



ATTOCK CEMENT PAKISTAN LIMITED

Third Quarter Report

March 31, 2024





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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

Agha Sher Shah
Independent Director

Mohammad Haroon
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

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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 period ended March 31, 2024.

OPERATIONAL & FINANCIAL REVIEW

Production and sales figures for the nine months period ended March 31, 2024 are as follows:

| | <u>Jul-Mar.</u> <u>2024</u> | <u>Jul-Mar.</u> <u>2023</u> |
|------------------------------|--------------------------------|--------------------------------|
| | ----- Tons ----- | |
| Clinker Production | <u>1,760,696</u> | <u>1,476,010</u> |
| Cement Production | <u>1,046,054</u> | <u>1,171,569</u> |
| Cement Dispatches - Local | <u>948,511</u> | <u>1,033,057</u> |
| - Export | <u>95,568</u> | <u>134,602</u> |
| Cement Dispatches | <u>1,044,079</u> | <u>1,167,659</u> |
| Clinker Dispatches - Export | <u>725,636</u> | <u>310,936</u> |
| Total Dispatches | <u>1,769,715</u> | <u>1,478,595</u> |
| Clinker Capacity Utilization | <u>81%</u> | <u>68%</u> |

Industry Review

During the first nine months of current fiscal year, total cement dispatches (domestic and exports) were 34.5 million tons that is 2.7% higher than the same period last year. Domestic dispatches during this period were 29.4 million tons against 30.6 million tons during same period last year, showing decline of 3.9%. Exports rose by healthy 70.0% as the volumes increased to 5.1 million tons during the first nine months of current fiscal year compared to 3.0 million tons during same period of last fiscal year. The overall Industry wide capacity utilization was recorded at 56%.

Sales Review

Local cement sales remained stagnant during the nine months of the year due to uncertain political & economic conditions, higher interest rates and owing to continuous hyper inflationary environment.

The local dispatches in the market of south, where your company is located, reduced by 6% as compared to same period last year and accordingly ACPL's volumetric sales also declined by around 8% during the period under review.

The company was however able to export around 725,636 M tons of clinker quantities which is higher by 133% as compared to same period last year in addition to the cement exports of 95,568 tons. 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 an overall capacity utilization of around 81%.

Financial Review

The net sales revenue of the company grew by Rs 3.3 billion (18%) over corresponding period. Even though the overall dispatches increased by 20% as compared to same period last year, the overall net retention (both cement & clinker) reduced by Rs 179 per ton (1%) primarily due to higher volumetric share of exports in overall sales volume which increased to around 46% as compared to 30% in same period of last year.

During the period under review, the global coal prices showed some weaknesses which helped the Company in reducing its fuel cost, however, said benefit was completely offset by massive increase in power tariff and other inflationary increases in raw material, transportation and other ancillary costs. As a result, the production cost increased by Rs. 116 per ton (1%) as compared to same period last year.

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 11% over the corresponding period. However, the prices in the international market remained under pressure due to stiff competition from other players in the regional markets.

Accordingly the gross margins reduced to 19% from 21%, and operating margins reduced to 6% from 11% as compared to same period last year.

As reported earlier, the company has recognized a sum of Rs. 2,196 million in the financial statement of the 1Q 2023-24 on account of divestment which represents exchange difference, non-competition fee and consideration for loss of majority control as referred in the note 12 of the accounts.

Consequently, the overall net profit after tax has been reported at Rs. 2,219 million.

Commercial Production from Line-IV

By the grace of Almighty Allah, the commercial production from Line – IV has commenced with effect from April 16, 2024. The new line has the total installed cement production capacity of 1,275,000 tons per annum.

Wind Mill project

As part of company's strategy to keep checks on the rising power cost, the company is installing a Wind Mill of 4.8 MW at its plant for captive power generation. An EPC contract has already been signed and letter of credit has been established in March 2024. The project implementation time line is around 10 ~ 12 months.

FUTURE OUTLOOK

Economic instability poses a formidable challenge to country's development and prosperity. The country grapples with a myriad economic issues including sky rocketing inflation, higher interest rates, alarming debt burden and economic growth slowing to meager 2%. Addressing these economic challenges the incumbent government will require comprehensive reforms aimed at improving fiscal management, enhancing revenue generation, promoting exports led growth, speedy privatization of State Owned Enterprises and attracting foreign investments in various segments of the economy.

