



ATTOCK CEMENT PAKISTAN LIMITED

THIRD QUARTER REPORT

March 31, 2023



CONTENTS

Company Information

02

Directors' Review

04

Unconsolidated Condensed Interim Financial Statements

Statement of Financial Position

08

Statement of Profit or Loss & Other Comprehensive Income

09

Statement of Changes in Equity

10

Statement of Cash Flows

11

Selected notes to and forming part of the Financial Statements

12

Consolidated Condensed Interim Financial Statements

Statement of Financial Position

18

Statement of Profit or Loss & Other Comprehensive Income

19

Statement of Changes in Equity

20

Statement of Cash Flows

21

Selected notes to and forming part of the Financial Statements

22



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
Industrial & Commercial Bank of China Limited

Registered Office

D-70, Block-4, Kehkashan-5,
Clifton, Karachi-75600

Tel: (92-21) 35309773-4

UAN: (92) 111 17 17 17

Fax: (92-21) 35309775

Email: acpl@attockcement.com

Web site: www.attockcement.com

Plants

1. Hub Chowki, Lasbela, Balochistan

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, 2023.

OPERATIONAL & FINANCIAL REVIEW

Production and sales figures for the period ended March 31, 2023 are as follows:

	Jul.-Mar. 2023	Jul.-Mar. 2022
	Tons	
Clinker Production	<u>1,476,010</u>	<u>1,778,257</u>
Cement Production	<u>1,171,569</u>	<u>1,403,492</u>
Cement Dispatches - Local	1,033,057	1,201,277
- Export	134,602	205,222
Total Cement Dispatches	<u>1,167,659</u>	<u>1,406,499</u>
Clinker Dispatches	310,936	499,435
Total Dispatches	<u>1,478,595</u>	<u>1,905,934</u>
Clinker Capacity Utilization	68%	83%

Due to lower demand in both local and regional markets, the Company reassessed its production and sales strategy and decided to close Line 1 which is the least efficient line. Further, during the period under review the operations of Line 2 were also closed for a shorter period owing to high inventory levels. As a result of this the overall capacity utilization has come down to 68%, which is significantly lower than the same period last year.

Industry Review

During the period under review, the local sale was badly affected due to severe economic and financial challenges being faced by the country. The overall uncertain political and economic situation is constantly discouraging the investors and markets are not gaining any momentum. As a result overall Industry wide local sales declined by 15% in volumetric terms as compared to same period last year. Regional markets are also facing the impacts of higher energy prices and foreign exchange related issues, therefore industry wide exports in volumetric terms declined by 34% as compared to corresponding period.

Sales Review

During the nine months period ended March 31, 2023, the local cement dispatches of your company decreased by 14% as compared to same period last year. As far as export markets are concerned, the company did not push for increased dispatches due to lower prices and exchange related risks. As a result exports of both cement and clinker reduced by 34% and 38% respectively.

Financial Review

The net sales revenue of the company increased by Rs 2,431 million (15%) over corresponding period mainly due to significant increase in average net retention. Even though the overall dispatches reduced by 427,339 tons (22%) as compared to same period last year, the overall net retention (both cement & clinker) increased by Rs 4,064 per ton (49%) primarily due to high share of local sales in overall sales volume which increased to 70% as compared to 63% in same period last year. Further, export retention mainly increased due to significant devaluation of PKR against US Dollar.



During the period under review production cost per ton has increased by Rs. 3,094 per ton (46%) mainly due to higher electricity tariff, increase in coal prices and higher diesel and bag prices.

The continuous increase in production cost was partially passed on to local market consumers by way of price increase and accordingly net retention of cement sold in local market increased by 39% as compared to same period last year. However, the prices in the international market remained under pressure, therefore the management prudently restricted the export sales of both cement and clinker to only those customers in export markets who were able to match the threshold of prices set by the company to meet at-least its variable cost of production.

