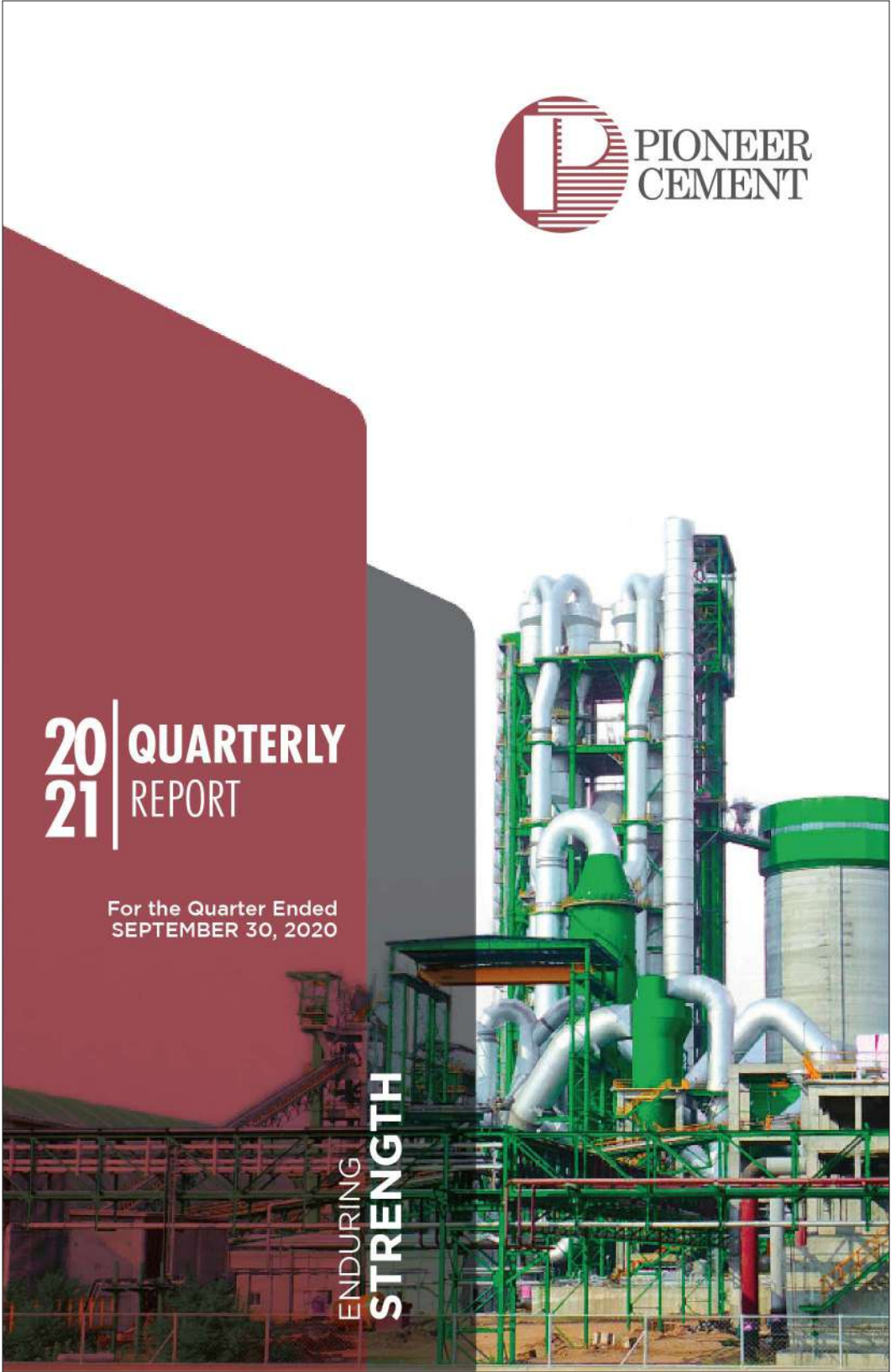


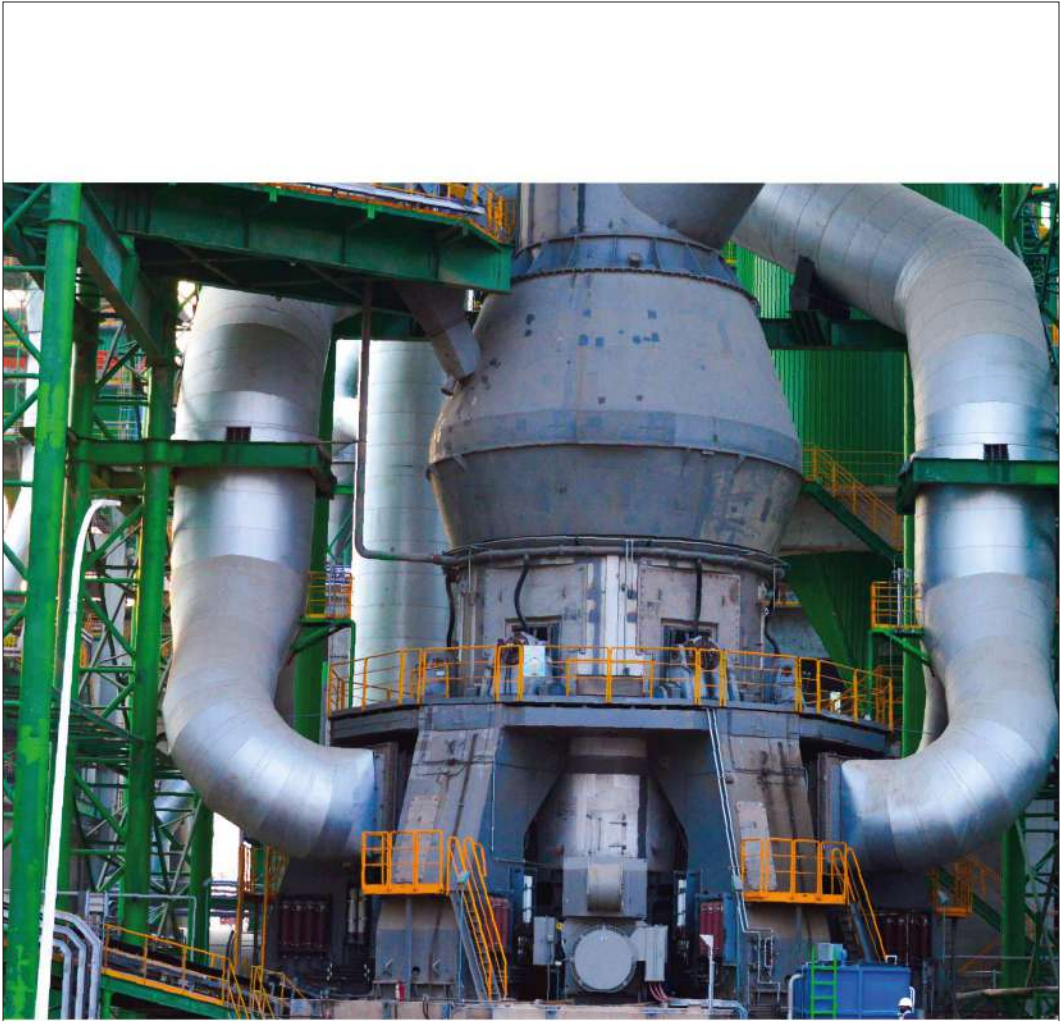


20 21 | QUARTERLY REPORT

For the Quarter Ended
SEPTEMBER 30, 2020

ENDURING
STRENGTH







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CORPORATE INFORMATION

Board of Directors

- Mr. Aly Khan (Chairman)
- Mr. Sajid Feroze (CEO)
- Ms. Aleeya Khan
- Mr. Shafiuddin Ghani Khan
- Mr. Mohammed Aftab Alam
- Mirza Ali Hassan Askari
- Mr. Jamal Nasim
- Mr. Rafique Dawood

Audit Committee

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

HR & Remuneration Committee

- Mr. Shafiuddin Ghani Khan (Chairman)
- Mr. Aly Khan
- Ms. Aleeya Khan
- Mr. Mohammed Aftab Alam
- Mr. Sajid Feroze (CEO)

