for the subsequent period.

### 24. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of Company on February 4, 2022.

**Muhammad Rehan**  
Chief Financial Officer

**Babar Bashir Nawaz**  
Chief Executive

**Abdus Sattar**  
Director



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**CONSOLIDATED  
FINANCIAL  
STATEMENTS**

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Note	(Unaudited) December 31, 2021	Audited June 30, 2021
----- (Rupees '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets - property, plant and equipment	5	24,821,762	23,716,819
Investment in associate	6	43,562	40,742
Long-term loans and advances - considered good		65,641	67,964
Long-term deposits		99,940	99,940
		<b>25,030,905</b>	<b>23,925,465</b>
<b>Current assets</b>			
Inventories	7	7,270,409	4,785,062
Trade receivables - considered good	8	1,735,996	1,707,826
Loans and advances - considered good		258,667	338,460
Short-term deposits and prepayments		462,281	32,742
Other receivables		125,764	42,816
Taxation - payments less provisions		2,831,736	2,859,342
Tax refunds due from Government - Sales tax		16,078	19,431
Short-term investments		700,518	1,914,887
Cash and bank balances	9	2,278,882	2,767,118
		<b>15,680,331</b>	<b>14,467,684</b>
<b>Total assets</b>		<b>40,711,236</b>	<b>38,393,149</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		17,559,868	17,465,015
Exchange revaluation reserve		1,244,034	704,135
Attributable to owners of Attock Cement Pakistan Limited- Holding Company		20,178,172	19,543,420
Non-controlling interests		3,213,630	2,996,826
		<b>23,391,802</b>	<b>22,540,246</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term loans	10	2,846,850	2,382,121
Deferred Income - Government grant		344,032	335,259
Long-term lease liabilities		51,913	38,279
Deferred tax liabilities		1,509,084	1,233,815
Retirement benefits - obligations		286,481	307,957
		<b>5,038,360</b>	<b>4,297,431</b>
<b>Current liabilities</b>			
Trade and other payables		6,897,696	7,053,626
Unclaimed dividend		11,156	10,674
Accrued mark-up		100,183	71,865
Short term borrowings	11	5,251,285	4,393,854
Current portion of long-term lease liabilities		20,754	25,453
		<b>12,281,074</b>	<b>11,555,472</b>
<b>Total liabilities</b>		<b>17,319,434</b>	<b>15,852,903</b>
<b>Contingencies and commitments</b>	12		
<b>Total equity and liabilities</b>		<b>40,711,236</b>	<b>38,393,149</b>

The annexed notes 1 to 23 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 HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Note	Quarter ended		Half year ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
------(Rupees '000)-----					
Revenue from contracts with customers	13	7,397,428	7,780,883	13,129,809	15,089,486
Cost of sales		(6,059,231)	(5,412,352)	(10,753,924)	(11,011,079)
Gross profit		1,338,197	2,368,531	2,375,885	4,078,407
Distribution costs	14	(472,436)	(819,315)	(843,266)	(1,455,792)
Administrative expenses		(222,565)	(327,047)	(408,899)	(540,209)
Other expenses		(45,000)	(37,000)	(68,000)	(52,000)
Other income	15	222,879	33,206	265,976	49,685
Profit from operations		821,075	1,218,375	1,321,696	2,080,091
Finance cost	16	(82,065)	(462,529)	(128,366)	(551,566)
Share of net income of associate accounted for using equity method		2,820	2,985	2,820	2,985
Profit before income tax		741,830	758,831	1,196,150	1,531,510
Income tax expense	17	(373,000)	(206,000)	(454,000)	(287,000)
Profit for the period		368,830	552,831	742,150	1,244,510
<b>Other comprehensive income</b>					
<b>Items that will be reclassified to profit or loss</b>					
Exchange revaluation reserve		899,831	(317,974)	899,831	(317,974)
<b>Total comprehensive income</b>		<b>1,268,661</b>	<b>234,857</b>	<b>1,641,981</b>	<b>926,536</b>
<b>Total comprehensive income attributable to:</b>					
Owners of Attock Cement Pakistan Limited - Holding Company		852,087	312,141	1,184,460	774,936
Non-controlling interests		416,574	(77,284)	457,521	151,600
		<b>1,268,661</b>	<b>234,857</b>	<b>1,641,981</b>	<b>926,536</b>
Basic and diluted earnings per share (Rs.)	18	2.27	3.65	4.69	7.02

