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CORPORATE INFORMATION

Board of Directors

Mr. Aly Khan (Chairman)
Ms. Aleeya Khan
Mr. Shafiuddin Ghani Khan
Mr. Mohammad Aftab Alam
Mirza Ali Hassan Askari
Mr. Jamal Nasim
Mr. Rafique Dawood
Syed Mazher Iqbal (CEO / MD)

Audit Committee

Mr. Jamal Nasim (Chairman)
Mr. Aly Khan
Ms. Aleeya Khan
Mr. Shafiuddin Ghani Khan
Mr. Mohammad Aftab Alam

HR & Remuneration Committee

Mr. Shafiuddin Ghani Khan (Chairman)
Mr. Aly Khan
Ms. Aleeya Khan
Mr. Mohammad Aftab Alam
Syed Mazher Iqbal (CEO / MD)

Company Secretary

Mr. Waqar Naeem

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Dubai Islamic Bank
First Credit and Investment Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Statutory Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisor

Hassan & Hassan

Registered Office

135-Ferozepur Road, Lahore
Tel: +92 (42) 37503570-72
Fax: +92 (42) 37503573-4
Email: pioneer@pioneercement.com

Factory

Chenki, District Khushab
Telephone: +92 (454) 898101-3
Fax: +92 (454) 898104
Email: factory@pioneercement.com

Regional Offices

Karachi Office
4th Floor, KDLB Building West Wharf,
Karachi
Tel: +92 (21) 32201232-3
Fax: +92 (21) 32201234
Email: pclkhi@pioneercement.com

Multan Office
10-Officers Colony, Bosan Road,
Opp. Jinnah High School, Multan
Tel: +92 (61) 6510404
Fax: +92 (61) 6510405

Faisalabad Office
Office No. 3, 2nd Floor, Sitara Tower,
Bilal Chowk, New Civil Lines, Faisalabad,
Tel: +92 (41) 2630030, 2640406-7
Fax: +92 (41) 2630923

Sargodha Office
Office No. 6, 2nd Floor,
Rehman Trade Centre,
University Road, Sargodha
Telephone: +92 (483) 725050
Fax: +92 (483) 722331

Share Registrar

Corplink (Pvt) Limited
Wings Arcade, 1-K Commercial,
Model Town, Lahore
Telephone: +92 (42) 35839182, 35916714
Fax: +92 (42) 35869037
Email: corplink786@yahoo.com,
shares@pioneercement.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors take pleasure in presenting their report, together with the condensed interim financial information of the Company, for the nine months period ended March 31, 2018.

The Industry Overview

The cement sector has continued its growth trajectory during the nine months period ended March 31, 2018. Total dispatches surpassed 34.76 million tons, showing a growth of 14.70% as compared to 30.30 million tons dispatched in the same period last year (SPLY).

The major factor for overall industry growth is the increase in demand for cement in domestic markets. During the current period, local dispatches were 31.31 million tons, showing a remarkable growth of 17.94% as compared to 26.55 million tons achieved during SPLY. Contrary to the domestic demand exports dropped to 3.44 million tons, a decline of 8.22% vs. corresponding period.

The Business Overview

Operational Highlights

Your Company achieved kiln capacity utilization of 75.02% in current period under review and produced 1,122,432 tons of clinker compared to 1,220,512 tons produced in SPLY.

The main reason for decrease in clinker production was reduction in its demand and important repair and maintenance work for increasing plant efficiencies. During the current period, clinker sold to other cement manufacturing companies, was 79,066 tons as compared to 267,860 tons sold during SPLY.

During the current period cement mills achieved a production growth of 11.89%, to accumulate cement production of 1,141,260 tons as compared to 1,019,940 tons achieved during SPLY.

During the current period your Company's total cement dispatches were 1,155,468 tons, registering a growth of 13.95 % over 1,014,056 tons sold during SPLY. Total domestic sale volume for current period was 1,186,444 tons, which includes 79,066 tons of clinker. Export sales increased to 48,090 tons as compared to 13,078 tons sold during SPLY.

Financial Highlights

Net sales revenue for the current period decreased to Rs 7,504.53 million from Rs 8,088.76 million in SPLY. Major reasons for this decline were, lower clinker sale and decrease in average cement selling prices vs. comparative period.

The gross profit rate during the current period was 27.48% as compared to 41.10% achieved during SPLY. In addition to decrease in selling price and lower clinker sales volume as described above, decline in gross profit was mainly on account of increase in fuel and power cost due to increase in coal prices in international market coupled with devaluation of Pak Rupee. Higher down time in kiln operations due to important repair and maintenance activities also contributed to the decline in gross profit rate.

Facing above mentioned challenging circumstances, your Company was able to achieve operating profit of Rs. 1,732.87 million, after adjusting unrealized loss of Rs. 70.54 million mainly in equity based mutual funds. The operational profit earned during SPLY was Rs. 3,169.43 million.

Profit after tax for the current period is Rs. 1,148.82 million which in comparison to profit after tax of last year amounting Rs. 2,399.38 million, has decreased by Rs. 1,250.56 million.