Chief Financial Officer

- Mr. Waqar Naeem

Chief Internal Auditor

- Mr. Jamal-ud-Din

Company Secretary

- Mr. Abdul Wahab

Bankers

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

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@pioneerement.com

Factory

Chenki, District Khushab

Tel: +92 (454) 898101-3

Fax: +92 (454) 898104

Email: factory@pioneerement.com

Regional Offices

Karachi Office

4th Floor, KDLB Building West Wharf,
Karachi

Tel: +92 (21) 32201232-3

Fax: +92 (21) 32201234

Email: pckhi@pioneerement.com

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House No. 218, Naqshband Colony,
Khanewal Road, 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

Share Registrar

Corplink (Pvt) Limited

Wings Arcade, 1-K Commercial,
Model Town, Lahore

Tel: +92 (42) 35839182, 35916714

Fax: +92 (42) 35869037

Email: corplink786@yahoo.com,
shares@pioneerement.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board, we are pleased to present the directors' report for the period ended September 30, 2020.

The Cement Sector

During recent months, the industry has witnessed increased cement consumption in local market. After the restoration of routine business and economic activities, the cement demand is on the rise. As part of industry, we are of the opinion that this upward trajectory will continue in future driven by multiple tax incentives offered to construction industry, Naya Pakistan Housing Program and increased development expenditures committed by Government of Pakistan.

Business Performance

A comparative summary of production and sales volumes is given below:

	First Quarter		(Tons)	
	FY 2020	FY 2019	Variance	%
Production				
Cement	689,730	344,560	345,170	100.18
Cement Sales				
Domestic	691,971	347,193	344,778	99.30
Exports	7,316	6,538	778	11.90
Total Sales	699,287	353,731	345,556	97.69

After the completion of new production line, production and sale volumes of your Company have doubled. During the period under review, your Company produced 689,730 tons cement compared to 344,560 tons produced during SPLY, an increase of 100.18%. Total dispatches of 699,287 tons included 691,971 tons of local and 7,316 tons of exports registering a growth of 99.30% and 11.90% respectively.

Financial Performance

The summarized financial results are given below:

Particulars	First Quarter		(Rs. in million)	
	FY 2020	FY 2019	Variance-fav/(un-fav)	%
Net sales	3,992.30	1,871.04	2,121.26	113.37
Cost of sales	3,685.60	1,837.31	(1,848.29)	(100.60)
Gross profit	306.70	33.72	272.97	809.55
Operating profit / (loss)	363.39	(64.11)	427.50	666.82
Finance cost	(429.42)	(92.97)	(336.45)	(361.89)
Loss before taxation	(66.03)	(157.08)	91.05	57.96
Loss after taxation	(39.58)	(185.41)	145.83	78.65
Loss per share (Rupees)	(0.17)	(0.82)	0.65	78.65

Net sales for the current period amounted to Rs. 3,992.30 million (September 2019: Rs. 1,871.04 million) registering an increase of 113.37% supported by increase in total dispatches by 345,556 tons and increase of average net sale price to Rs. 5,709 per ton (September 2019: Rs. 5,289 per ton).

During the period under review, cost of sale has increased to Rs. 3,685.60 million (September 2019: Rs. 1,837.31 million) consisting fuel and power cost of Rs. 2,470.91 million (September 2019: Rs. 1,305.92 million), raw material cost of Rs. 321.20 million (September 2019: Rs. 161.71 million) and packing material cost of Rs. 393.77 million (September 2019: Rs. 204.70 million). Gross profit for the period under review amounted to Rs. 306.70 million; an increase of Rs. 272.97 million over corresponding period.

After deduction of operational expenses and adjustment of other income for the quarter under review, operating profit amounted to Rs. 363.39 million (September 2019: loss of Rs. 64.11 million). Finance cost for the period has increased to Rs. 429.42 million, as the major chunk of borrowing cost incurred on expansionary loans has been charged to statement of profit or loss.

Subsequent to the quarter end, 12 MW Waste Heat Recovery Plant has started power generation whereas power generation from 24 MW Coal Power Plant shall start during second quarter of current financial year.