The annexed notes 1 to 23 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 HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Attributable to the owners of the Holding Company			Sub - Total	Non-controlling interests	Total Equity
	Share capital	Unappropriated profit	Exchange revaluation reserve			
------(Rupees '000)-----						
<b>Balance as at July 01, 2020</b>	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)
Equity contribution by non-controlling interest	-	-	-	-	-	-
<b>Total comprehensive income for the half year ended December 31, 2020</b>						
Profit for the half year ended December 31, 2020	-	964,589	-	964,589	279,921	1,244,510
Other comprehensive income for the half year ended December 31, 2020	-	-	(189,653)	(189,653)	(128,321)	(317,974)
	-	964,589	(189,653)	774,936	151,600	926,536
<b>Balance as at December 31, 2020</b>	<b>1,374,270</b>	<b>16,537,746</b>	<b>746,642</b>	<b>17,284,388</b>	<b>2,808,090</b>	<b>21,466,748</b>
<b>Balance as at July 01, 2021</b>	<b>1,374,270</b>	<b>17,465,015</b>	<b>704,135</b>	<b>18,169,150</b>	<b>2,996,826</b>	<b>22,540,246</b>
Final dividend for the year ended June 30, 2021 @ Rs. 4.0 per share	-	(549,708)	-	(549,708)	-	(549,708)
Dividend pertaining to Non-controlling interest	-	-	-	-	(240,717)	(240,717)
<b>Total comprehensive income for the half year ended December 31, 2021</b>						
Profit for the half year ended December 31, 2021	-	644,561	-	644,561	97,589	742,150
Other comprehensive income for the half year ended December 31, 2021	-	-	539,899	539,899	359,932	899,831
	-	644,561	539,899	1,184,460	457,521	1,641,981
<b>Balance as at December 31, 2021</b>	<b>1,374,270</b>	<b>17,559,868</b>	<b>1,244,034</b>	<b>18,803,902</b>	<b>3,213,630</b>	<b>23,391,802</b>

The annexed notes 1 to 23 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 HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	Note	December 31, 2021	December 31, 2020
		------(Rupees '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	19	(1,071,425)	2,350,050
Finance cost paid		(100,048)	(550,413)
Income tax paid		(151,125)	(91,987)
Decrease / (increase) in long-term loans and advances		2,323	(4,459)
Employee benefit obligations paid		(62,533)	(55,300)
Net cash (used in) / generated from operating activities		(1,382,808)	1,647,891
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure incurred		(1,097,500)	(84,491)
Proceeds from disposal of operating assets		104	3,129
Purchase of open ended mutual fund units		(700,000)	-
Proceeds from sale of open ended mutual fund units		1,920,939	-
Placement in term deposit receipt		(10,000)	(41,000)
Interest received		5,474	7,931
Net cash generated from / (used in) investing activities		119,017	(114,431)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(549,226)	(480,302)
Proceed from long-term loans		455,270	280,000
Lease rental paid		(13,157)	(3,363)
Net cash used in financing activities		(107,113)	(203,665)
Net (decrease) / increase in cash and cash equivalents		(1,370,904)	1,329,795
Cash and cash equivalents at beginning of the period		(1,441,736)	(3,396,937)
Effects of exchange rate changes on cash and cash equivalents		(16,555)	(71,410)
Cash and cash equivalents at end of the period	20	(2,829,195)	(2,138,552)

The annexed notes 1 to 23 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 HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

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

1.2 The Board of Directors in their meeting held on January 26, 2021 approved installation of an additional Line 4 to their existing site in order to enhance the Holding Company's production capacity by 4,250 tons per day. The estimated cost of completion of the project is expected to be USD 100 million which is being financed through Temporary Economic Refinance Facility and Long Term Finance Facility of the SBP. The project is under construction.