The country's economic stability is contingent upon its ability to secure the extended new IMF program. 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 sector have the clear idea about the future course of actions.

The consumption led growth is largely dependent 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 level of volumetric growth in cement dispatches may not be achieved.

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 is 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

April 25, 2024
Rawalpindi



**CONDENSED INTERIM
FINANCIAL STATEMENTS**

Condensed Interim Statement of Financial Position

As at March 31, 2024

| | | Unaudited March 31, 2024 | Audited June 30, 2023 |
|---|------|--------------------------------|-----------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets - property, plant and equipment | 5 | 33,323,857 | 31,068,301 |
| Long-term investments | | 63,753 | 57,348 |
| Long-term loans and advances - considered good | | 43,252 | 53,008 |
| Long-term deposits | | 99,940 | 99,940 |
| | | <u>33,530,802</u> | <u>31,278,597</u> |
| Current assets | | | |
| Inventories | 6 | 6,051,864 | 3,815,145 |
| Trade receivables - considered good | | 1,115,017 | 1,387,948 |
| Loans and advances - considered good | | 176,165 | 106,128 |
| Short-term deposits and prepayments | | 346,965 | 92,333 |
| Other receivables | | 766,505 | 617,885 |
| Taxation - payments less provisions | | 898,759 | 1,726,400 |
| Short-term investment | | 800,000 | 1,804,815 |
| Cash and bank balances | | 551,781 | 1,015,016 |
| | | <u>10,707,056</u> | <u>10,565,670</u> |
| Investment held for sale - divestment | 7 | 3,297,762 | 1,823,001 |
| | | <u>47,535,620</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 | | 19,946,827 | 17,594,244 |
| | | <u>21,321,097</u> | <u>18,968,514</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term loans | | 5,425,029 | 6,435,527 |
| Deferred Income - Government grant | | 1,440,228 | 1,198,287 |
| Lease liabilities | | 22,413 | 16,875 |
| Deferred tax liabilities | | 3,586,983 | 2,760,946 |
| Employee benefit obligations | | 36,220 | 60,631 |
| | | <u>10,510,873</u> | <u>10,472,266</u> |
| Current liabilities | | | |
| Trade and other payables | 8 | 7,551,855 | 6,976,903 |
| Consideration received against divestment of subsidiary | | - | 3,359,948 |
| Unpaid dividend | | 310,545 | - |
| Unclaimed dividend | | 11,265 | 11,275 |
| Accrued mark-up | | 409,914 | 145,589 |
| Sales tax payable | | - | 2,040 |
| Short-term borrowings | | 7,395,201 | 3,708,653 |
| Current portion of lease liabilities | | 24,870 | 22,080 |
| | | <u>15,703,650</u> | <u>14,226,488</u> |
| | | <u>26,214,523</u> | <u>24,698,754</u> |
| Total liabilities | | | |
| Contingencies and commitments | | | |
| | 9 | | |
| Total equity and liabilities | | | |
| | | <u>47,535,620</u> | <u>43,667,268</u> |

The annexed notes 1 to 17 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 nine months period ended March 31, 2024 - Unaudited

| | Note | Quarter ended | | Nine months ended | |
|--|------|----------------|----------------|-------------------|----------------|
| | | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| (Rupees in '000) | | | | | |
| Revenue from contracts with customers | 10 | 7,055,593 | 8,016,572 | 21,693,836 | 18,389,718 |
| Cost of sales | | (5,779,236) | (6,298,618) | (17,629,569) | (14,557,883) |
| Gross Profit | | 1,276,357 | 1,717,954 | 4,064,267 | 3,831,835 |
| Distribution costs | 11 | (700,791) | (670,953) | (2,117,226) | (1,313,711) |
| Administrative expenses | | (196,413) | (176,630) | (599,440) | (535,223) |
| Other expenses | | (33,000) | (52,999) | (129,656) | (122,936) |
| Other income | | 55,619 | 3,032 | 138,945 | 152,728 |
| Profit from operations | | 401,772 | 820,404 | 1,356,890 | 2,012,693 |
| Gain on disposal of subsidiary | 12 | - | - | 2,196,744 | - |
| Finance cost | | (95,586) | (93,090) | (185,713) | (307,284) |
| Share of net income of associate accounted for using the equity method | | - | - | 6,404 | 3,951 |
| Profit before income tax | | 306,186 | 727,314 | 3,374,325 | 1,709,360 |
| Income tax expense | | (128,000) | (230,000) | (1,155,693) | (651,869) |
| Profit for the period | | 178,186 | 497,314 | 2,218,632 | 1,057,491 |
| Other comprehensive income | | | | | |
| Unrealised gain on disposal | 13 | - | - | 2,134,558 | - |
| Related deferred tax | | - | - | (832,478) | - |
| | | - | - | 1,302,080 | - |
| Total comprehensive income | | 178,186 | 497,314 | 3,520,712 | 1,057,491 |
| Basic and diluted earnings per share (Rupees) | | 1.30 | 3.62 | 16.14 | 7.69 |