A summary of financial results is as under:

	Nine months period ended March 31,		Variance	
	2018	2017		
	----- Rupees in million -----			%
Net turnover	7,504.53	8,088.76	(584.23)	(7.22)
Gross profit	2,062.04	3,324.74	(1,262.70)	(37.98)
Operating profit	1,732.87	3,169.43	(1,436.56)	(45.33)
Profit before taxation	1,654.32	3,163.64	(1,509.32)	(47.71)
Profit after taxation	1,148.82	2,399.38	(1,250.56)	(52.12)
EPS (Rs.)	5.06	10.56	(5.50)	(52.12)

We are expecting recovery of unrealized losses on short-term investments in subsequent periods and are committed towards achieving better profitability in coming months.

Expansion Project

Your Company is in process of installing new brown field cement plant supported by 12 MW Waste heat recovery plant and a 24 MW power plant. Letters of Credit for the import of equipment have been established and more than 40% of the material has already arrived at factory premises. The management is putting untiring efforts to achieve commercial operations in scheduled time.

Board of Directors

The composition of Board of Directors of your Company is in compliance with the requirements of Code of Corporate Governance, 2017.

Sr.#	Name	Composition
1	Mr. Aly Khan (Chairman)	Non-Executive
2	Ms. Aleeya Khan	Non-Executive
3	Mr. Mohammad Aftab Alam	Non-Executive
4	Mirza Ali Hassan Askari	Non-Executive
5	Mr. Shafiuddin Ghani Khan	Independent
6	Mr. Jamal Nasim	Independent
7	Mr. Rafique Dawood	Independent
8	Syed Mazher Iqbal	Chief Executive Officer

Audit Committee

Sr.#	Name	Composition
1	Mr. Jamal Nasim	Chairman
2	Mr. Aly Khan	Member
3	Ms. Aleeya Khan	Member
4	Mr. Shafiuddin Ghani Khan	Member
5	Mr. Mohammad Aftab Alam	Member

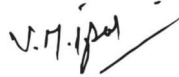
HR and Remuneration Committee

Sr.#	Name	Composition
1	Mr. Shafiuddin Ghani Khan	Chairman
2	Mr. Aly Khan	Member
3	Ms. Aleeya Khan	Member
4	Mr. Mohammad Aftab Alam	Member
5	Syed Mazher Iqbal	Member

Acknowledgement

The board expresses its gratitude to all the stakeholder including but not limited to shareholders, customers, suppliers, bankers and regulators for their continuous support and trust.

For and on behalf of the Board.



Syed Mazher Iqbal
Chief Executive Officer

April 25, 2018
Lahore

آڈٹ کمیٹی

- | | |
|----------------------------|--------|
| ۱۔ جناب ہمال نسیم | چیرمین |
| ۲۔ جناب علی خان | ممبر |
| ۳۔ محترمہ عالیہ خان | ممبر |
| ۴۔ جناب شفیع الدین غنی خان | ممبر |
| ۵۔ جناب محمد آفتاب عالم | ممبر |

ایچ آر اینڈ ریمو نیویشن کمیٹی

- | | |
|----------------------------|--------|
| ۱۔ جناب شفیع الدین غنی خان | چیرمین |
| ۲۔ جناب علی خان | ممبر |
| ۳۔ محترمہ عالیہ خان | ممبر |

اظہار تشکر

بورڈ آف ڈائریکٹرز تمام شراکت داران حصص داران کسٹمرز سپلائرز مالیاتی اداروں اور نگران اداروں کے اعتماد اور تعاون کا تہہ دل سے مشکور ہے۔

امدادی. ۲۱. ۲۰

سید مظہر اقبال

چیف ایگزیکٹو آفیسر

25 اپریل 2018

لاہور

مالیاتی کارکردگی

زیر نظر عرصہ میں خالص آمدنی 7,504.53 ملین روپے تک محدود رہی جو کہ پچھلے سال کے تقابلی عرصہ میں 8,088.76 ملین روپے تھی۔ اس کی بڑی وجہ کلنکر کی فروخت کا گھٹنا اور سیمنٹ کی مقامی منڈی میں قیمتوں میں خاطر خواہ کمی ہے۔

مجموعی منافع گزشتہ سال اسی عرصہ کے 41.10% کے مقابلے میں 27.48% رہا۔ قیمتوں کا گرنا اور کلنکر کی فروخت میں کمی کے علاوہ مجموعی منافع میں کمی بین الاقوامی منڈی میں کوئلہ کی قیمتوں میں گرانی کی وجہ سے ایندھن اور بجلی کی لاگت میں اضافہ کے ساتھ پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوئی۔ مزید برآں اہم مرمت اور بحالی کے کاموں کی وجہ سے بھی مجموعی منافع پر اثر پڑا۔

اوپر بیان کردہ حالات اور میوچل فنڈز میں محدود مدتی سرمایہ کاری میں 70.54 ملین روپے کے نقصان کے باوجود آپ کی کمپنی 1,732.87 ملین روپے کا پیداواری منافع کمانے میں کامیاب رہی۔ گزشتہ عرصہ میں یہ منافع 3,169.43 ملین روپے تھا۔

بعد از ٹیکس مجموعی منافع 1,148.82 ملین روپے رہا جو کہ پچھلے سال کے تقابلی عرصہ کے 2,399.38 ملین روپے سے 1,250.56 ملین روپے کم ہے۔