1.3 Subsequent to December 31, 2021, the project of 20MV Captive Solar Power Plant has been commissioned with effect from January 1, 2022.

## 2. BASIS OF PREPARATION

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.



These consolidated 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, 2021.

## 2.1. Changes in accounting standards, interpretations and pronouncements

### a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Group's financial reporting.

### b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2021. However, these will not have any impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

## 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Group for the year ended June 30, 2021.

## 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these consolidated condensed interim financial statements require management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended June 30, 2021.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

December 31, 2021	(Audited) June 30, 2021
------(Rupees '000)-----	

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

Operating assets - note 5.1	19,727,397	19,693,885
Capital work-in-progress - note 5.2	4,087,324	3,029,072
Right of use assets - note 5.3	81,743	80,847
Less: Depreciation	(11,737)	(17,105)
	70,006	63,742
Stores held for capital expenditures	937,035	930,120
	<u>24,821,762</u>	<u>23,716,819</u>

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

	December 31, 2021	December 31, 2020
	------(Rupees '000)-----	
<b>5.1 Additions to operating assets during the period were as follows:</b>		
Buildings and roads on freehold land	1,127	1,179
Plant and machinery	41,317	49,203
Vehicles	18,715	16,130
Others	12,300	12,293
	<b>73,459</b>	<b>78,805</b>
Disposals during the period - Net book value	104	1,565
Transfer to stores during the period - Net book value	41,094	35,129

	December 31, 2021	(Audited) June 30, 2021
	------(Rupees '000)-----	
<b>5.2 Capital work-in-progress</b>		
<b>Captive Solar Power Project</b>		
Civil and electrical works	267,857	169,572
Plant and machinery	1,320,447	1,318,023
Others - note 5.2.1	71,883	31,719
	<b>1,660,187</b>	<b>1,519,314</b>
<b>Installation of Line 4</b>		
Civil works	262,375	12,568
Plant and machinery	712,564	-
Advances to suppliers	1,274,805	1,399,792
Others - note 5.2.2	63,609	9,803
	<b>2,313,353</b>	<b>1,422,163</b>
<b>Others</b>		
Civil works	110,399	65,052
Plant and machinery	3,385	22,543
	<b>113,784</b>	<b>87,595</b>
	<b>4,087,324</b>	<b>3,029,072</b>

**5.2.1** This includes directly attributable expenditure for the development, construction and operation of the Captive Solar Power Plant. Furthermore, the borrowing cost amounting to Rs. 20.78 million (June 30, 2021: Rs. 5.81 million) were capitalised at the internal rate of return of 3.25% on specific borrowing obtained for the financing of this project.

**5.2.2** This includes directly attributable expenditure for the development, construction and operation of Line 4 to their existing site as disclosed in note # 1.1. Furthermore, the borrowing cost net of deferred grant amounting to Rs. 14.57 million (June 30, 2021: Rs. 3.73 million) were capitalised at the internal rate of return of 1.96% per annum on specific borrowing obtained for financing of this project.



