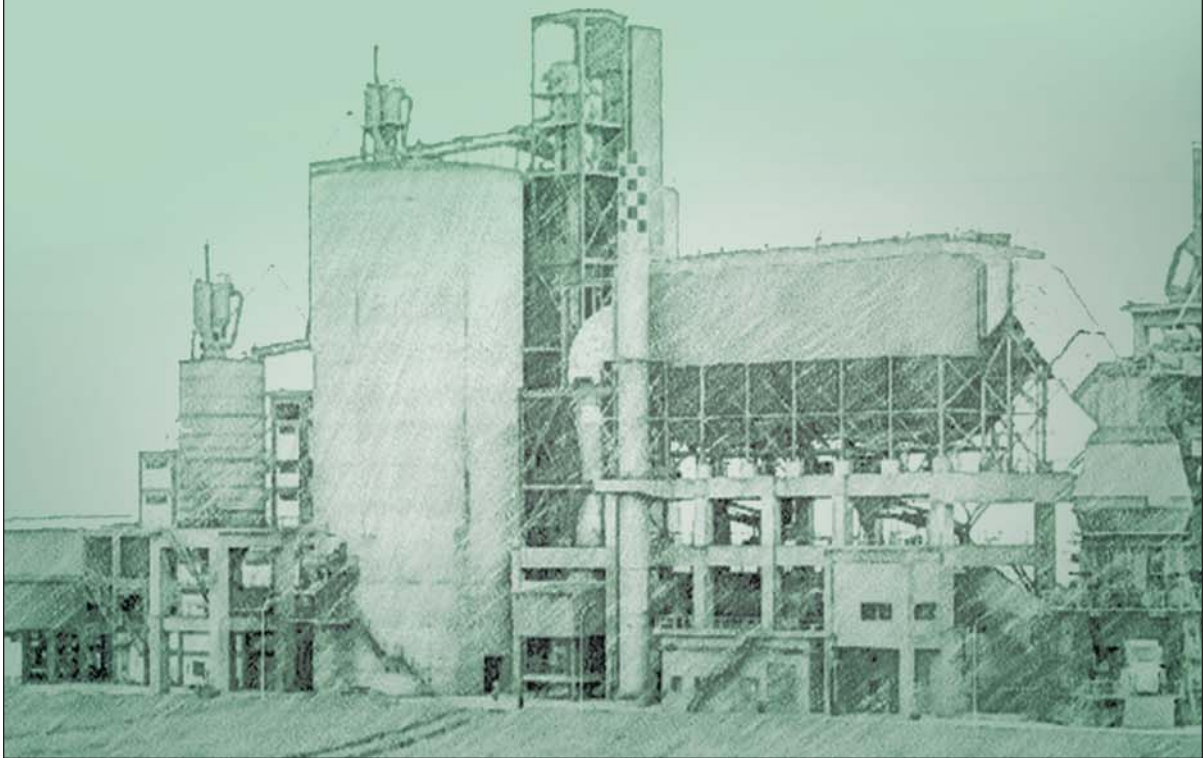


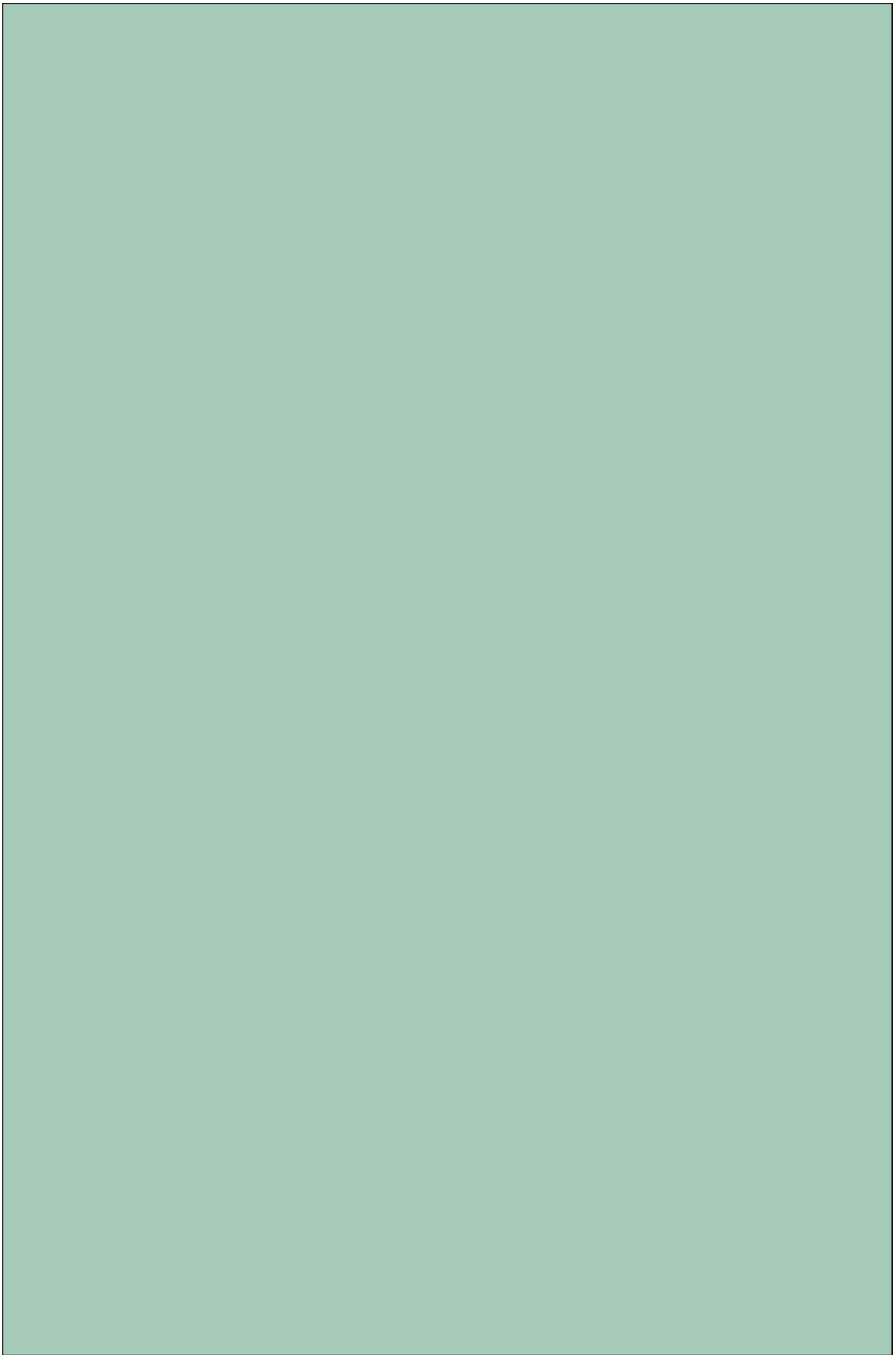


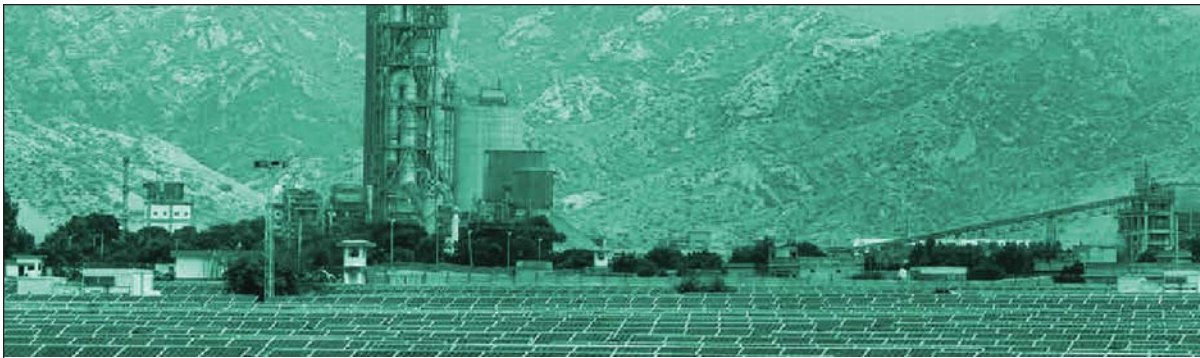
ATTOCK CEMENT PAKISTAN LIMITED

Half Yearly Report

December 31, 2023







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Company Information

Board of Directors

Laith G. Pharaon
Non-Executive Director

Wael G. Pharaon
Non-Executive Director

Shuaib A. Malik
Chairman & Non-Executive Director

Abdus Sattar
Non-Executive Director

Shamim Ahmad Khan
Independent Director

Mohammad Haroon
Independent Director

Agha Sher Shah
Independent Director

Chief Executive

Babar Bashir Nawaz

Alternate Directors

Babar Bashir Nawaz
Irfan Amanullah

Audit Committee of the Board

Shamim Ahmad Khan - Chairman
Shuaib A. Malik
Abdus Sattar
Agha Sher Shah

HR & Remuneration Committee

Agha Sher Shah - Chairman
Shuaib A. Malik
Shamim Ahmad Khan
Mohammad Haroon

Chief Operating Officer & Company Secretary

Irfan Amanullah

Chief Financial Officer

Muhammad Rehan

Auditors

M/s. A.F. Ferguson & Co.
Chartered Accountants

Cost Auditors

M/s. UHY Hassan Naeem & Co.
Chartered Accountants

Legal Advisor

M/s. HNT & Associates

Registered Office

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

Tel: (92-21) 35309773-4
UAN: (92) 111 17 17 17
Fax: (92-21) 35309775
Email: acpl@attockcement.com
Web site: www.attockcement.com

Plant

Hub Chowki, Lasbela, Balochistan

Share Registrar

M/s. FAMCO Share Registration Services
(Private) Limited
8-F, Near Hotel Faran, Nursery, Block-6,
PECHS, Shakra-e-Faisal, Karachi
Tel: (92-21) 34380101-5,
(92-21) 34384621-3
Fax: (92-21) 34380106

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 and Commercial Bank
of China Limited
Bank Alfalah Limited

Directors' Review

The Directors are pleased to announce the results of the Company for the half year ended December 31, 2023.

OPERATIONAL & FINANCIAL REVIEW

Production and sales figures for the half year ended December 31, 2023 are as follows:

	<u>July-Dec.</u> <u>2023</u>	<u>July-Dec.</u> <u>2022</u>
	----- Tons -----	
Clinker Production	<u>1,235,869</u>	<u>853,319</u>
Cement Production	<u>681,700</u>	<u>736,363</u>
Cement Dispatches - Local	<u>644,860</u>	<u>661,023</u>
- Export	<u>36,824</u>	<u>77,326</u>
	<u>681,684</u>	<u>738,349</u>
Clinker Dispatches - Export	<u>528,834</u>	<u>88,822</u>
Total Dispatches	<u>1,210,518</u>	<u>827,171</u>
Clinker Capacity Utilization	86%	59%

Industry Review