The annexed notes 1 to 17 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 nine months period ended March 31, 2024 - Unaudited

| | Share capital | Unappropriated profit | Total |
|---|------------------------------|-----------------------|-------------------|
| | ----- (Rupees in '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. 1.50 per share | - | (206,140) | (206,140) |
| Total comprehensive income for the year ended June 30, 2023 | | | |
| Profit for the year ended June 30, 2023 | - | 1,516,062 | 1,516,062 |
| Other comprehensive income for the year ended June 30, 2023 | - | 167,054 | 167,054 |
| Total comprehensive income for the year ended June 30, 2023 | - | 1,683,116 | 1,683,116 |
| Balance as at June 30, 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) |
| Interim dividend for the year ending June 30, 2024 @ Rs. 2.50 per share | - | (343,567) | (343,567) |
| Total comprehensive income for the nine months period ended March 31, 2024 | | | |
| Profit for the nine months period ended March 31, 2024 | - | 2,218,632 | 2,218,632 |
| Other comprehensive income | - | 1,302,080 | 1,302,080 |
| | - | 3,520,712 | 3,520,712 |
| Balance as at March 31, 2024 | <u>1,374,270</u> | <u>19,946,827</u> | <u>21,321,097</u> |

The annexed notes 1 to 17 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 nine months period ended March 31, 2024 - Unaudited

| | | March 31, 2024 | March 31, 2023 |
|---|------|-----------------------------|---------------------------|
| | | ------(Rupees in '000)----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| | Note | | |
| Cash generated from operations | 14 | 12,604 | 1,701,214 |
| Finance cost paid | | (250,138) | (165,328) |
| Income tax (paid) / received | | (334,493) | 341,398 |
| Decrease in long-term loans and advances | | 9,756 | 18,050 |
| Employee benefit obligations paid | | (84,580) | (77,147) |
| Net cash (used in) / generated from operating activities | | <u>(646,851)</u> | <u>1,818,187</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditure incurred | | (2,951,762) | (4,045,589) |
| Proceeds from disposal of operating assets | | 16,250 | 10,913 |
| Purchase of open ended mutual fund units | | (2,105,989) | (900,231) |
| Proceeds from sale of open ended mutual fund units | | 3,135,801 | 904,304 |
| Placement in term deposit receipt (TDRs) - net | | - | (275,001) |
| Profit received | | 41,078 | 34,035 |
| Net cash used in investing activities | | <u>(1,864,622)</u> | <u>(4,271,569)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | | (857,595) | (205,530) |
| Proceeds from long-term loans - net | | - | 1,941,096 |
| Repayment of long-term loans | | (1,027,926) | (219,545) |
| Lease rentals paid | | (12,157) | (12,337) |
| Net cash (used in) / generated from financing activities | | <u>(1,897,678)</u> | <u>1,503,684</u> |
| Net decrease in cash and cash equivalents | | <u>(4,409,151)</u> | <u>(949,698)</u> |
| Cash and cash equivalents at the beginning of the period | | <u>(1,812,425)</u> | <u>(3,073,911)</u> |
| Cash and cash equivalents at the end of the period | | <u><u>(6,221,576)</u></u> | <u><u>(4,023,609)</u></u> |

The annexed notes 1 to 17 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 nine months period ended March 31, 2024 - Unaudited

1 THE COMPANY AND ITS OPERATION

1.1 The Company was incorporated in Pakistan on October 14, 1981 as a public limited company and is listed on Pakistan Stock Exchange. Its main business activity is manufacturing and sale of cement. The 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 Lasbela, 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.