5.3 The right-of-use assets comprise leasehold buildings used by the Group for its operations.

	December 31, 2021	(Audited) June 30, 2021
------(Rupees '000)-----		
<b>6. INVESTMENT IN ASSOCIATE</b>		
<i>Investment in associated company accounted for using equity method</i>		
Attock Information Technology Services (Private) Limited - 450,000 (June 30, 2021: 450,000) fully paid ordinary shares of Rs. 10 each	43,562	40,742

## 7. INVENTORIES

Stores, spares and loose tools - note 7.1	3,809,138	2,752,422
Raw materials	2,266,489	920,334
Packing materials	231,227	237,239
Semi-finished goods - note 7.2	697,428	622,627
Work-in-process	44,557	44,662
Finished goods	221,570	207,778
	<b>7,270,409</b>	<b>4,785,062</b>

### 7.1 Stores, spares and loose tools

Coal - note 7.1.1	2,369,498	1,533,601
Stores and spares - note 7.1.2	1,427,197	1,148,563
Bricks	85,548	133,822
Loose tools	2,794	2,538
	<b>3,885,037</b>	<b>2,818,524</b>
Less: Provision for slow moving and obsolete items	(75,899)	(66,102)
	<b>3,809,138</b>	<b>2,752,422</b>

7.1.1 This includes coal in transit of Rs. 642.21 million (June 30, 2021: Rs. 1,217.63 million).

7.1.2 This includes stores and spares in transit amounting to Rs. 50.75 million (June 30, 2021: Rs. 42 million).

7.2 This includes clinker held at port for export amounting to Rs. Nil (June 30, 2021: Rs. 170.43 million).

**SELECTED NOTES TO AND FORMING PART OF THE CONSOLIDATED  
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	December 31, 2021	(Audited) June 30, 2021
	------(Rupees '000)-----	
<b>8. TRADE RECEIVABLES – considered good</b>		
Secured	1,594,251	1,608,921
Unsecured	141,745	98,905
	<b>1,735,996</b>	<b>1,707,826</b>

**9. CASH AND BANK BALANCES**

**Cash at bank**

· On PLS savings accounts

- Local currency	433,750	263,215
- Foreign currency	696	642

· Term deposit receipt (TDR) - note 9.1

100,000	90,000
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· On current accounts

- Local currency	228,067	125,476
- Foreign currency	1,504,103	2,271,529

**Cash in hand**

12,266	16,256
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<b>2,278,882</b>	<b>2,767,118</b>
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- 9.1 These carry mark up at 6.5% to 7.5% per annum payable at maturity. The maturity dates of TDRs amounting to Rs. 90 million and Rs. 10 million are due to mature by June 30, 2022 and September 30, 2022 respectively. The TDRs are held under lien against the guarantee issued by bank on behalf of the Holding Company.

	December 31, 2021	(Audited) June 30, 2021
	------(Rupees '000)-----	
<b>10. LONG-TERM LOANS</b>		
Long-Term Finance - secured		
- under Temporary Economic Refinance Scheme - notes 10.1 & 10.2	675,784	691,200
- under Long Term Finance Facility - notes 10.1 & 10.3	1,074,276	708,592
- under Renewable Energy Financing Scheme - notes 10.1 & 10.4	1,096,093	1,281,017
- under Payroll Refinance Scheme - notes 10.1 & 10.5	304,010	489,198
	<b>3,150,163</b>	<b>3,170,007</b>
Less:		
- Deferred government grant	(60,105)	(483,636)
- Advisory and arrangement fee paid	-	(29,250)
	<b>(60,105)</b>	<b>(512,886)</b>
Less: Current portion of long-term loans - note 11	(243,208)	(275,000)
	<b>2,846,850</b>	<b>2,382,121</b>



- 10.1 The above facilities are secured against ranking and first pari passu hypothecation / mortgage charges on the Holding Company's present and future fixed assets excluding land and building to cover the facility amount along with a 25% margin.
- 10.2 This represents syndicated finance facility loan obtained under the SBP's Temporary Economic Refinance Facility available to the Holding Company at below-market interest rate for setting up of new industrial units.
- 10.3 This represents syndicated finance facility loan obtained under the SBP's Long Term Finance Facility for purchase of plant and machinery in respect of export-oriented projects.
- 10.4 This represents loan obtained under the SBP's Renewable Energy Financing Scheme available to the Holding Company for installation of Captive Solar Power Plant at below-market interest rate.
- 10.5 The Holding Company entered into a long-term loan agreement with Faysal Bank Limited under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the SBP.