With relatively better sales mix over the corresponding period, gross margins showed improvement and increased to 21% from 19% as compared to corresponding period. However, operating margin reduced to 11% from 13% over corresponding period mainly because of dividend income received from its subsidiary company i.e. Saqr Al Keetan last year.

PROGRESS ON PROJECTS

Line IV Project

Almost 100% shipments of plant and machinery have arrived at plant site. All civil, mechanical and electrical contractors have mobilized and the work on the project is in full swing. However, the company is prudently managing the plant construction with its regular cash flows and it is expected that the plant erection would be completed by December, 2023.

FUTURE OUTLOOK

At the moment the country's economy is under stress with lower foreign exchange reserves and higher interest rates. There is significant increase in Government borrowing and it seems that chances of Government spending through PSDP are now minimal due to very low fiscal space available. This may have a significant negative impact on cement sales in months to come. Besides this, the higher interest rates and continuous escalation in construction cost owing to devaluation of PKR against US \$ would keep the private sector investors away from construction activities and this would also affect the cement sales in short to medium term.

While IMF bailout package is under negotiation and financial grants from multilateral institutions and friendly countries are still pending, it seems that the current challenges shall remain in place for the time being. This coupled with higher energy tariff and significant increase in other input costs would keep the margin under check in months to come.

The management is devising various strategies to overcome the situation by adopting various measures and is hopeful that the current crisis would soon be over and the cement demand would recover accordingly.


ACKNOWLEDGMENT

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 is constantly receiving 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 27, 2023
Rawalpindi, Pakistan

ABDUS SATTAR
Director



**UNCONSOLIDATED
FINANCIAL
STATEMENTS**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	Note	Unaudited March 31, 2023	Audited June 30, 2022
----- (Rupees '000) -----			
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	4	30,060,819	26,729,628
Long-term investments		1,874,503	1,870,552
Long-term loans and advances - considered good		46,757	64,807
Long-term deposits		99,940	99,940
		<u>32,082,019</u>	<u>28,764,927</u>
Current assets			
Inventories	5	6,311,000	5,404,313
Trade receivables - considered good		1,151,319	951,849
Loans and advances - considered good		276,395	105,400
Short-term deposits and prepayments		46,074	20,588
Other receivables		465,090	410,470
Taxation - payments less provisions		1,872,925	2,555,250
Tax refunds due from Government - Sales tax		488,167	106,686
Cash and bank balances		626,719	924,798
		<u>11,237,689</u>	<u>10,479,354</u>
Total assets		<u>43,319,708</u>	<u>39,244,281</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid up		1,374,270	1,374,270
Unappropriated profit		16,968,618	16,117,268
		<u>18,342,888</u>	<u>17,491,538</u>
LIABILITIES			
Non-current liabilities			
Long-term loans		7,979,695	7,211,855
Deferred Income - Government grant		1,392,781	997,239
Long-term lease liabilities		29,385	38,564
Deferred tax liabilities		2,160,986	1,850,049
Employee benefit obligations		271,138	275,126
		<u>11,833,985</u>	<u>10,372,833</u>
Current liabilities			
Trade and other payables	6	7,482,837	6,620,372
Unclaimed dividend		12,033	11,422
Accrued mark-up		117,432	78,375
Short-term borrowings		5,508,648	4,647,591
Current portion of long-term lease liabilities		21,885	22,150
		<u>13,142,835</u>	<u>11,379,910</u>
Total liabilities		<u>24,976,820</u>	<u>21,752,743</u>
Contingencies and commitments			
	7		
Total equity and liabilities		<u>43,319,708</u>	<u>39,244,281</u>