1.3 Subsequent to the quarter ended March 31, 2024, construction and installation work with respect to the additional line of 1,275,000 tons cement production per annum at company's existing premises has been successfully completed. The new line is now operational and production has commenced with effect from April 16, 2024.

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 | Unaudited March 31, 2024 | Audited June 30, 2023 |
|-------------------------------------|---|--------------------------------------|
| | ------(Rupees in '000)----- | |
| Operating assets - note 5.1 | 15,232,597 | 15,715,980 |
| Capital work-in-progress | 16,553,407 | 14,447,916 |
| Right of use assets | 59,439 | 59,439 |
| Less: Depreciation | (23,816) | (23,816) |
| | 35,623 | 35,623 |
| Stores held for capital expenditure | 1,502,230 | 868,782 |
| | 33,323,857 | 31,068,301 |

| 5.1 | March 31, 2024 | March 31, 2023 |
|---|-----------------------------|---------------------------|
| | ------(Rupees in '000)----- | |
| Additions to operating assets during the period were as follows: | | |
| Plant and machinery | 155,853 | 156,501 |
| Vehicles | 78,119 | 26,281 |
| Others | 3,299 | 397 |
| | 237,271 | 183,179 |
| Disposals during the period - Net book value | 4,266 | 2,551 |
| Transfers to stores during the period - Net book value | 44,441 | 27,103 |

| 6 | Unaudited Mar 31, 2024 | Audited June 30, 2023 |
|---|---------------------------------------|--------------------------------------|
| | ------(Rupees in '000)----- | |
| INVENTORIES | | |
| Stores, spares & loose tools - note 6.1 | 4,276,690 | 2,490,767 |
| Raw materials | 262,156 | 207,507 |
| Packing materials | 275,575 | 264,720 |
| Work in process including semi-finished goods | 936,754 | 581,297 |
| Finished goods | 300,689 | 270,854 |
| | 6,051,864 | 3,815,145 |

| 6.1 | Unaudited Mar 31, 2024 | Audited June 30, 2023 |
|--|---------------------------------------|--------------------------------------|
| | ------(Rupees in '000)----- | |
| Stores, spares & loose tools | | |
| Coal | 2,687,677 | 1,348,501 |
| Stores & spares | 1,549,021 | 1,128,410 |
| Bricks | 221,411 | 190,462 |
| Loose tools | 3,398 | 2,885 |
| | 4,461,507 | 2,670,258 |
| Less: Provision for slow moving and obsolete items | (184,817) | (179,491) |
| | 4,276,690 | 2,490,767 |

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

For the nine months period ended March 31, 2024 - Unaudited

| | Unaudited Mar 31, 2024 | Audited June 30, 2023 |
|--|------------------------------|-----------------------------|
| | ------(Rupees in '000)----- | |
| 7 INVESTMENT HELD FOR SALE – DIVESTMENT | | |
| Investment in subsidiary - SAKCPCL (18,000,000 shares) at cost | - | 1,823,001 |
| Investment in associate - SAKCPCL (9,000,000 shares) | <u>3,297,762</u> | - |
| | <u>3,297,762</u> | <u>1,823,001</u> |
| 8 TRADE AND OTHER PAYABLES | | |
| Creditors | 493,783 | 621,418 |
| Accrued Liabilities | 3,921,556 | 3,430,120 |
| Electricity charges payable | 173,000 | 507,431 |
| Contract liability - advances from customers | 730,554 | 456,888 |
| Excise duty payable on sales | 462,063 | 232,180 |
| Others | <u>1,770,899</u> | <u>1,728,866</u> |
| | <u>7,551,855</u> | <u>6,976,903</u> |

9 CONTINGENCIES AND COMMITMENTS

- 9.1** The status of contingencies as reported in note 25 to the financial statements for the year ended June 30, 2023 is the same.
- 9.2** Commitments in respect of capital expenditure outstanding as at March 31, 2024 amounted to Rs. 4.32 billion (June 30, 2023: Rs. 6.83 billion).