توسیعی منصوبے

آپ کی کمپنی براؤن فیلڈ پلانٹ لگانے کے مراحل میں ہے۔ اس کے ساتھ ساتھ 12 میگا واٹ کا ایک ویسٹ ہیٹ ریکوری پاور پلانٹ اور کوئلہ سے چلنے والا 24 میگا واٹ کی پیداواری صلاحیت کا حامل پلانٹ بھی شامل ہے۔ آلات کی برآمد کے لئے (L/C) کھول دی گئی ہے جبکہ چالیس فیصد سے زائد آلات فیکٹری کی حدود میں پہنچ چکے ہیں۔ انتظامیہ کمرشل آپریشن کے حصول کے لئے مطلوبہ اہداف کو حاصل کرنے کیلئے انتھک کوششیں کر رہی ہے۔

- | | |
|----------------------------|--------------|
| ۱۔ جناب علی خان (چیرمین) | نان ایگزیکٹو |
| ۲۔ محترمہ عالیہ خان | نان ایگزیکٹو |
| ۳۔ جناب محمد آفتاب عالم | نان ایگزیکٹو |
| ۴۔ مرزا علی حسن عسکری | نان ایگزیکٹو |
| ۵۔ جناب شفیع الدین غنی خان | انڈیپنڈنٹ |
| ۶۔ جناب جمال نسیم | انڈیپنڈنٹ |
| ۷۔ جناب رفیق داؤد | انڈیپنڈنٹ |
| ۸۔ سید مظہر اقبال | ایگزیکٹو |

ڈائریکٹر رپورٹ

آپ کی کمپنی کے ڈائریکٹران کے لئے باعث مسرت ہے کہ ان کی جانب سے 31 مارچ، 2018 کو ختم ہونے والی تیسری سہ ماہی کے حسابات کا جائزہ پیش کیا جا رہا ہے۔

صنعتی جائزہ

سیمنٹ کی صنعت نے ترقی کی رفتار کو برقرار رکھتے ہوئے 31 مارچ، 2018 کو ختم ہونے والی سہ ماہی میں 14.70% کی شرح نمو کے ساتھ کل 34.76 ملین ٹن ترسیلات کیں جبکہ گزشتہ سال اسی عرصہ میں 30.30 ملین ٹن ترسیلات کی گئیں۔

مجموعی طور پر اس صنعتی ترقی میں اہم عنصر مقامی منڈی میں سیمنٹ کی مانگ میں ہونے والا اضافہ ہے۔ موجودہ مدت کے دوران مقامی ترسیلات 31.31 ملین ٹن رہیں جو کہ گزشتہ سال اسی عرصہ میں 26.55 ملین ٹن کے مقابلے میں 17.94% زیادہ ہیں۔ مقامی مانگ کے برعکس برآمدات 3.44 ملین ٹن رہیں جو کہ تقابلی عرصہ کی نسبت 8.22% کم ہیں۔

مجموعی کاروباری جائزہ

کاروباری کارکردگی

آپ کی کمپنی نے زیر نظر عرصہ کے دوران 1,122,432 ٹن کلنکر پیدا کر کے اپنی پیداواری صلاحیت کا 75.02% حدف حاصل کیا جبکہ گزشتہ سال اسی عرصہ کے دوران 1,220,512 ٹن کلنکر پیدا کیا گیا تھا۔

کلنکر کی پیداوار میں کمی کی بڑی وجہ اس کی مانگ میں کمی اور پلانٹ کی استعداد کار بڑھانے کیلئے پلانٹ کی مرمت اور بحالی کے امور سر انجام دینا ہے۔ زیر نظر عرصہ کے دوران دوسرے سیمنٹ پلانٹس کو 79,066 ٹن کلنکر فروخت کیا گیا جبکہ گزشتہ سال اسی عرصہ میں 267,860 ٹن بیچا گیا تھا۔

زیر نظر عرصہ کے دوران سیمنٹ کی پیداوار میں 11.89% کا اضافہ ہوا جو کہ پچھلے سال اسی عرصہ کے 1,019,940 ٹن کے مقابلے میں 48,090 ٹن گئیں جو کہ گزشتہ سال اسی عرصہ میں 13,078 ٹن تھیں۔

موجودہ عرصہ میں سیمنٹ کی ترسیل کا مجموعی حجم 1,155,468 ٹن رہا جو کہ پچھلے سال کے 1,014,056 کے مقابلے میں 13.95% زیادہ ہے۔ کل 1,186,444 ٹن مقامی منڈی میں ترسیل ہوا جس میں 79,066 ٹن کلنکر شامل ہے۔ جبکہ برآمدات بڑھ کر 48,090 ٹن گئیں جو کہ گزشتہ سال اسی عرصہ میں 13,078 ٹن تھیں۔



INTERIM FINANCIAL INFORMATION

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- Subscription to 24/7 live chat
- 24/7 helpline service
- Personalized application for each client
- Online Guidance

Investment **Investment**

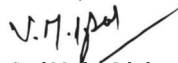
Investment is not a guarantee of return. The value of your investment may fluctuate. Please consult your financial advisor for more information.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018 (Un-Audited)