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, 2023 - UNAUDITED

	Note	Quarter ended		Nine months ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
------(Rupees '000)-----					
Revenue from contracts with customers	8	8,016,572	6,140,567	18,389,718	15,958,541
Cost of sales		(6,298,618)	(4,972,060)	(14,557,883)	(12,868,296)
Gross Profit		1,717,954	1,168,507	3,831,835	3,090,245
Distribution costs	9	(670,953)	(398,600)	(1,313,711)	(1,138,204)
Administrative expenses		(176,630)	(164,883)	(535,223)	(489,288)
Other expenses		(52,999)	(41,000)	(122,936)	(109,000)
Other income		3,032	71,454	152,728	691,229
Profit from operations		820,404	635,478	2,012,693	2,044,982
Finance cost		(93,090)	(52,510)	(307,284)	(158,858)
Share of net income of associate accounted for using equity method		-	-	3,951	2,820
Profit before income tax		727,314	582,968	1,709,360	1,888,944
Income tax expense		(230,000)	(254,000)	(651,869)	(708,000)
Profit for the period		497,314	328,968	1,057,491	1,180,944
Other comprehensive income		-	-	-	-
Total comprehensive income		497,314	328,968	1,057,491	1,180,944
Basic and diluted earnings per share (Rs.)		3.62	2.39	7.69	8.59

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, 2023 - UNAUDITED

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	------(Rupees '000)-----		
Balance as at July 1, 2021	1,374,270	15,826,272	17,200,542
Profit for the year ended June 30, 2022	-	1,121,591	1,121,591
Other comprehensive loss for the year ended June 30, 2022	-	(6,033)	(6,033)
Total comprehensive income for the nine months period ended June 30, 2022	-	1,115,558	1,115,558
Transaction with owners in their capacity as owners			
Dividend:			
Final dividend for the year ended June 30, 2021 @ Rs. 4 per share	-	(549,708)	(549,708)
Interim dividend for the year ended June 30, 2022 @ Rs. 2 per share	-	(274,854)	(274,854)
Balance as at June 30, 2022	1,374,270	16,117,268	17,491,538
Profit for the nine months period ended March 31, 2023	-	1,057,491	1,057,491
Other comprehensive income for the nine months period ended March 31, 2023	-	-	-
Total comprehensive income for the nine months period ended March 31, 2023	-	1,057,491	1,057,491
Transaction with owners in their capacity as owners			
Dividend:			
Final dividend for the year ended June 30, 2022 @ Rs. 1.50 per share	-	(206,141)	(206,141)
Balance as at March 31, 2023	1,374,270	16,968,618	18,342,888

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, 2023 - UNAUDITED

	Note	March 31, 2023	March 31, 2022
------(Rupees '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	1,701,214	2,028,508
Finance cost paid		(165,328)	(125,863)
Income tax received / (paid)		341,398	(213,917)
Decrease in long-term loans and advances		18,050	2,323
Employee benefit obligations paid		(77,147)	(93,807)
Net cash generated in operating activities		1,818,187	1,597,244
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(4,045,589)	(5,668,585)
Proceeds from disposal of operating assets		10,913	3,551
Purchase of open ended mutual fund units		(900,231)	(1,909,252)
Proceeds from sale of open ended mutual fund units		904,304	3,212,096
Placement in term deposit receipt (TDRs) - net		(275,001)	-
Profit on PLS accounts		34,035	23,674
Net cash used in investing activities		(4,271,569)	(4,338,516)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(205,530)	(824,087)
Proceeds from long-term loans		1,941,096	4,626,926
Repayment of long-term loans		(219,545)	(206,250)
Lease rentals paid		(12,337)	(44,553)
Net cash generated from financing activities		1,503,684	3,552,036
Net (decrease) / increase in cash and cash equivalents		(949,698)	810,764
Cash and cash equivalents at the beginning of the period		(3,073,911)	(3,617,440)
Cash and cash equivalents at the end of the period		(4,023,609)	(2,806,676)

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, 2023 - UNAUDITED

1. THE COMPANY AND ITS OPERATIONS

- 1.1 The Company was incorporated in Pakistan on October 14, 1981 as a public limited company and is listed on Pakistan Stock Exchange. Its main business activity is manufacturing and sale of cement. The 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 The project of 20 MW Captive Solar Power Plant was commissioned with effect from January 1, 2022. The Board of Directors in their meeting held on October 25, 2022 approved an extension of 1.12 MW which has also commissioned during the quarter ended March 31, 2023.