	<b>December 31, 2021</b>	(Audited) June 30, 2021
	------(Rupees '000)-----	
<b>11. SHORT TERM BORROWINGS</b>		
Short term running finance - note 11.1 & 11.2	<b>1,113,077</b>	223,854
Export refinance facility - note 11.1 & 11.3	<b>3,895,000</b>	3,895,000
Current maturity of long-term loan - note 10	<b>243,208</b>	275,000
	<b>5,251,285</b>	4,393,854

- 11.1 The facilities available from various banks amount to Rs. 9.51 billion (June 30, 2021: Rs. 6.41 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Holding Company's inventories and trade receivables.
- 11.2 The rates of mark-up ranged between one month KIBOR and three month KIBOR plus 0.5% (June 30, 2021: one month KIBOR to one month KIBOR plus 0.5%) per annum.
- 11.3 The export refinance facilities available from different banks are secured by way of hypothecation of inventories and trade receivables and carry mark up ranging between State Bank of Pakistan (SBP) export refinance rate plus 0.5% to 1% (June 30, 2021: 0.75% to 1%).
- 11.4 The facilities for opening letters of credit and guarantee as at December 31, 2021 amounted to Rs. 7.5 billion (June 30, 2021: Rs. 6 billion) of which unutilised balance at period end amounted to Rs. 6.9 billion (June 30, 2021: Rs. 4.30 billion).

**12. CONTINGENCIES AND COMMITMENTS**

- 12.1 There has been no change in the status of contingencies as reported in annual financial statements for the year ended June 30, 2021.

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

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12.2 Commitments for capital expenditure outstanding as at December 31, 2021 amounted to Rs. 9.8 billion (June 30, 2021: Rs. 8.24 billion).

## 13. REVENUE FROM CONTRACTS WITH CUSTOMERS

	December 31, 2021	December 31, 2020
	------(Rupees '000)-----	
Local sale of goods	13,093,437	12,159,037
Sales tax	(1,584,741)	(1,324,781)
Federal excise duty	(1,120,487)	(1,005,637)
	(2,705,228)	(2,330,418)
Rebates, discount and commission	(245,824)	(241,908)
Net local sale of goods	10,142,385	9,586,711
Export sales	3,481,693	6,081,527
Freight	(494,269)	(578,752)
	2,987,424	5,502,775
	13,129,809	15,089,486

## 14. DISTRIBUTION COSTS

This includes Rs. 470.07 million (December 31, 2020: Rs. 998.97 million) incurred in respect of export sales.

## 15. OTHER INCOME

	December 31, 2021	December 31, 2020
	------(Rupees '000)-----	
Interest on PLS savings accounts under interest / markup	5,474	7,931
Gain on sale of open ended mutual fund units	6,052	-
Unrealised gain on investments classified as fair value through profit or loss	518	-
Exchange gain-net	225,161	-
Scrap Sales	15,198	33,392
Grant income	13,560	-
Others	13	8,362
	265,976	49,685



## 16. FINANCE COST

This includes foreign exchange loss amounting to Rs. 130.97 million (December 31, 2020: Rs. 403.69 million).

	December 31, 2021	December 31, 2020
	------(Rupees '000)-----	
17. INCOME TAX EXPENSE		
Current	325,000	192,000
Deferred	129,000	95,000
	<u>454,000</u>	<u>287,000</u>

## 18. BASIC AND DILUTED EARNINGS PER SHARE

Profit attributable to owners of the Holding Company	644,561	964,589
Weighted average number of outstanding shares at the end of the period (in thousand)	137,427	137,427
Basic and diluted earnings per share (Rupees)	<u>4.69</u>	<u>7.02</u>