The year 2023-24 started on a promising note, however, during the 2 QY 2023-24, the local sales was affected owing to unstable economic and political conditions in the country. During the 2nd quarter, the local sales declined by 12% as compared to 2nd Quarter of last year and as a result the half year ended December 31, 2023 witnessed a meager growth of only 1% as compared to same period last year.

Because of lower local dispatches, the cement industry shifted towards low priced export sales of both cement and clinker in order to achieve a decent capacity utilization. As a result export sales in volumetric terms increased by 110% as compared to corresponding period in volumetric terms.

Sales Review

Local cement sales remained stagnant during the first half of the year due to uncertain political conditions and higher interest rates which resulted in diversification of investment from real estate sector to interest based instruments. Accordingly, local dispatches declined by 2% as compared to last year.

The Company was, however, able to export around 565,658 M tons which is higher by 240% as compared to same period last year. This was mainly due to availability of surplus capacity which led the Company to penetrate in the regional markets despite having a lower net retention but still yielding positive contribution margins. As a result the Company achieved 86% capacity utilization.

Financial Review

The net sales revenue of the Company increased by Rs 4.3 billion (41%) over corresponding period. Even though the overall dispatches increased by 46% as compared to same period last year, the overall net retention (both cement & clinker) reduced by Rs 448 per ton (4%) primarily due to higher volumetric share of exports in overall sales volume which increased to around 47% as compared to 20% in same period last year.

During the period under review production cost per ton has decreased by Rs. 195 per ton (2%) as the global coal prices showed some weaknesses and it helped the Company in reduction of its fuel cost. However, said reduction was completely offset by massive increase in power tariff and other inflationary increases in raw materials, transportation and other ancillary costs.

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 in local market increased by 14% as compared to average net retention achieved in last fiscal year. However, the prices in the international market remained under pressure due to stiff competition from other players of Pakistan, Indonesia and Vietnam. Accordingly, the prices of clinker and cement in regional markets remained under pressure. 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 minimum threshold of prices set by the Company to achieve a decent contribution margin.