Rupees in thousand	Note	March 31, 2018 Un-audited	June 30, 2017 Audited
ASSETS			
NON CURRENT			
Property, plant and equipment	4	18,383,396	12,237,399
Investment property		70,836	70,836
Intangible assets		2,251	4,480
		18,456,483	12,312,715
Long term deposits		39,979	39,531
		18,496,462	12,352,246
CURRENT			
Stores, spare parts and loose tools	5	1,598,608	1,500,779
Stock-in-trade	6	251,230	235,743
Trade debts - unsecured		467,321	224,828
Loans and advances		104,259	62,512
Trade deposits and short term prepayments		2,774	1,937
Sales tax receivable-net		486,247	90,176
Short term investments	7	1,524,585	2,623,180
Advance income tax		594,096	359,748
Cash and bank balances	8	781,777	309,019
		5,810,897	5,407,922
TOTAL ASSETS		24,307,359	17,760,168
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		3,500,000	3,500,000
Issued, subscribed and paid-up share capital		2,271,489	2,271,489
RESERVES			
Capital		197,517	197,517
Revenue		7,524,996	7,050,106
		7,722,513	7,247,623
		9,994,002	9,519,112
Surplus on revaluation of fixed assets - net of tax		2,641,399	2,728,420
LIABILITIES			
Non current			
Long term financing - secured	9	5,849,542	1,387,500
Long term deposits		4,247	4,202
Deferred liabilities	10	2,385,849	2,399,820
		8,239,638	3,791,522
Current			
Trade and other payables	11	1,815,600	754,658
Accrued markup / profit on financing	12	106,319	47,101
Short term borrowings - secured	13	1,285,401	806,855
Current portion of long term financing-secured		225,000	112,500
		3,432,320	1,721,114
TOTAL LIABILITIES		11,671,958	5,512,636
CONTINGENCIES AND COMMITMENTS	14	-	-
TOTAL EQUITY AND LIABILITIES		24,307,359	17,760,168

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer


Waqar Naeem
Chief Financial Officer


Aly Khan
Chairman

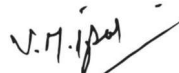
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT


FOR THE NINE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

Rupees in thousand

	Note	Nine Months Ended March 31,		Quarter Ended March 31,	
		2018	2017	2018	2017
		----- (Un-Audited) -----			
Net turnover	15	7,504,530	8,088,757	2,609,479	2,896,991
Cost of sales	16	(5,442,495)	(4,764,014)	(2,024,585)	(1,686,130)
Gross profit		2,062,035	3,324,743	584,894	1,210,861
Distribution cost		(114,305)	(46,123)	(45,084)	(17,025)
Administrative expenses		(68,284)	(58,436)	(24,521)	(21,258)
Other expenses		(161,651)	(234,840)	77,273	(92,124)
Other income		(15,073)	(184,084)	(5,774)	(78,526)
		(329,167)	(155,315)	13,443	(51,881)
Operating profit		1,732,868	3,169,428	598,337	1,158,980
Finance cost		(78,551)	(5,792)	(28,714)	(3,193)
Profit before taxation		1,654,317	3,163,636	569,622	1,155,787
Taxation		(505,500)	(764,256)	(157,999)	(257,946)
Profit after taxation		1,148,817	2,399,380	411,623	897,841
Earnings per share - basic and diluted (Rs.)		5.06	10.56	1.81	3.95

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer


Waqar Naeem
Chief Financial Officer


Aly Khan
Chairman

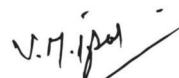
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME


FOR THE NINE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

Rupees in thousand	Nine Months Ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	----- (Un-Audited) -----			
Profit after taxation	1,148,817	2,399,380	411,623	897,841
Other comprehensive income:				
Items that may be reclassified to profit and loss account	-	-	-	-
Items that will not be reclassified to profit and loss account subsequently	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1,148,817	2,399,380	411,623	897,841

The surplus arising on revaluation of fixed assets is presented under a separate head below equity in accordance with the requirements of Companies Act, 2017.

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer


Waqar Naeem
Chief Financial Officer

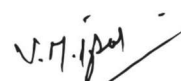

Aly Khan
Chairman


CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

Rupees in thousand		Nine months ended	
		March 31,	
		2018	2017
	Note	---Un-audited---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	2,600,229	3,419,638
Income tax paid		(765,061)	(754,077)
Workers' Profit Participation Fund paid		(18,554)	(25,585)
Workers' Welfare Fund paid		(71,998)	(75,635)
Gratuity and compensated absences paid		(9,999)	(6,800)
Increase in long term deposits - net		(403)	(58)
Net cash generated from operating activities	A	1,734,214	2,557,483
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures incurred		(6,517,760)	(1,106,803)
Proceeds from disposal of property, plant and equipment		2,386	580
Decrease / (increase) in short term investments		1,059,551	(1,463,464)
Net cash used in investing activities	B	(5,455,823)	(2,569,687)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		4,630,792	900,000
Repayment of long term musharaka finance		(56,250)	-
Increase / (decrease) in short term borrowings - net		478,546	(275,490)
Dividend paid		(741,763)	(834,811)
Finance cost paid		(116,958)	(4,145)
Net cash generated from / (used in) financing activities	C	4,194,367	(214,446)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	A+B+C	472,758	(226,650)
CASH AND CASH EQUIVALENTS			
- at the beginning of the period		309,019	660,479
CASH AND CASH EQUIVALENTS			
- at the end of the period		781,777	433,829