| | Mar 31, 2024 | Mar 31, 2023 |
|---|-----------------------------|-------------------|
| | ------(Rupees in '000)----- | |
| 10 REVENUE FROM CONTRACTS WITH CUSTOMERS | | |
| Local sale of goods | 19,413,609 | 18,880,015 |
| Sales tax | (3,187,366) | (3,022,835) |
| Federal excise duty | (1,885,602) | (1,606,119) |
| | (5,072,968) | (4,628,954) |
| Rebates and discounts | (466,115) | (608,335) |
| Net local sale of goods | <u>13,874,526</u> | <u>13,642,726</u> |
| Exports sales | 8,709,179 | 5,191,470 |
| Freight | (889,869) | (444,478) |
| Net export sales | <u>7,819,310</u> | <u>4,746,992</u> |
| | <u>21,693,836</u> | <u>18,389,718</u> |

11 DISTRIBUTION COSTS

This includes Rs. 1,298 million (March 31, 2024: Rs. 615 million) in respect of export sales.

12 GAIN ON DISPOSAL OF SUBSIDIARY

This represents gain on divestment of 9,000,000 shares of Saqr Al Keetan for Cement Production Company Limited amounting to Rs.2.20 billion (March, 31 2023: Rs. Nil) which comprises of exchange difference, non-competing fee and consideration for loss of majority control as per the terms of sale agreement .

13 UNREALIZED GAIN ON DISPOSAL

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

| | March 31, 2024 | March 31, 2023 |
|--|------------------------------|--------------------|
| | ----- (Rupees in '000) ----- | |
| 14 CASH GENERATED FROM OPERATIONS | | |
| Profit before taxation | 3,374,325 | 1,709,360 |
| Add/(Less): Adjustment for non cash charges and other items: | | |
| Depreciation | 688,364 | 682,789 |
| Gain on disposal of property, plant and equipment | (11,985) | 2,613 |
| Gain on disposal of subsidiary | (2,196,744) | - |
| Gain on sale of open ended mutual fund units | (24,998) | (6,234) |
| Profit on PLS accounts | (51,849) | (36,371) |
| Provision for stores, spares and loose tools | 5,326 | 12,372 |
| Employee benefits obligations | 60,169 | 73,159 |
| Finance cost | 82,178 | 280,442 |
| Government grant recognized in income | (45,693) | (27,307) |
| Share of net income of associate accounted for using the equity method | (6,404) | (3,951) |
| | <u>(1,501,636)</u> | <u>977,512</u> |
| Profit before working capital changes | 1,872,689 | 2,686,872 |
| EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES | | |
| (Increase) / decrease in current assets | | |
| Inventories | (2,236,719) | (919,059) |
| Trade receivables - considered good | 272,931 | (199,470) |
| Loans and advances - considered good | (70,037) | (170,995) |
| Short-term deposits and prepayments | (254,632) | (25,486) |
| other receivables | (148,620) | (54,618) |
| Tax refunds due from Government - Sales tax | 2,040 | (381,481) |
| | <u>(2,435,037)</u> | <u>(1,751,109)</u> |
| Increase in current liabilities | | |
| Trade and other payables | 574,952 | 765,451 |
| | <u>(1,860,085)</u> | <u>(985,658)</u> |
| Cash generated from operations | <u>12,604</u> | <u>1,701,214</u> |

15 TRANSACTIONS WITH RELATED PARTIES

Holding Company

| | | |
|----------------------|---------|---------|
| Dividend paid | 693,158 | 173,290 |
| Recovery of expenses | - | 300 |

Associated Companies

| | | |
|---------------------------|---------|---------|
| Purchase of goods | 244,703 | 530,120 |
| Sale of goods | 1,380 | 604 |
| Reimbursement of expenses | 4,322 | 2,388 |
| Recovery of expenses | 16,122 | 13,649 |

Other related parties

| | | |
|---|--------|--------|
| Payments made to retirement benefit funds | 84,580 | 77,147 |
|---|--------|--------|

Key management compensation

| | | |
|---|---------|---------|
| Salaries and other short - term employee benefits | 130,008 | 110,999 |
| Post-employment benefits | 5,340 | 4,538 |

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

For the nine months period ended March 31, 2024 - Unaudited

16 CORRESPONDING FIGURES

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

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 25, 2024 by the Board of Directors of the company.



Muhammad Rehan
Chief Financial Officer



Babar Bashir Nawaz
Chief Executive



Abdus Sattar
Director



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