Accordingly the gross margins reduced to 19% from 20%, and operating margins reduced to 7% from 11% as compared to same period last year.

Divestment in Subsidiary

As reported earlier, the Company has successfully executed the process of transfer of first lot of 9,000,000 shares of its subsidiary Company in Basra, Iraq. The share transfer was completed on July 27, 2023 and revised Memorandum of Association has been duly endorsed by the Registrar of Joint Stock Companies, in Baghdad, Iraq.

As a result of this transfer, the Company no longer holds controlling interest in Saqr Al Keetan Basra, Iraq and hence the remaining shareholding i.e. 9,000,000 shares have been reported under the head "Investment held for divestment" in associated Company.

The Company has now recognized a sum of Rs. 2,197 million in the financial statements of the 1HY 2023-24 on account of divestment which represents exchange difference, non-competition fee and consideration against loss of control as referred in the note 12 and 19 of the accounts. Consequently, the net profit after tax has been reported at Rs. 2,040 million.

PROGRESS ON PROJECT

Line-IV Project

Cold commissioning of line IV has commenced and management anticipates that the plant would be ready for commercial production any time during first Quarter of 2024.

DIRECTORS' VIEW ON AUDITORS' QUALIFICATION

The Board of Directors have reviewed the qualified conclusion as reported by the auditors in their review report and considers it important to share the following clarification with its shareholders in respect of the classification of gain on Company's balance investment in its associated company M/s. Saqr Al Keetan (SAK) for Cement Production Company Limited. The Board has carefully reviewed the status of the share Sale & Purchase Agreement which is to be implemented in multiple tranches. Only one tranche has taken place yet and the other two are likely to be closed towards the end of 2024. The major portion of the gain thus far is due to devaluation of PKR against US\$ and considering the volatile economic and financial condition of Pakistan particularly the exchange rate. The Board considers it prudent that the unrealized gain on remaining divestment proceeds in SAK must be recognized under the head of other comprehensive income instead of Statement of Profit or Loss. The Board is of the considered view that only upon completion of share transfer in accordance with the share Sale & Purchase Agreement dated May 26, 2023 & applicable laws of Islamic Republic of Iraq and the receipt of entire divestment proceeds in Pakistan, the actual gain shall be recognized in Statement of Profit or Loss in the relevant periods. This is in line with the practice adopted by the Company in its annual accounts for the year ended June 30, 2023.

FUTURE OUTLOOK

It seems that political uncertainty shall remain for the time being and it would continue to impact the markets and investments climate at least in the medium term. The country's economic stability is contingent upon its ability to secure the new IMF program as the current stand by program would expire in March, 2024. The immediate challenge for the new Government will be conclusion of new program as soon as possible so that economic uncertainty is cleared and both the economic managers of the country and Pakistan's corporate sectors have the clear idea about the future course of actions.

The growth of cement sector largely depends upon the interest rates. If the Central Bank continues to observe tight monetary policy then investment in local real estate sector shall remain subdued and as a result the desired levels of volumetric growth in cement dispatches may not be achieved. Besides this, the heavy burden of both direct and indirect taxes on the sector and continuous rise in power tariff would keep the margins under check in next 1-2 quarters.

Your Management is assessing the situation regularly and adopting the measures to keep the rising costs under control through initiating cost saving projects and adopting austerity measures in day to day operations.

ACKNOWLEDGMENT

The Company deeply acknowledges and recognizes the efforts put in by both the management and non-management staff and offers its sincere thanks for their continuous support. The Company also recognizes the cooperation that it has been constantly receiving from both Federal and Provincial Governments, local administration, law enforcing agencies, regulatory bodies, customers, bankers and suppliers.

On behalf of the Board



BABAR BASHIR NAWAZ
Chief Executive



ABDUS SATTAR
Director

February 05, 2024
Dubai, U.A.E.



A.F.FERGUSON & Co.

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 condensed interim statement of financial position of Attock Cement Pakistan Limited (the Company) as at December 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year 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 condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the 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.

Basis for Qualified Conclusion

As disclosed in note 12 to the condensed interim financial statements, the Company has recognised investment in its associated company arising out of loss of control of the subsidiary at fair value as required by the applicable accounting and reporting standards in Pakistan. The resulting gain on disposal of subsidiary is recognized partially in profit or loss and the remaining in other comprehensive income. Had the gain on disposal of subsidiary been recognised entirely in the statement of profit or loss as required by the applicable accounting standards, the gain on disposal of subsidiary and resulting tax charge for the half year ended would have been higher by Rs. 2,134.56 million and Rs. 832.48 million respectively. Accordingly, profit after tax for the half year ended December 31, 2023 would have been higher by Rs. 1,302.08 million and other comprehensive income would be lower by the same amount. Consequently, Company's earnings per share for the half year then ended would have been higher by Rs. 9.47.

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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■ KARACHI ■ LAHORE ■ ISLAMABAD



A.F. FERGUSON & CO.

Qualified Conclusion

Based on our review, with the exception of the effect on the condensed interim financial statements of the matter described in the preceding paragraph, 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.