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer


Waqar Naeem
Chief Financial Officer

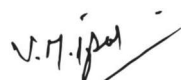

Aly Khan
Chairman


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

Rupees in thousand	Issued, subscribed and paid-up share capital	Reserves			Total equity
		Capital	Revenue	Sub total	
		Share premium	Accumulated profit		
Balance as at July 01, 2016 (audited)	2,271,489	197,517	5,351,691	5,549,208	7,820,697
Final dividend for the year ended June 30, 2016	-	-	(851,809)	(851,809)	(851,809)
Interim dividend for the year June 2017	-	-	(488,370)	(488,370)	(488,370)
Transaction with owners	-	-	(1,340,179)	(1,340,179)	(1,340,179)
Profit after taxation	-	-	2,399,380	2,399,380	2,399,380
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,059,201	1,059,201	1,059,201
Surplus on revaluation of fixed assets realized-net of tax	-	-	93,807	93,807	93,807
Balance as at March 31, 2017 (un-audited)	2,271,489	197,517	6,504,699	6,702,216	8,973,705
Balance as at July 01, 2017 (audited)	2,271,489	197,517	7,050,106	7,247,623	9,519,112
Final dividend for the year ended June 30, 2017	-	-	(760,948)	(760,948)	(760,948)
Transaction with owners	-	-	(760,948)	(760,948)	(760,948)
Profit after taxation	-	-	1,148,817	1,148,817	1,148,817
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	387,869	387,869	387,869
Surplus on revaluation of fixed assets realized-net of tax	-	-	87,021	87,021	87,021
Balance as at March 31, 2018 (un-audited)	2,271,489	197,517	7,524,996	7,722,513	9,994,002

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer


Waqar Naeem
Chief Financial Officer


Aly Khan
Chairman

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED MARCH 31, 2018 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pioneer Cement Limited (the Company) was incorporated in Pakistan as a public company, limited by shares on February 09, 1986. Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of cement. The registered office of the Company is situated at 135 Ferozepur Road, Lahore. The Company's production facility is situated at Chenki, District Khushab in Punjab Province.
- 1.2 The Company commenced its operations with an installed clinker production capacity of 2,000 tons per day. During 2005, the capacity was optimized to 2,350 tons clinker per day. In financial year 2006, another production line of 4,300 tons per day clinker capacity was completed which started commercial operations from April 2006.
- 1.3 The Company is in process of installing a new brown field cement plant having production capacity of approximately 8000 tons per day supported by a 12MW Waste Heat Recovery Power Plant. In addition, a 24 MW Coal Fired Power Plant is also being installed at the existing plant site.
- 1.4 During the period, the Company has signed a non-binding Memorandum of Understanding with the sponsors of Galadari Cement (Gulf) Limited (the target company) to acquire the controlling interest of target company. The plant of target company is located at village Bhawani, tehsil Hub, District Lasbella, Balochistan. Currently, negotiations are underway with lenders of target company so that transfer of shares may take place.

2. BASIS OF PRESENTATION AND MEASUREMENT

- 2.1 This condensed interim financial information of the Company for the period ended March 31, 2018 has been prepared in accordance with the requirements of International Accounting Standard 34-Interim Financial Reporting and provisions of and directives issued under Companies Act 2017. In case where requirements differ, the provision of directives issued under the Companies Act 2017 have been followed.
- 2.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2017.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting period beginning on or after July 1, 2017, were either considered not to be relevant to the Company's operations or did not have significant effect on the accounting policies of the Company.

Rupees in thousand		March 31, 2018 Un-audited	June 30, 2017 Audited
	Note		
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	10,117,535	10,411,469
Capital work-in-progress	4.2	8,265,861	1,825,930
		18,383,396	12,237,399
4.1 Operating fixed assets			
Written down value - opening		10,411,469	8,852,173
Additions for the period / year	4.1.1	77,829	2,021,132
		10,489,298	10,873,305
Disposals during the period / year		(206)	-
Depreciation for the period / year		(371,557)	(461,836)
Written down value - closing		10,117,535	10,411,469
4.1.1 Additions during the period / year - net			
Factory buildings on free hold land		-	269,573
Plant and machinery		54,511	1,699,442
Waste heat recovery power plant		3,600	-
Furniture, fixture and equipment		2,010	8,404
Computers and accessories		695	1,170
Vehicles		17,013	42,543
		77,829	2,021,132
4.2 Capital work in progress			
Opening balance		1,825,930	1,531,857
Additions during the period / year		6,439,931	2,181,932
Transferred to operating fixed assets during the period / year		-	(1,887,859)
		8,265,861	1,825,930
Represented by:			
Production Line III and Coal Power Plant		6,931,866	884,441
Cement grinding capacity enhancement		751,012	560,765
Other plant and machinery items		105,754	13,008
Factory buildings under construction		106,668	55,520
Advance for purchase of vehicles		-	5,940
Other office premises under construction		370,561	306,256
		8,265,861	1,825,930