2. 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, 2022.

3. BASIS OF PRESENTATION

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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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, 2022.

4. FIXED ASSETS - property, plant and equipment

	March 31, 2023	Audited June 30, 2022
	-----	-----
	----- (Rupees '000) -----	
Operating assets - note 4.1	15,957,801	16,487,073
Capital work-in-progress	13,228,829	9,330,456
Stores held for capital expenditure	874,189	912,099
	<u>30,060,819</u>	<u>26,729,628</u>



March 31, 2023	March 31, 2022
------(Rupees '000)-----	

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

Buildings and roads on freehold land	-	1,127
Plant and Machinery	156,501	1,771,423
Vehicles	26,281	20,232
Others	397	6,243
	<u>183,179</u>	<u>1,799,025</u>
 Disposals during the period - Net book value	 <u>2,551</u>	 <u>986</u>
 Transfers to stores during the period - Net book value	 <u>27,103</u>	 <u>48,679</u>

March 31, 2023	Audited June 30, 2022
------(Rupees '000)-----	

5. INVENTORIES

Stores, spares and loose tools - note 5.1	4,323,460	4,326,628
Raw materials	301,693	143,884
Packing materials	253,096	134,324
Work-in-process including semi-finished goods	1,094,980	579,167
Finished goods	337,771	220,310
	<u>6,311,000</u>	<u>5,404,313</u>

5.1 Stores, spares and loose tools

Coal	2,757,310	3,143,627
Stores and spares	1,460,108	1,120,077
Bricks	202,445	147,171
Loose tools	2,883	2,667
	<u>4,422,746</u>	<u>4,413,542</u>
Less: Provision for slow moving and obsolete items	<u>(99,286)</u>	<u>(86,914)</u>
	<u>4,323,460</u>	<u>4,326,628</u>

6. TRADE AND OTHER PAYABLES

Creditors	667,686	572,026
Accrued liabilities	2,806,823	2,507,039
Electricity charges payable	471,412	631,529
Advances from customers	458,724	622,180
Excise duty payable on sales	686,258	233,341
Others	2,391,934	2,054,257
	<u>7,482,837</u>	<u>6,620,372</u>



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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 - UNAUDITED

7. CONTINGENCIES AND COMMITMENTS

- 7.1 There has been no change in the status of contingencies as reported in the financial statements for the year ended June 30, 2022.
- 7.2 Commitments for capital expenditure outstanding as at March 31, 2023 amounted to Rs. 4.16 billion (June 30, 2022: Rs. 6.83 billion).

March 31, 2023	March 31, 2022
------(Rupees '000)-----	

8. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sale of goods	18,880,015	16,309,306
Sales Tax	(3,022,835)	(2,627,133)
Federal excise duty	(1,606,119)	(1,801,714)
	(4,628,954)	(4,428,847)
Rebates, discounts and commission	(608,335)	(413,052)
Net local sale of goods	<u>13,642,726</u>	<u>11,467,407</u>
Exports sales	5,191,470	5,420,505
Freight	(444,478)	(929,371)
Net export sales	<u>4,746,992</u>	<u>4,491,134</u>
	<u>18,389,718</u>	<u>15,958,541</u>

9. DISTRIBUTION COSTS

This includes Rs. 615 million (March 31, 2022: Rs. 675 million) incurred in respect of export sales.