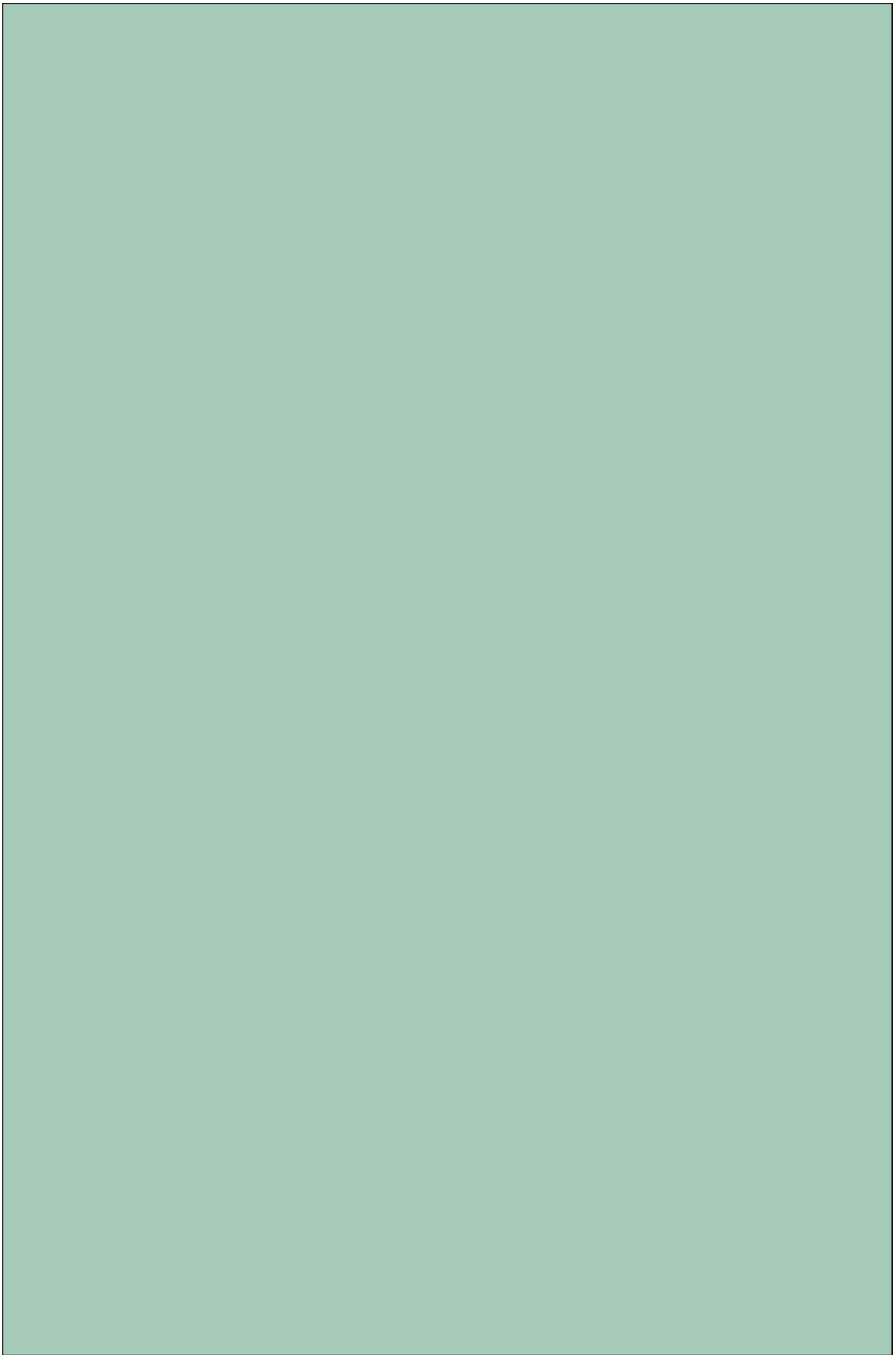
The engagement partner on the review resulting in this independent auditor's report is Syed Muhammad Hasnain.

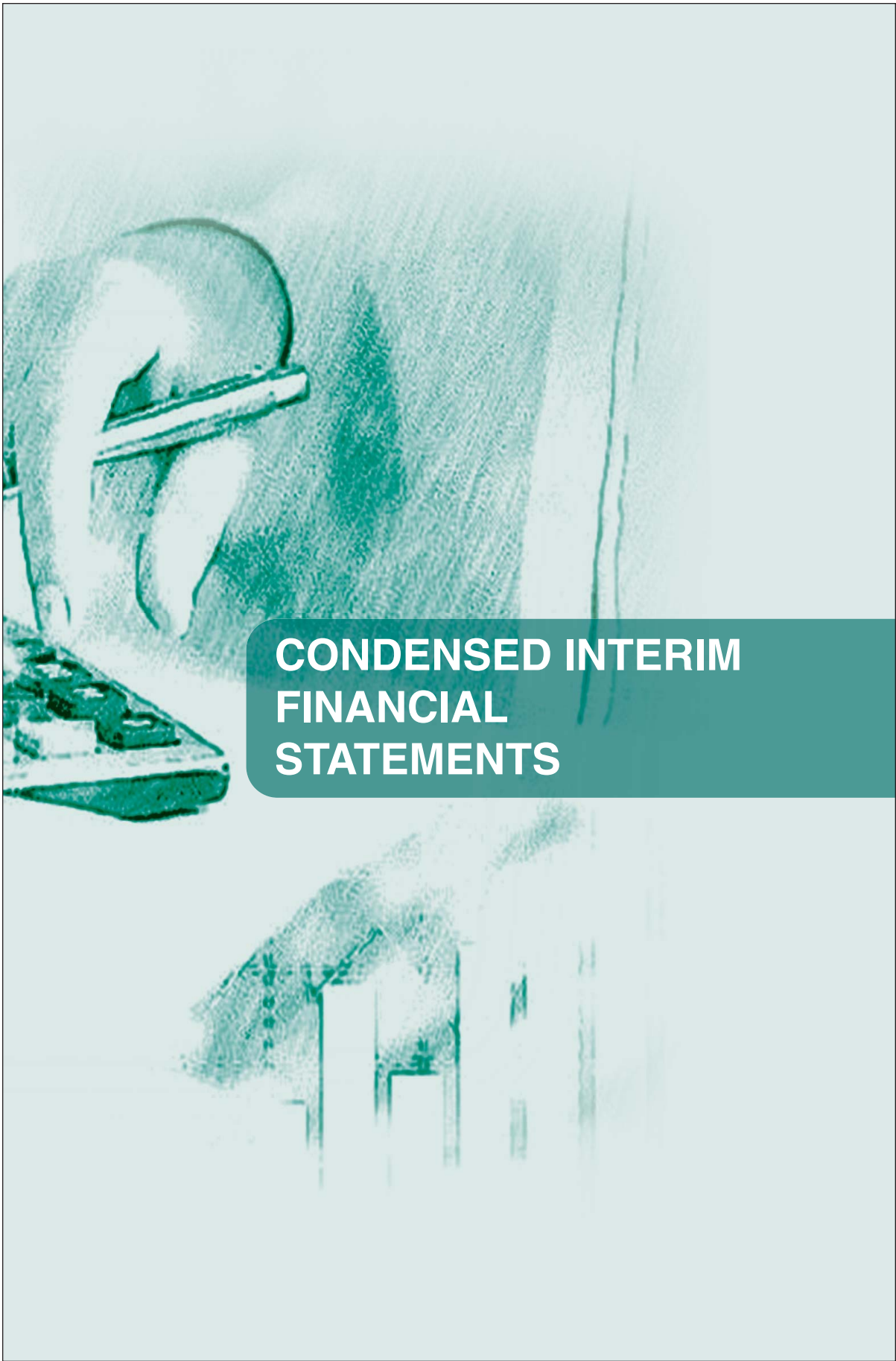
A handwritten signature in blue ink, appearing to read 'Syed Muhammad Hasnain', is written over a faint, light blue circular stamp or watermark.