Rupees in thousand		March 31, 2018 Un-audited	June 30, 2017 Audited
5	STORES, SPARE PARTS AND LOOSE TOOLS		
	Stores	493,319	915,445
	Spares parts	575,129	505,662
	Loose tools	11,298	9,915
		1,079,746	1,431,022
	In transit		
	Coal	370,492	-
	Spare parts	192,303	113,690
		562,795	113,690
	Provision for slow moving stores and spare parts	(43,933)	(43,933)
		1,598,608	1,500,779
6	STOCK IN TRADE		
	Raw materials	63,245	29,595
	Packing materials	24,995	35,249
	Work in process	146,855	109,176
	Finished goods	16,135	61,723
		251,230	235,743
7	SHORT TERM INVESTMENTS		
	Held for trading		
	- Investments with Shariah compliant funds		
	Meezan Islamic Fund		
	Units 3,772,627 (June 30, 2017: 3,772,627)	262,770	288,266
	NAFA Islamic Energy Fund		
	Units 11,979,804 (June 30, 2017: 11,979,804)	156,788	156,884
	NAFA Islamic Stock Fund		
	Units 22,977,008 (June 30, 2017: 22,920,506)	280,051	300,362
	KSE Meezan Index Fund		
	Units 913,849, (June 30, 2017: 913,849)	70,261	72,706
	Meezan Balance Fund		
	Units 10,873,817 (June 30, 2017: 10,873,817)	176,996	184,311
	Meezan Assets Allocation Fund		
	Units 3,427,064 (June 30, 2017: 3,427,064)	165,259	174,403
	Meezan Islamic Income Fund		
	Units 10,100 (June 30, 2017: 10,100)	534	519
		1,112,659	1,177,451
	- Investments with conventional funds		
	ABL Government Securities Fund		
	Units 11,102,494 (June 30, 2017: 11,102,494)	115,377	111,225
	NAFA Assets Allocation Fund		
	Units 17,940,422 (June 30, 2017: 17,893,765)	296,537	305,030
	NAFA Government Securities Liquid Fund		
	Units 1,144 (June 30, 2017: 63,467,991)	12	644,924
	NAFA Money Market Fund		
	Units Nil (June 30, 2017: 39,006,958)	-	384,550
		411,926	1,445,729
		1,524,585	2,623,180

8 CASH AND BANK BALANCES

- 8.1 These include sales collection in process (cheques in hand) amounting to Rs. 179 million (June 30, 2017: Rs. 192 million).
- 8.2 This includes Rs.253 million deposited in an escrow account in respect of Company's proposed acquisition of Galadari Cement (Gulf) Limited as explained in Note 1.4 above.

Rupees in thousand		March 31, 2018 Un-audited	June 30, 2017 Audited
	Note		
9 LONG TERM FINANCING - Secured			
ISLAMIC BANKS			
Meezan Bank Limited			
(Diminishing Musharaka)	9.1	843,750	900,000
Meezan Bank Limited			
(Diminishing Musharaka)	9.2	600,000	600,000
		1,443,750	1,500,000
Current maturity		(225,000)	(112,500)
		1,218,750	1,387,500
NATIONAL BANK OF PAKISTAN SYNDICATE			
Conventional Component		4,013,353	-
Islamic Component		617,439	-
	9.3	4,630,792	-
		5,849,542	1,387,500

- 9.1 The Company has obtained Diminishing Musharaka/Ijarah facility of Rs.900 million (June 30, 2017: Rs. 900 million) to finance the installation of Waste Heat Recovery Power Plant and Coal Fired Boiler at a price of 3 months KIBOR plus 1.1% per annum for a tenure of 5 years including grace period of one year with quarterly rental frequency. The facility is secured by creation of specific hypothecation charge over Waste Heat Recovery Power Plant and Coal Fired Boiler of the Company amounting to Rs.1,000 million.
- 9.2 The Company has obtained Diminishing Musharaka / Ijarah facility of Rs. 600 million (June 30,2017: Rs. 600 million) for cement grinding capacity enhancement project at a price of 3 months KIBOR plus 1.1% . The facility is secured by creation of specific hypothecation charge over complete cement grinding enhancement project amounting to Rs. 650 million. The facility is re-payable in five years including a grace period of one year on quarterly / semi annually basis.
- 9.3 During the period, the Company has obtained syndicated term finance facility amounting to Rs.15,000 million to finance new 8000 tons per day clinker plant supported by 12 MW Waste Heat Recovery Plant. This comprises of Rs.13,000 million term finance loan and 2,000 million musharaka facility. National Bank of Pakistan is the lead arranger and agent of this facility. This facility carries markup / profit at 6 month KIBOR plus 1.1% per annum payable quarterly whereas the principal is repayable in seven years including a grace period of two years. This facility is secured by way of first pari passue charge over all present and future fixed assets of the Company excluding existing Waste Heat Recovery Power Plant.