March 31, 2023	March 31, 2022
------(Rupees '000)-----	

10. CASH GENERATED FROM OPERATIONS

Profit before income tax	1,709,360	1,888,944
Add/(Less): Adjustment for non cash charges and other items:		
Depreciation	682,789	642,599
Loss / (gain) on disposal of property, plant and equipment	2,613	(2,565)
Dividend income from subsidiary company (SAKCPCL)	-	(353,800)
Dividend income from investments	-	(15,057)
Gain on sale of open ended mutual fund units	(6,234)	(3,265)
Provision for stores, spares and loose tools	12,372	16,423
Profit on PLS accounts	(36,371)	(23,674)
Finance cost	280,442	158,858
Employee benefits obligations	73,159	71,654
Government grant recognised in income	(27,307)	(13,560)
Share of net income of associate accounted for using the equity method	(3,951)	(2,820)
	<u>977,512</u>	<u>474,793</u>
Profit before working capital changes	<u>2,686,872</u>	<u>2,363,737</u>

March 31,
2023

March 31,
2022

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

Effect on cash flow due to working capital changes

(Increase) / decrease in current assets

Inventories	(919,059)	(375,206)
Trade receivables	(199,470)	(83,664)
Loan and advances	(170,995)	(215,301)
Short term deposits and prepayments	(25,486)	(207,849)
Tax refunds due from Government - Sales tax	(381,481)	(479,111)
Other receivables	(54,618)	286,618
	(1,751,109)	(1,074,513)
Increase in current liabilities		
Trade and other payables	765,451	739,284
	(985,658)	(335,229)
Cash generated from operations	1,701,216	2,028,508

11. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

Holding Company

Dividend paid	173,290	693,158
Recovery of expenses	300	167

Subsidiary Company

Dividend income	-	353,800
-----------------	---	---------

Associated Companies

Purchase of goods	530,120	380,101
Sales of goods	604	488
Reimbursement of expenses	2,388	2,033
Recovery of expenses	13,649	3,858

Other related parties

Payments made to retirement benefit funds	77,147	93,807
---	--------	--------

Key management personnel

Sales of goods	-	62
Salaries and other short-term employee benefits	110,999	105,356
Post employment benefits	4,538	4,323



**SELECTED NOTES TO AND FORMING PART OF THE
UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 - UNAUDITED

12. CORRESPONDING FIGURES

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

13. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on April 27, 2023.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director



**CONSOLIDATED
FINANCIAL
STATEMENTS**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	Note	Unaudited March 31, 2023	Audited June 30, 2022
----- (Rupees '000) -----			
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	4	37,368,962	32,340,244
Investment in associate		51,502	47,551
Long-term loans and advances - considered good		46,757	64,807
Long-term deposits		99,940	99,940
		<u>37,567,161</u>	<u>32,552,542</u>
Current assets			
Inventories	5	7,951,948	8,493,495
Trade receivables - considered good		1,383,485	1,028,524
Loans and advances - considered good		814,392	809,676
Short-term deposits and prepayments		63,469	30,201
Other receivables		67,285	49,452
Taxation - payments less provision		1,872,925	2,555,250
Tax refunds due from Government - Sales tax		488,167	106,686
Cash and bank balances		2,769,209	1,590,090
		<u>15,410,880</u>	<u>14,663,374</u>
Total assets		<u><u>52,978,041</u></u>	<u><u>47,215,916</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up		1,374,270	1,374,270
Unappropriated profit		18,888,267	17,754,248
Exchange revaluation reserve		2,685,639	2,107,169
Attributable to owners of Attock Cement Pakistan Ltd. - Holding company		22,948,176	21,235,687
Non-controlling interests		4,285,526	3,711,433
		<u>27,233,702</u>	<u>24,947,120</u>
LIABILITIES			
Non-current liabilities			
Long-term loans		7,979,694	7,211,855
Deferred Income - Government grant		1,392,781	997,239
Long-term lease liabilities		29,385	38,564
Deferred tax liabilities		2,160,986	1,850,049
Employee benefit obligations		271,138	275,126
		<u>11,833,984</u>	<u>10,372,833</u>
Current liabilities			
Trade and other payables	6	8,250,357	7,136,425
Unclaimed dividend		12,033	11,422
Accrued mark-up		117,432	78,375
Short-term borrowings		5,508,648	4,647,591
Current portion of long-term lease liabilities		21,885	22,150
		<u>13,910,355</u>	<u>11,895,963</u>
Total liabilities		<u><u>25,744,339</u></u>	<u><u>22,268,796</u></u>
Contingencies and commitments			
	7		
Total equity and liabilities		<u><u>52,978,041</u></u>	<u><u>47,215,916</u></u>