A.F. Ferguson & Co.
Chartered Accountants

Karachi

Date: February 22, 2024
UDIN: RR202310073n1LfqNHcK





**CONDENSED INTERIM
FINANCIAL
STATEMENTS**

Condensed Interim Statement of Financial Position

As at December 31, 2023

	Note	Unaudited December 31, 2023	Audited June 30, 2023
----- (Rupees '000) -----			
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	5	32,871,301	31,068,301
Long-term investments	6	63,752	57,348
Long-term loans and advances - considered good		43,252	53,008
Long-term deposits		99,940	99,940
		<u>33,078,245</u>	<u>31,278,597</u>
Current assets			
Inventories	7	6,429,635	3,815,145
Trade receivables - considered good	8	1,770,570	1,387,948
Loans and advances - considered good		95,982	106,128
Short-term deposits and prepayments		255,499	92,333
Other receivables	9	254,606	617,885
Taxation - payments less provision		905,769	1,726,400
Tax refunds due from Government - Sales tax		53,915	-
Short-term investments	10	1,001,457	1,804,815
Cash and bank balances	11	817,025	1,015,016
		<u>11,584,458</u>	<u>10,565,670</u>
Investment - held for sale - divestment	12	3,297,762	1,823,001
		<u>47,960,465</u>	<u>43,667,268</u>
Total assets			
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital - issued, subscribed and paid-up		1,374,270	1,374,270
Unappropriated profit		20,112,208	17,594,244
		<u>21,486,478</u>	<u>18,968,514</u>
LIABILITIES			
Non-current liabilities			
Long-term loans	13	6,171,389	6,435,527
Deferred income - Government grant		1,021,309	1,198,287
Lease liabilities		22,413	16,875
Deferred tax liabilities		3,586,984	2,760,946
Employee benefit obligations		36,220	60,631
		<u>10,838,315</u>	<u>10,472,266</u>
Current liabilities			
Trade and other payables		9,062,242	6,976,903
Consideration received against divestment of subsidiary		-	3,359,948
Unpaid dividend		693,848	-
Unclaimed dividend		11,078	11,275
Accrued mark-up		222,012	145,589
Sales tax payable		-	2,040
Short-term borrowings	14	5,621,622	3,708,653
Current portion of lease liabilities		24,870	22,080
		<u>15,635,672</u>	<u>14,226,488</u>
		<u>26,473,987</u>	<u>24,698,754</u>
Total liabilities			
Contingencies and commitments			
	15		
Total equity and liabilities		<u>47,960,465</u>	<u>43,667,268</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Condensed Interim Statement of Profit or Loss and other Comprehensive Income

For the half year ended December 31, 2023 - Unaudited

	Note	Quarter ended		Half year ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees '000) -----					
Revenue from contracts with customers	16	7,978,122	6,009,064	14,638,243	10,373,146
Cost of sales		(6,323,407)	(4,630,680)	(11,850,333)	(8,259,265)
Gross profit		1,654,715	1,378,384	2,787,910	2,113,881
Distribution costs	17	(871,208)	(342,816)	(1,416,435)	(642,758)
Administrative expenses		(201,981)	(158,864)	(403,027)	(358,593)
Other expenses		(71,656)	(58,937)	(96,656)	(69,937)
Other income	18	56,005	67,912	83,326	149,696
Profit from operations		565,875	885,679	955,118	1,192,289
Gain on disposal of subsidiary	19	-	-	2,196,744	-
Finance cost		(52,783)	(78,241)	(90,127)	(214,194)
Share of net income of associate accounted for using equity method		6,404	3,951	6,404	3,951
Profit before income tax		519,496	811,389	3,068,139	982,046
Income tax expense	20	(22,693)	(366,869)	(1,027,693)	(421,869)
Profit for the period		496,803	444,520	2,040,446	560,177
Other comprehensive income					
Unrealised gain on disposal	21	2,134,558	-	2,134,558	-
Related deferred tax		(832,478)	-	(832,478)	-
		1,302,080	-	1,302,080	-
Total comprehensive income		1,798,883	444,520	3,342,526	560,177
Basic and diluted earnings per share (Rupees)	22	3.62	3.24	14.85	4.08

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Condensed Interim Statement of Changes in Equity

For the half year ended December 31, 2023 - Unaudited

	Share capital	Unappropriated profit	Total
	----- (Rupees '000) -----		
Balance as at July 1, 2022	1,374,270	16,117,268	17,491,538
Final dividend for the year ended June 30, 2022 @ Rs. 1.5 per share	-	(206,141)	(206,141)
Total comprehensive income for the half year ended December 31, 2022	-	560,177	560,177
Balance as at December 31, 2022	<u>1,374,270</u>	<u>16,471,304</u>	<u>17,845,574</u>
Balance as at July 1, 2023	1,374,270	17,594,244	18,968,514
Final dividend for the year ended June 30, 2023 @ Rs. 6.0 per share	-	(824,562)	(824,562)
Total comprehensive income for the half year ended December 31, 2023	-	3,342,526	3,342,526
Balance as at December 31, 2023	<u>1,374,270</u>	<u>20,112,208</u>	<u>21,486,478</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director

Condensed Interim Statement of Cash Flows

For the half year ended December 31, 2023 - Unaudited

	Note	December 31, 2023	December 31, 2022
----- (Rupees '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	23	228,272	(323,008)
Finance cost paid		(238,192)	(61,693)
Income tax paid		(213,502)	(112,994)
Employee benefit obligations paid		(56,870)	(50,043)
Net cash used in operating activities		(280,292)	(547,738)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(2,250,724)	(3,127,363)
Placement in term deposit receipt (TDRs) - net		-	(272,666)
Proceeds from disposal of operating assets		223	8,392
Purchase of mutual fund units		(1,303,862)	(900,231)
Proceeds from sale ended mutual fund units		2,127,101	302,864
Profit received		45,752	8,480
Net cash used in investing activities		(1,381,510)	(3,980,524)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(132,954)	(32,599)
Proceeds from long-term loans - net		-	1,923,660
Repayment of long-term loans		(497,989)	(192,585)
Lease rentals paid		(12,157)	(11,617)
Net cash (used in) / generated from financing activities		(643,100)	1,686,859
Net decrease in cash and cash equivalents		(2,304,902)	(2,841,403)
Cash and cash equivalents at beginning of the period		(1,812,426)	(3,073,911)
Cash and cash equivalents at end of the period	24	(4,117,328)	(5,915,314)

The annexed notes 1 to 28 form an integral part of these 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 condensed Interim Financial Statements

For the half year ended December 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 As mentioned in note 12, the Company does not hold majority shares in Saqr Al Keetan for Cement Production Company Limited, Basra, Iraq, therefore, Consolidated Financial Statements have not been prepared in accordance with the accounting and reporting standards as applicable in Pakistan.