Rupees in thousand		March 31, 2018 Un-audited	June 30, 2017 Audited
	Note		
10 DEFERRED LIABILITIES			
Deferred tax liability		2,267,442	2,292,655
Gratuity- vested contractual employees		118,407	107,165
		2,385,849	2,399,820
11 TRADE AND OTHER PAYABLES			
Creditors		502,009	181,842
Accrued expenses		214,100	251,989
Advances from customers		93,207	51,886
Unclaimed dividend		72,370	53,185
Deposits		14,227	15,628
Retention money		561,726	34,045
Excise duty on cement		172,652	19,190
Royalty and excise duty		9,634	10,464
Withholding tax		8,596	6,916
Employees' compensated absences		24,870	22,764
Workers' Profit Participation Fund		88,846	18,554
Workers' Welfare Fund		47,636	85,872
Others		5,727	2,323
		1,815,600	754,658
12 ACCRUED MARK UP / PROFIT ON FINANCING			
ISLAMIC BANKS			
Long term financing		39,206	39,128
Short term borrowing		5,672	-
		44,878	39,128
CONVENTIONAL BANKS			
Long term financing		55,049	-
Short term borrowing		6,392	7,973
		61,441	7,973
		106,319	47,101
13 SHORT TERM BORROWINGS - secured			
ISLAMIC BANKS			
Meezan Bank Limited	13.1	716,081	525,920
CONVENTIONAL BANKS			
Allied Bank Limited	13.2	77,001	280,935
National Bank of Pakistan	13.3	492,319	-
		1,285,401	806,855
13.1 Represents Running Musharaka/Murabaha up to Rs. 550 million in aggregate (June 30,2017: Rs. 550 million) has been obtained from Meezan Bank Limited. The facility carries profit rate of 0.25 percent plus 3 months KIBOR on the basis of Meezan Bank's average Musharaka investment determined at the time of disbursement and is payable on quarterly basis. This also carries 0.001% bank share of musharaka			

profit exceeds beyond profit rate of 0.25% plus 3 months Kibor. The facility is secured against pari passu charge over current assets of the Company with margin of 15 percent. The Company has also obtained LC Sight/Usance facility up to Rs.550 million for import of coal, plant and machinery, stores and spares and services. LC Sight facility is secured by lien over import documents whereas Usance LC is secured against pari passu charge over current charge. This renewable facility will expire on December 31, 2018.

13.2 The Company has obtained a short term Running finance/ Money market line/LC facility /Finance against imported merchandise and FATR from Allied Bank Limited amounting to Rs. 1,000 million (June 30, 2017: Rs. 1,000 million). This facility carries markup at the rate of 3 months Kibor + 0.20% per annum which shall be payable to the bank on quarterly basis while markup in respect of money market loan transaction would be advisable at the time of transactions. The facility is secured by lien on Company's investment in Government Securities Fund and / or Cash Fund of ABL Assets Management Company with 5% margin. LC facility also carries lien on import documents/ Bill of exchange / Trust receipts. This extendable facility expires on May 31, 2018.

13.3 During the year, the Company has obtained a Running finance facility amounting to Rs.500 million. The facility is secured against ranking charge over current assets of the Company with 25% margin which subsequently be upgraded to first pari passu charge. This carries markup at the rate of 3 months KIBOR + 0.10% per annum payable on quarterly basis. This facility also has a Letter of Credit sub limit of Rs. 500 million for import of coal, stores and machinery parts. This facility expires on June 30, 2018.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There has been no significant change in the contingencies as disclosed in the financial statements for the year ended June 30, 2017.

14.2 Commitments

14.2.1 Total commitments as at close of period ended March 31, 2018 amounts to Rs.15,748 million (June 30, 2017: Rs. 9,455 million). It includes commitments against letter of credits established for import of new cement plant, waste heat recovery plant and coal fired power plant.

Rupees in thousand	Nine months ended March 31, 2018 2017 Un-audited		Quarter ended March 31, 2018 2017 Un-audited	
15 NET TURNOVER				
Cement	10,316,515	9,582,783	3,654,103	3,612,316
Clinker	480,127	1,585,069	127,036	378,741
	10,796,642	11,167,852	3,781,139	3,991,057
Less				
Federal Excise duty	1,483,054	1,268,917	525,784	442,837
Sales tax	1,733,780	1,759,287	611,206	630,698
Commission	25,654	29,448	9,092	10,920
Discount and rebate	49,624	21,443	25,578	9,611
	3,292,112	3,079,095	1,171,660	1,094,066
Net turnover	7,504,530	8,088,757	2,609,479	2,896,991

Rupees in thousand	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2018	2017	2018	2017
	Un-audited		Un-audited	
16 COST OF SALES				
Raw material consumed	445,448	438,030	148,547	155,144
Packing material consumed	445,017	392,194	169,809	145,651
Fuel and power	3,573,226	3,169,804	1,183,579	1,084,966
Stores and spares consumed	206,314	164,290	72,427	52,153
Salaries, wages and benefits	349,424	296,483	118,895	100,556
Travelling and conveyance	14,155	16,016	7,110	5,750
Insurance	6,443	5,956	2,038	2,006
Repairs and maintenance	55,846	39,092	19,195	17,341
Depreciation	309,178	341,197	98,764	125,104
Other manufacturing expenses	29,535	29,466	10,915	9,766
Total manufacturing cost	5,434,586	4,892,528	1,831,279	1,698,437
Work in process				
Opening balance	109,176	92,788	280,090	169,987
Closing balance	(146,855)	(201,192)	(146,855)	(201,192)
	(37,679)	(108,404)	133,235	(31,205)
Cost of goods manufactured	5,396,907	4,784,124	1,964,514	1,667,232
Finished goods				
Opening balance	61,723	18,386	76,206	57,394
Closing balance	(16,135)	(38,496)	(16,135)	(38,496)
	45,588	(20,110)	60,071	18,898
	5,442,495	4,764,014	2,024,585	1,686,130