## 19. CASH GENERATED FROM OPERATIONS

Profit before income tax	1,196,150	1,531,510
<b>Add / (Less): Adjustments for non-cash charges and other items</b>		
Depreciation	515,677	505,384
Unrealised gain on investments classified as fair value through profit or loss	(518)	-
Gain on disposal of property, plant and equipment	-	(1,564)
Gain on sale of open ended mutual fund units	(6,052)	-
Provision for stores, spares and loose tools	9,797	5,311
Interest income	(5,474)	(7,931)
Finance cost	128,366	551,566
Employee benefit obligations	41,057	39,931
Government grant recognised in income	(13,560)	-
Share of net income of associate accounted for using equity method	(2,820)	(2,985)
Profit before working capital changes	<u>1,862,623</u>	<u>2,621,222</u>

**SELECTED NOTES TO AND FORMING PART OF THE CONSOLIDATED  
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FOR THE HALF YEAR ENDED DECEMBER 31, 2021 - UNAUDITED

December 31,      December 31,  
2021                      2020  
------(Rupees '000)-----

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

**(Increase) / decrease in current assets**

Inventories	(2,284,145)	491,926
Trade Receivables	(20,710)	(2,350,573)
Loans and advances	79,793	78,199
Short-term deposits and prepayments	(395,422)	(19,377)
Tax refunds due from Government - Sales tax	3,353	77,438
Other receivables	(82,948)	(47,002)
	<b>(2,700,079)</b>	<b>(1,769,389)</b>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(233,969)	1,498,217
	<b>(2,934,048)</b>	<b>(271,172)</b>
Cash (used in) / generated from operations	<b>(1,071,425)</b>	<b>2,350,050</b>

**20. CASH AND CASH EQUIVALENTS**

Cash and bank balances excluding TDR having term of more than 3 months	2,178,882	2,325,279
Short-term running finance	(1,113,077)	(568,831)
Export refinance facility	(3,895,000)	(3,895,000)
	<b>(2,829,195)</b>	<b>(2,138,552)</b>

**21. TRANSACTIONS WITH RELATED PARTIES**

Transactions with related parties during the period are as follows:

**Holding Company**

**- Pharaon Investment Group Limited (PIGL)**

Dividend paid	462,105	404,342
Recovery of expenses	84	750



	December 31, 2021	December 31, 2020
	----- (Rupees '000) -----	
<b>Associated companies</b>		
<b>- Attock Petroleum Limited (APL)</b>		
Purchase of goods	236,550	234,113
Recovery of expenses	2,112	1,370
Reimbursement of expenses	728	1,093
<b>- The Attock Oil Company Limited (AOC)</b>		
Recovery of expenses	1,511	1,065
Reimbursement of expenses	713	353
<b>- National Refinery Limited (NRL)</b>		
Sale of goods	294	139
<b>- Pakistan Oilfields Limited (POL)</b>		
Recovery of expenses	-	6
Reimbursement of expenses	-	13
<b>- Falcon Pakistan (Pvt.) Ltd (FPPL)</b>		
Recovery of expenses	-	2
<b>Other related parties</b>		
Payments made to retirement benefit funds	62,406	47,311
<b>Key management personnel</b>		
Loans and advances recovered during the period	2,880	-
Salaries and other short-term employee benefits	93,740	78,980
Post-employment benefits	2,882	2,336
Sale of goods	62	2,448

**22. NON-ADJUSTING EVENTS AFTER REPORTING DATE**

The Board of Directors of the Holding Company in their meeting held on February 4, 2022 have declared an interim cash dividend of Rs. 2.00 per share (December 31, 2020: Rs. Nil per share) for the year ending June 30, 2022 amounting to Rs.275 million. The consolidated condensed interim financial statements do not include the effect of above interim dividend which will be accounted for the subsequent period.

**23. 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 February 04, 2022.

**Muhammad Rehan**  
Chief Financial Officer

**Babar Bashir Nawaz**  
Chief Executive

**Abdus Sattar**  
Director

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## **ATTOCK CEMENT PAKISTAN LIMITED**

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