2. BASIS OF PREPARATION

These 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 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, 2023.

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, 2023. 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, 2024. 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 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, 2023.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these 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 condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended June 30, 2023.

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, 2023.

5. FIXED ASSETS - property, plant and equipment

	December 31, 2023	Audited June 30, 2023
	----- (Rupees '000) -----	
Operating assets - notes 5.1 & 5.5	15,310,829	15,715,980
Capital work-in-progress - note 5.2 & 5.3	16,646,193	14,447,916
Right of use assets - note 5.4	35,623	59,439
Addition	16,419	-
Less: depreciation	(15,700)	(23,816)
	36,342	35,623
Stores held for capital expenditures	877,937	868,782
	<u>32,871,301</u>	<u>31,068,301</u>

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

	December 31, 2023	December 31, 2022
	----- (Rupees '000) -----	
Plant and machinery	27,700	18,282
Vehicles	39,573	15,629
Others	2,512	67
	<u>69,785</u>	<u>33,978</u>

Selected notes to and forming part of the condensed Interim Financial Statements

For the half year ended December 31, 2023 - Unaudited

	December 31, 2023	Audited June 30, 2023
	----- (Rupees '000) -----	
5.2 Capital work-in-progress		
Captive Solar Power Project - Extension		
- Solar panels	152,878	-
- Civil works	4,210	-
- Others	1,733	-
	158,821	-
Installation of Line 4		
- Civil works	4,970,971	3,431,390
- Plant and machinery	9,835,922	9,832,864
- Advances to suppliers	110,212	138,915
- Others - note 5.3	1,558,845	1,043,701
	16,475,950	14,446,870
Others		
- Civil works	915	21
- Plant and machinery	10,507	1,025
	11,422	1,046
	16,646,193	14,447,916

5.3 This includes directly attributable expenditure for the development, construction and operation of Line 4 to their existing site. Furthermore, the borrowing cost net of deferred grant amounting to Rs. 162.34 million (June 30, 2023: Rs. 472.17 million) was capitalised at the internal rate of return 3.45% (June 30, 2023: 3.92%) per annum on specific borrowing obtained and the borrowing cost of Rs. 289.65 million (June 30, 2023: Rs. 394.34 million) was capitalised at the internal rate of return of 16.5% (June 30, 2023: 13.5%) per annum on general borrowing obtained for financing of this project.

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

5.5 Net book value of disposals during the period is Rs. 0.22 million (December 31, 2022: Rs. 0.85 million).

	December 31, 2023	Audited June 30, 2023
	----- (Rupees '000) -----	
6. LONG-TERM INVESTMENTS		
Investment in associated company accounted for using equity method		
Attock Information Technology Services (Private) Limited		
- 450,000 (June 30, 2023: 450,000) fully paid ordinary shares of Rs. 10 each	<u>63,752</u>	<u>57,348</u>

7. INVENTORIES

Stores, spares and loose tools - note 7.1	4,524,444	2,490,767
Raw materials	275,269	207,507
Packing materials	271,904	264,720
Semi-finished goods at cost - note 7.2	1,013,248	544,212
Work-in-process	64,704	37,085
Finished goods - note 7.3	280,066	270,854
	6,429,635	3,815,145

	December 31, 2023	Audited June 30, 2023
	----- (Rupees '000) -----	
7.1 Stores, spares and loose tools		
Coal - note 7.1.1	3,136,968	1,348,501
Stores and spares - note 7.1.2	1,445,701	1,128,410
Bricks	122,161	190,462
Loose tools	2,809	2,885
	<u>4,707,639</u>	<u>2,670,258</u>
Less: Provision for slow moving and obsolete items	<u>(183,195)</u>	<u>(179,491)</u>
	<u>4,524,444</u>	<u>2,490,767</u>

7.1.1 This includes coal in transit amounting to Rs. 1,592.65 million (June 30, 2023: Rs. 11.17 million).

7.1.2 This includes stores and spares in transit amounting to Rs. 310.86 million (June 30, 2023: Rs. 22.24 million).

7.2 This includes clinker held at port for export amounting to Rs. 55.46 million (June 30, 2023: Nil).

7.3 This includes cement held at port for export amounting to Rs. 6.84 million (June 30, 2023: Nil).

	December 31, 2023	Audited June 30, 2023
	----- (Rupees '000) -----	
8. TRADE RECEIVABLES – considered good		
Secured	1,595,537	1,323,524
Unsecured	175,033	64,424
	<u>1,770,570</u>	<u>1,387,948</u>

9. OTHER RECEIVABLES

This includes Rs. Nil (June 30, 2023: Rs. 503.49 million) incurred by the Company for its Iraq project that are recoverable from an associated company.

	December 31, 2023	Audited June 30, 2023
	----- (Rupees '000) -----	
10. SHORT TERM INVESTMENTS		
Investments - fair value through profit or loss - note 10.1	<u>1,001,457</u>	<u>1,804,815</u>

Selected notes to and forming part of the condensed Interim Financial Statements

For the half year ended December 31, 2023 - Unaudited

10.1 Investments - Fair value through profit or loss

December 31, 2023	Audited June 30, 2023		December 31, 2023		Audited June 30, 2023	
			Cost	Market Value	Cost	Market Value
-----Number of units-----						
------(Rupees '000)-----						
1,980,856	2,971,977	HBL Islamic Money Market Fund	200,000	200,412	300,000	300,688
20,028,560	30,118,987	ABL Islamic Cash Fund	200,000	200,510	300,000	301,190
-	3,047,799	Alfalah GHP Money Market Fund	-	-	300,000	301,234
-	2,000,000	Meezan Rozana Amdani Fund	-	-	100,000	100,000
-	5,953,369	MCB-Pakistan Cash Management Fund	-	-	300,000	299,952
-	30,171,677	Nafa Money Market Fund	-	-	300,000	301,104
1,000,000	-	Faysal Islamic Cash Fund	100,000	100,000	-	-
1,001,321	-	First Habib Cash Fund	100,000	100,239	-	-
1,960,656	-	First Habib Income Fund	200,000	200,221	-	-
-	973,331	JS Cash Fund	-	-	100,000	100,477
4,001,507	1,953,804	AKD Cash Fund	200,000	200,075	100,000	100,170
			<u>1,000,000</u>	<u>1,001,457</u>	<u>1,800,000</u>	<u>1,804,815</u>