Rupees in thousand	Nine months ended	
	March 31,	March 31,
	2018	2017
	Un-audited	Un-audited
17 CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,654,317	3,163,636
Adjustment for:		
Depreciation	371,557	346,815
Amortization	2,229	2,489
Provision for gratuity and compensated absences	23,348	17,631
Finance cost	176,177	5,792
Gain on disposal of property, plant and equipment	(2,180)	(580)
Workers' Profit Participation Fund	88,846	169,905
Workers' Welfare Fund	33,762	64,564
Dividend income	(2,033)	-
Gain on redemption of short term investment	(29,462)	-
Unrealized Loss/(Gain) on investment	70,538	(165,447)
Cash flow before working capital changes	2,387,099	3,604,805

Rupees in thousand	Nine months ended	
	March 31, 2018	March 31, 2017
	Un-audited	Un-audited
Working capital changes (Increase) / decrease in current assets:		
Stores, spares and loose tools	(97,828)	124,147
Stock-in-trade	(15,488)	(137,352)
Trade debts	(242,493)	(135,340)
Loans, advances, deposits & short term prepayments	(42,584)	(75,583)
Other receivables	-	549
Sales tax receivable - net	(396,071)	(30,023)
Increase / (decrease) in current liabilities:		
Trade and other payables	1,007,594	165,021
Sales tax payable	-	(96,586)
Cash generated from operations	2,600,229	3,419,638

18 FAIR VALUE OF FINANCIAL INSTRUMENTS

18.1 IFRS 13 Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair Value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Rupees in thousand	Carrying amount			
	Cash & cash equivalents	Fair value through profit or loss	Loans and receivables	Total
March 31, 2018 (un-audited)				
Financial assets measured at fair value				
Short term investments	-	1,524,585	-	1,524,585
Financial assets not measured at fair value				
Non-current assets				
Long term deposits	-	-	39,979	39,979
Current assets				
Trade debts - unsecured	-	-	467,321	467,321
Loans and advances	-	-	5,471	5,471
Trade deposits	-	-	9	9
Other receivables	-	-	-	-
Cash and bank balances	781,777	-	-	781,777
	781,777	-	512,780	1,294,557

Rupees in thousand	Carrying amount			Total
	Cash & cash equivalents	Fair value through profit or loss	Loans and receivables	
June 30, 2017 (audited)				
Financial assets measured at fair value				
Short term investments	-	2,623,180	-	2,623,180
Financial assets not measured at fair value				
Non-current assets				
Long term deposits	-	-	39,531	39,531
Current assets	-	-	-	-
Trade debts - unsecured	-	-	224,828	224,828
Loans and advances	-	-	5,297	5,297
Trade deposits	-	-	9	9
Other receivables	-	-	-	-
Cash and bank balances	309,019	-	-	309,019
	309,019	-	269,665	578,684

18.2 As at March 31, 2018 and June 30, 2017 the Company does not held liabilities that are measured at fair value or when value changes from carrying value as a resulting remeasurement. The following table shows the carrying amount of financial liabilities. It does not include fair value information for financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Rupees in thousand	March 31, 2018 Un-audited	June 30, 2017 Audited
Financial liabilities at amortized cost		
Long term financing - secured	6,074,542	1,500,000
Trade and other payables	1,815,598	754,658
Accrued markup / profit on financing	106,320	47,101
Short term borrowings - secured	1,285,401	806,855
	9,281,861	3,108,614

As March 31, 2018, the Company had following financial instruments with their respective fair value levels.

Rupees in thousand	Level I	Level II	Level III
Financial assets at fair value through profit and loss			
Short term investment			
31-Mar-18	-	1,524,585	-
30-Jun-17	-	2,623,180	-

19 TRANSACTIONS WITH RELATED PARTIES

19.1 Related parties include major shareholders of the Company, entities having directors in common with the Company, associated companies, staff retirement funds, Workers' Profit Participation Fund (WPPF), directors and key management personnel. Significant transactions along with their balances are as under:

Rupees in thousand		Nine Months Ended	
Relationship with the Company	Nature of transaction	March 31, 2018	2017
Staff retirement contribution plan	Contribution to staff provident fund	10,118	7,626
Key management personnel	Remuneration	99,778	116,922
WPPF	Payment to WPPF	18,554	25,585
Rupees in thousand		March 31, 2018	June 30, 2017
		Un-audited	Audited
Balances			
WPPF payable		88,846	18,554

20 DATE OF AUTHORIZATION

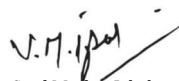
This condensed interim financial information was authorized for issue by the Board of Directors of the Company on April 25, 2018.

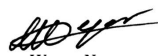
21 GENERAL

21.1 Corresponding figures have been rearranged wherever necessary, for the purpose of comparison. However, there were no material reclassification or rearrangement to report.

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

21.2 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.


Syed Mazher Iqbal
Chief Executive Officer


Waqar Naeem
Chief Financial Officer


Aly Khan
Chairman