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, 2023 - UNAUDITED

	Note	Quarter ended		Nine months ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- (Rupees '000) -----					
Revenue from contracts with customers	8	10,387,346	8,057,357	25,856,273	21,187,166
Cost of sales		(8,222,229)	(6,594,454)	(20,840,535)	(17,348,378)
Gross profit		2,165,117	1,462,903	5,015,738	3,838,788
Distribution costs	9	(747,309)	(455,959)	(1,558,493)	(1,299,225)
Administrative expenses		(244,877)	(209,330)	(719,742)	(618,229)
Other expenses		(52,999)	(41,000)	(122,936)	(109,000)
Other income		3,032	71,453	152,728	337,429
Profit from operations		1,122,964	828,067	2,767,295	2,149,763
Finance cost		(315,255)	(62,409)	(590,769)	(190,775)
Share of net income of associate accounted for using equity method		-	-	3,951	2,820
Profit before income tax		807,709	765,658	2,180,477	1,961,808
Income tax expense		(230,000)	(254,000)	(651,869)	(708,000)
Profit for the period		577,709	511,658	1,528,608	1,253,808
Other comprehensive income:					
Items that will be reclassified to profit or loss					
Exchange revaluation reserve		3,881	10,676	964,116	910,507
Total comprehensive income		581,590	522,334	2,492,724	2,164,315
Total comprehensive income attributable to:					
Owners of Attock Cement Pakistan Limited - Holding Company		547,879	444,987	1,918,630	1,629,447
Non-controlling interests		33,711	77,347	574,094	534,868
		<u>581,590</u>	<u>522,334</u>	<u>2,492,724</u>	<u>2,164,315</u>
Basic and diluted earnings per share (Rs.)		3.97	3.19	9.75	7.88

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, 2023 - UNAUDITED

	Attributable to the owners of the Holding Company						
	Issued, subscribed and paid-up capital	Unappropriated profit	Revenue reserve		Sub - Total	Non-controlling interests	Total Equity
			Exchange revaluation reserve				
	Rupees '000						
Balance as at July 01, 2021	1,374,270	17,465,015	704,135		18,169,150	2,996,826	22,540,246
Profit for the year ended June 30, 2022	-	1,119,828	-		1,119,828	234,691	1,354,519
Other comprehensive (loss) / income for the year ended June 30, 2022	-	(6,033)	1,403,034		1,397,001	720,633	2,117,634
Total comprehensive income for the year ended June 30, 2022	-	1,113,795	1,403,034		2,516,829	955,324	3,472,153
Transaction with owners in their capacity as owners							
Dividend:							
Final dividend for the year ended June 30, 2021 @ Rs. 4.0 per share	-	(549,708)	-		(549,708)	-	(549,708)
Interim dividend for the year ended June 30, 2022 @ Rs. 2.0 per share	-	(274,854)	-		(274,854)	-	(274,854)
Dividend paid to Non-controlling interests of (SAKCPCL)	-	-	-		-	(240,717)	(240,717)
Balance as at June 30, 2022	1,374,270	17,754,248	2,107,169		19,861,417	3,711,433	24,947,120
Profit for the nine months period ended March 31, 2023	-	1,340,160	-		1,340,160	188,448	1,528,608
Other comprehensive income for the nine months period ended March 31, 2023	-	-	578,470		578,470	385,646	964,116
Total comprehensive income for the nine months period ended June 30, 2022	-	1,340,160	578,470		1,918,630	574,094	2,492,724
Transaction with owners in their capacity as owners							
Dividend:							
Final dividend for the year ended June 30, 2022 @ Rs. 1.5 per share	-	(206,141)	-		(206,141)	-	(206,141)
Balance as at March 31, 2023	1,374,270	18,888,267	2,685,639		21,573,906	4,285,527	27,233,703