Audited
December 31,
2023
----- (Rupees '000) -----

11. CASH AND BANK BALANCES

Cash at bank

Conventional

- On savings accounts

Local currency

118,179

265,737

Foreign currency

784

795

118,963

266,532

- On current accounts

Local currency

128,855

253,843

Foreign currency

143,324

109,822

272,179

363,665

- Term deposit receipt (TDR) - note 11.1

275,000

275,000

666,142

905,197

	December 31, 2023	Audited June 30, 2023
	----- (Rupees '000) -----	
Islamic		
- On savings accounts		
Local currency	113	254
- On current accounts		
Local currency	786	8,118
Foreign currency	48,372	607
	49,158	8,725
- Term deposit receipt (TDR) - note 11.1	100,000	100,000
	149,271	108,979
Cash in hand	1,612	840
	<u>817,025</u>	<u>1,015,016</u>

11.1 These carry mark up at 18% to 19.5% per annum payable at maturity. The TDRs amount varies from Rs. 10 million to Rs. 250 million that are due to mature within a year. The TDRs are held under lien against the guarantees issued by banks on behalf of the Company.

	December 31, 2023	Audited June 30, 2023
	----- (Rupees '000) -----	
12. INVESTMENT - HELD FOR SALE - DIVESTMENT		
Investment in subsidiary - note 12.1	-	1,823,001
Investment in associate - note 12.2	3,297,762	-
	<u>3,297,762</u>	<u>1,823,001</u>

12.1 The Company entered into a Share Purchase Agreement (SPA) dated May 26, 2023 for the divestment of its entire shareholding of 18,000,000 shares in subsidiary SAKCPCL (60% owned) to Mr. Abdul Lateef Mohsin Al Geetan and M/s. Lamassu Babylon General Trading (Buyers) at a total consideration of US\$ 23.4 million. The divestment of the entire shareholding of 18 million shares is agreed to occur in three tranches, details of which are specified in note 14 to the unconsolidated audited financial statements for the year ended June 30, 2023.

During the period, the transfer of shares against first tranche (30% shareholding) was completed with the Registrar office in Baghdad, Iraq on July 27, 2023 on which date revised Memorandum of Association along with revised shareholding certificate of SAKCPCL were issued.

The partial disposal (30% shareholding) of subsidiary has resulted in loss of control and, accordingly, the remaining investment is measured at fair value on the date of loss of control and the gain related to the fair value of associate has been recognized in other comprehensive income (note 21).

12.2 This represents 30% investment in SAKCPCL which is classified as held for sale as the management has made effective arrangement to dispose the associate within twelve months.

Selected notes to and forming part of the condensed Interim Financial Statements

For the half year ended December 31, 2023 - Unaudited

	December 31, 2023	Audited June 30, 2023
	----- (Rupees '000) -----	
13. LONG-TERM LOANS		
Balance at the beginning of the period	7,691,738	7,960,737
Long Term Finance - secured		
- under Temporary Economic Refinance Facility-notes 13.1 & 13.2	-	1,251,766
- under Long Term Finance Facility - notes 13.1 & 13.3	-	711,514
	-	1,963,280
Interest expense including impact of unwinding	354,325	580,927
Less:		
- Deferred government grant	-	(614,578)
- Repayment made during the period	(812,405)	(2,198,628)
	(812,405)	(2,813,206)
Less: Current portion of long-term loans - note 14	(1,062,269)	(1,256,211)
	<u>6,171,389</u>	<u>6,435,527</u>

13.1 The above facilities are secured against joint pari passu hypothecation charge on the Company's present and future fixed assets excluding land and building to cover the facility amount along with a 20% margin.

13.2 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.

13.3 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.

	December 31, 2023	Audited June 30, 2023
	----- (Rupees '000) -----	
14. SHORT-TERM BORROWINGS		
Conventional		
Short term running finance - notes 14.1 & 14.2	1,307,818	-
Export refinance facility - notes 14.1 & 14.3	2,667,000	2,153,000
Islamic		
Short term running finance	409,535	49,442
Short term finance under running musharakah - note 14.4	175,000	250,000
Current maturity of long-term loans - note 13	1,062,269	1,256,211
	<u>5,621,622</u>	<u>3,708,653</u>

14.1 The facilities available from various banks amounting to Rs. 17.65 billion (June 30, 2023: Rs. 17.65 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's inventories and trade receivables.

- 14.2** The rates of mark-up ranged from one month KIBOR plus 0% to three months KIBOR plus 1% (June 30, 2023: one month KIBOR plus 0% to one month KIBOR plus 1%) per annum.
- 14.3** The export refinance facilities available from different banks are secured by way of hypothecation of inventories and trade receivables and carry mark up ranging from State Bank of Pakistan (SBP) export refinance rate plus 0.5% to 1% (June 30, 2023: 0.5% to 1%).
- 14.4** The facility is for short term finance under running musharakah available from different banks are secured by way of joint pari-passu charge against hypothecation of stock-in-trade and book debts and carry mark up ranging between SBP export refinance rate plus 1% (June 30, 2023: 1%).
- 14.5** The above facilities are secured by way of joint pari passu charge over current and future moveable assets of the Company having aggregate charge amounting to Rs. 20.82 billion.
- 14.6** The facilities for opening letters of credit and guarantee as at December 31, 2023 amounted to Rs. 10.70 billion (June 30, 2023: Rs. 10.70 billion) of which unutilised balance at period end amounted to Rs. 10.68 billion (June 30, 2023: Rs. 10.21 billion).

15. CONTINGENCIES AND COMMITMENTS

- 15.1** There has been no change in the status of contingencies as reported in annual financial statements for the year ended June 30, 2023.
- 15.2** Commitments for capital expenditure outstanding as at December 31, 2023 amounted to Rs.3.93 billion (June 30, 2023: Rs. 3.69 billion).

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

16. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sale of goods	13,034,565	11,733,193
Sales tax	(2,148,609)	(1,873,241)
Federal excise duty	(1,283,246)	(983,195)
	(3,431,855)	(2,856,436)
Rebates, discount and commission	(298,250)	(401,228)
Net local sale of goods	9,304,460	8,475,529
Export sales	5,928,247	2,200,565
Freight	(594,464)	(302,948)
	5,333,783	1,897,617
	14,638,243	10,373,146

17. DISTRIBUTION COSTS

This includes Rs. 887.27 million (December 31, 2022: Rs. 241.45 million) incurred in respect of export sales.