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, 2023 - UNAUDITED

	Note	March 31, 2023	March 31, 2022
		------(Rupees '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	4,586,652	613,711
Finance cost paid		(448,813)	(157,781)
Income tax refunds / (paid)		341,398	(213,917)
Decrease in long-term loans and advances		18,050	2,323
Employee benefit obligations paid		(77,147)	(93,809)
Net cash generated from operating activities		4,420,140	150,527
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(5,302,765)	(5,770,771)
Proceeds from disposal of operating assets		10,913	3,551
Purchase of open ended mutual fund units		(900,231)	(1,909,252)
Proceeds from sale of open ended mutual fund units		904,304	3,212,096
Placement in term deposit receipt (TDRs) - net		(275,001)	-
Profit on PLS account		34,035	23,674
Net cash generated from investing activities		(5,528,745)	(4,440,702)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(205,530)	(1,064,804)
Proceeds from long-term loans		1,941,096	4,626,926
Repayment of long-term loans		(219,545)	(206,250)
Lease rentals paid		(12,337)	(44,553)
Net cash generated from financing activities		1,503,684	3,311,319
Net increase / (decrease) in cash and cash equivalents		395,079	(978,856)
Cash and cash equivalents at beginning of the period		(2,408,619)	(1,441,736)
Effects of exchange rate changes on cash and cash equivalents		132,422	(62,208)
Cash and cash equivalents at end of the period		1,881,118	(2,482,800)

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, 2023 - UNAUDITED

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of:

Holding Company - Attock Cement Pakistan Limited

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 of ce 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 of ce of SAKCPCL is at House # 35, Square 29, Near Al Buradia Super Market, Al Rbeea District Al Buradia, Basra, Iraq.
- SAKCPCL's cement manufacturing plant is located in Industrial Sector, Land No. 1/7, Sector 56, Al-Arquili Al Janobi, Khor Al-Zubair, Basra, Iraq.

- 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 nanced through Temporary Economic Re nance Facility and Long Term Finance Facility of the SBP. The project is under construction.
- 1.3 The project of 20 MW Captive Solar Power Plant was commissioned with effect from January 1, 2022. The Board of Directors in their meeting held on October 25, 2022 approved an extention of 1.12 MW which has also commissioned during the quarter ended March 31, 2023.

2. SUMMARY OF SIGNIFICANT 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, 2022.

3. BASIS OF PRESENTATION

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, 2022.

	March 31, 2023	Audited June 30, 2022
	------(Rupees '000)-----	
4. FIXED ASSETS - property, plant and equipment		
Operating assets - note 4.1	21,523,817	21,704,121
Capital work-in-progress	14,970,956	9,724,024
Stores held for capital expenditures	874,189	912,099
	<u>37,368,962</u>	<u>32,340,244</u>

	March 31, 2023	March 31, 2022
	------(Rupees '000)-----	

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

Buildings and roads on freehold land	-	7,035
Plant and machinery	156,501	1,776,364
Vehicles	26,281	24,230
Others	397	10,337
	<u>183,179</u>	<u>1,817,966</u>
Disposals during the period - Net book value	<u>2,551</u>	<u>7,967</u>
Transfer to stores during the period - Net book value	<u>27,103</u>	<u>48,679</u>

	March 31, 2023	Audited June 30, 2022
	------(Rupees '000)-----	

5. INVENTORIES

Stores, spares and loose tools - note 5.1	4,837,781	4,352,603
Raw materials	1,278,445	3,020,280
Packing materials	321,731	278,889
Work-in-process including semi-finished goods	1,094,980	579,167
Finished goods	419,011	262,556
	<u>7,951,948</u>	<u>8,493,495</u>

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 - UNAUDITED

March 31,
2023

Audited
June 30,
2022

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

5.1 Stores, spares and loose tools

Coal	2,757,310	3,143,627
Stores and spares	1,974,429	1,146,052
Bricks	202,445	147,171
Loose tools	2,883	2,667
	<u>4,937,067</u>	<u>4,439,517</u>
Less: Provision for slow moving and obsolete items	<u>(99,286)</u>	<u>(86,914)</u>
	<u>4,837,781</u>	<u>4,352,603</u>