Selected notes to and forming part of the condensed Interim Financial Statements

For the half year ended December 31, 2023 - Unaudited

	December 31, 2023	December 31, 2022
	----- (Rupees '000) -----	
18. OTHER INCOME		
Income from financial assets		
Interest on savings accounts under interest / markup	12,893	8,480
Unrealised gain on investments classified as fair value through profit or loss	1,457	298
Gain on disposal of mutual fund units	18,424	2,864
Income on term deposit receipts	33,082	2,335
Exchange (loss) / gain - net	(30,498)	101,491
Income / (loss) from non-financial assets		
(Loss) on disposal of operating assets	-	(3,434)
Others		
Export rebate	1,176	1,693
Scrap sales	1,099	7,997
Grant income	45,693	27,306
Others	-	666
	<u>83,326</u>	<u>149,696</u>

19. GAIN ON DISPOSAL OF SUBSIDIARY

As mentioned in note 12, this includes the gain on divestment of 9,000,000 shares of Saqr Al Keetan for Cement Production Company Limited amounting to Rs. 2.20 billion (December, 31 2022: Rs. Nil). This gain represents exchange difference, non-competing fee and consideration for loss of majority control.

	December 31, 2023	December 31, 2022
	----- (Rupees '000) -----	
20. INCOME TAX EXPENSE		
Current - note 20.1	1,034,135	286,191
Prior year	-	(36,099)
Deferred	(6,442)	171,777
	<u>1,027,693</u>	<u>421,869</u>

20.1 This includes super tax, as per Finance Act, 2023, companies having taxable income of more than Rs. 500 million are liable to pay super tax at 10% for tax year 2023 and onwards.

21. UNREALISED GAIN ON DISPOSAL

This represents unrealized gain on balance investment of 30% share of SAKCPCL, which is now classified as associated Company, as explained in note 12.

	December 31, 2023	December 31, 2022
	----- (Rupees '000) -----	
22. BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the period	<u>2,040,446</u>	<u>560,177</u>
Weighted average number of outstanding shares at the end of the period (in thousand)	<u>137,427</u>	<u>137,427</u>
Basic and diluted earnings per share (Rupees)	<u>14.85</u>	<u>4.08</u>
23. CASH USED IN OPERATIONS		
Profit before income tax	3,068,139	982,046
Add / (less): adjustments for non-cash charges and other items		
Depreciation	464,143	458,564
Loss on disposal of property, plant and equipment	-	3,434
Unrealised gain on investments classified as fair value through profit or loss	(1,457)	(298)
Gain on disposal of subsidiary	(2,196,744)	-
Gain on sale of mutual fund units	(18,424)	(2,864)
Provision for stores, spares and loose tools	3,704	5,845
Interest income	(12,893)	(8,480)
Income on term deposit receipts	(33,082)	(2,335)
Finance cost	358,591	195,075
Employee benefit obligations	32,459	46,340
Government grant recognised in income	(45,693)	(27,306)
Share of net income of associate accounted for using equity method	(6,404)	(3,951)
Profit before working capital changes	<u>1,612,339</u>	<u>1,646,070</u>
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Inventories	(2,618,194)	(2,157,482)
Trade receivables	(382,622)	488,371
Loans and advances	19,902	45,156
Short-term deposits and prepayments	(163,166)	(16,658)
Tax refunds due from Government - sales tax	(53,915)	67,032
Other receivables	(140,127)	(37,227)
	<u>(3,338,122)</u>	<u>(1,610,808)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	1,954,055	(358,270)
	<u>(1,384,067)</u>	<u>(1,969,078)</u>
Cash generated / (used in) operations	<u>228,272</u>	<u>(323,008)</u>
24. CASH AND CASH EQUIVALENTS		
Cash and bank balances (excluding TDR having term of more than 3 months)	442,025	705,756
Short-term running finance	(1,717,353)	(4,118,070)
Export refinance facility	(2,667,000)	(1,653,000)
Short-term finance under running musharakah	(175,000)	(850,000)
	<u>(4,117,328)</u>	<u>(5,915,314)</u>

Selected notes to and forming part of the condensed Interim Financial Statements

For the half year ended December 31, 2023 - Unaudited

	December 31, 2023	December 31, 2022
	----- (Rupees '000) -----	
25. TRANSACTIONS WITH RELATED PARTIES		
Holding Company		
- Pharaon Investment Group Limited (PIGL)		
Dividend declared	693,158	173,290
Recovery of expenses	401	300
Associated companies		
- Attock Petroleum Limited (APL)		
Purchase of goods	162,526	318,395
Recovery of expenses	4,352	6,505
Reimbursement of expenses	1,499	986
- The Attock Oil Company Limited (AOC)		
Recovery of expenses	4,868	4,966
Reimbursement of expenses	825	235
- National Refinery Limited (NRL)		
Sale of goods	678	396
Recovery of expenses	202	70
Reimbursement of expenses	7	56
- Pakistan Oilfields Limited (POL)		
Recovery of expenses	4,030	74
- Attock Refinery Limited (ARL)		
Recovery of expenses	107	70
Other related parties		
Payments made to retirement benefit obligation	56,870	50,043
Key management personnel		
Loans and advances recovered during the period	-	2,880
Salaries and other short-term employee benefits	87,091	71,163
Post-employment benefits	3,560	2,882

26. FAIR VALUE OF THE FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at December 31, 2023, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced, except for short term investments which are carried at level 2 of fair value hierarchy.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the period.

The table below analyses financial instruments carried at fair value by valuation method.

	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
As at December 31, 2023				
Investments - fair value through profit or loss	<u>-</u>	<u>1,001,457</u>	<u>-</u>	<u>1,001,457</u>
 As at June 30, 2023				
Investments - fair value through profit or loss	<u>-</u>	<u>1,804,815</u>	<u>-</u>	<u>1,804,815</u>

27. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in their meeting held on February 5, 2024 have declared an interim cash dividend of Rs. 2.50 (December 31, 2022: Rs. Nil) per share for the year ending June 30, 2024 amounting to Rs. 344 million (December 31, 2022: Rs. Nil). These condensed interim financial statements do not include the effect of above interim dividend which will be accounted for in the subsequent period.

28. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on February 5, 2024.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director



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