6. TRADE AND OTHER PAYABLES

Creditors	1,396,287	572,026
Accrued liabilities	2,806,823	3,009,298
Electricity charges payable	471,412	631,529
Advances from customers	458,724	622,180
Excise duty payable on sales	686,258	233,341
Others	2,430,853	2,068,051
	<u>8,250,357</u>	<u>7,136,425</u>

7. CONTINGENCIES AND COMMITMENTS

- 7.1** There has been no change in the status of contingencies as reported in annual financial statements for the year ended June 30, 2022.
- 7.2** Commitments for capital expenditure outstanding as at March 31, 2023 amounted to Rs. 4.16 billion (June 30, 2022: Rs. 6.83 billion).



March 31,
2023

March 31,
2022

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

8. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sale of goods	26,434,597	21,537,931
Sales tax	(3,022,835)	(2,627,133)
Federal excise duty	(1,606,119)	(1,801,714)
	(4,628,954)	(4,428,847)
Rebates, discount and commission	(696,362)	(413,052)
Net local sale of goods	21,109,281	16,696,032
Export sales	5,191,470	5,420,505
Freight	(444,478)	(929,371)
Net export sale	4,746,992	4,491,134
	25,856,273	21,187,166

9. DISTRIBUTION COSTS

This includes Rs. 615 million (March 31, 2022: Rs. 675 million) incurred in respect of export sales.

March 31,
2023

March 31,
2022

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

10. CASH GENERATED FROM OPERATIONS

Profit before income tax	2,180,476	1,961,808
Add/(less): Adjustment for non cash charges and other items		
Depreciation	863,635	795,730
Loss / (gain) on disposal of property, plant and equipment	2,613	(2,565)
Dividend income from investments	-	(15,057)
Gain on sale of open ended mutual fund units	(6,234)	(3,265)
Provision for stores, spares and loose tools	12,372	16,423
Profit on PLS account	(36,371)	(23,674)
Finance cost	563,927	190,775
Employee benefit obligations	73,159	71,654
Government grant recognised in income	(27,307)	(13,560)
Share of net income of associate accounted for using equity method	(3,951)	(2,820)
	1,441,844	1,013,641
Profit before working capital changes	3,622,320	2,975,449



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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023 - UNAUDITED

	March 31, 2023	March 31, 2022
	------(Rupees '000)-----	
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Inventories	1,142,353	(2,316,958)
Trade Receivables	(340,379)	(60,318)
Loans and advances	(170,995)	(307,234)
Short-term deposits and prepayments	194,805	(207,849)
Tax refunds due from Government - Sales tax	(381,481)	(479,111)
Other receivables	(54,619)	286,618
	389,684	(3,084,852)
Increase in current liabilities		
Trade and other payables	574,648	723,114
	964,332	(2,361,738)
Cash generated from operations	4,586,652	613,711

11. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

Holding Company

Dividend paid	173,290	693,158
Recovery of expenses	300	167

Group companies

Purchase of goods	530,120	380,101
Sales of goods	604	488
Reimbursement of expenses	2,388	2,033
Recovery of expenses	13,649	3,858

Other related parties

Payments made to retirement benefit funds	77,147	93,807
---	--------	--------

Key management personnel

Sales of goods	-	62
Salaries and other short-term employee benefits	110,999	105,356
Post-employment benefits	4,538	4,323

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 27, 2023.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director



ATTOCK CEMENT PAKISTAN LIMITED

CORPORATE OFFICE:

D-70, Block-4, Kehkashan-5, Clifton, Karachi-75600, Pakistan.
Tel: (92-21) 35309773-4, UAN: (92) 111 17 17 17, Fax: (92-21) 35309775
www.attockcement.com | acpl@attockcement.com