Board of Directors

The composition of Board of Directors and its committees 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. Mohammed 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	Mr. Sajid Feroze	CEO

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. Mohammed Aftab Alam	Member

HR & Remuneration Committee

Sr. #	Name	Composition
1	Mr. Shafiuddin Ghani Khan	Chairman
2	Mr. Aly Khan	Member
3	Ms. Aleeya Khan	Member
4	Mr. Mohammed Aftab Alam	Member
5	Mr. Sajid Feroze	CEO

Directors' Remuneration


Remuneration Policy for Directors is approved by the Board of Directors. All the directors excluding CEO are entitled to a meeting fee of Rs. 30,000 per meeting attended.


The breakup of remuneration paid to the Chief Executive is disclosed in note 19 of these financial statements.

Acknowledgement:

The Board acknowledges the assistance and cooperation of all stakeholders including financial institutions, customers, creditors, government departments and all others who strengthened the Company. The Board also places on record its gratitude for the dedication of employees of the Company.

For and on behalf of the Board.


Sajid Feroze
Chief Executive Officer
October 29, 2020
Lahore


Aly Khan
Chairman
October 29, 2020
Lahore

ایچ آر اینڈ ریویو نیشن کمیٹی

۱۔ جناب شفیع الدین غنی خان	چئیرمین
۲۔ جناب علی خان	ممبر
۳۔ محترمہ عالیہ خان	ممبر
۴۔ جناب محمد آفتاب عالم	ممبر
۵۔ جناب ساجد فیروز	ممبر

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز کی منظور کردہ معاوضے کی پالیسی کے مطابق ہر ڈائریکٹر کو فی مہینہ 30,000 روپے دیئے جاتے ہیں۔ چیف ایگزیکٹو کو ملنے والے معاوضے کی تفصیل مالی گوشواروں کے اشارہ 19 میں درج ہے۔

اعتراف

بورڈ تمام پیش کنندگان بشمول مالیاتی اداروں، صارفین، قرض دہندگان، سرکاری محکموں اور کمپنی کو مضبوط بنانے والے تمام دیگر کی امداد اور تعاون کو تسلیم کرتا ہے۔ بورڈ کمپنی کے ملازمین کی محنت اور لگن پر ان کا شکریہ ادا کرتا ہے۔

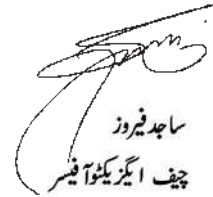


علی خان

چئیرمین بورڈ آف ڈائریکٹرز

29 اکتوبر 2020

لاہور



ساجد فیروز

چیف ایگزیکٹو آفیسر

29 اکتوبر 2020

لاہور

زیر نظر سہ ماہی کے اخراجات منہا کرنے اور اضافی آمدن کے انداج کے بعد کمپنی کا مجموعی منافع 363.39 ملین روپے رہا (ستمبر 2019: 64.11 ملین روپے خسارہ)۔ اس عرصہ کے مالیاتی اخراجات میں 429.42 ملین روپے تک اضافہ ہوا جس کی بڑی وجہ توسیعی قرضہ جات پر سود کی لاگت ہے جس کے بڑے حصے کو اس دفعہ آمدنی کے گوشواروں میں دکھایا گیا ہے۔

زیر غور سہ ماہی کے بعد 12MW ویسٹ ہیٹ ریکوری پلانٹ نے بجلی کی پیداوار شروع کر دی ہے جبکہ 24 MW کول پاور پلانٹ بھی دوسری سہ ماہی میں بجلی کی پیداوار شروع کر دے گا۔

بورڈ آف ڈائریکٹرز

کوڈ آف کارپوریٹ گورننس 2017 کے تحت کمپنی کے ڈائریکٹرز مندرجہ ذیل ہیں:

۱۔ جناب علی خان (چیرمین)	نان ایگزیکٹو
۲۔ محترمہ عالیہ خان	نان ایگزیکٹو
۳۔ جناب شفیع الدین غنی خان	انڈر سٹیڈنٹ
۴۔ جناب محمد آفتاب عالم	نان ایگزیکٹو
۵۔ مرزا علی حسن عسکری	نان ایگزیکٹو
۶۔ جناب جمال نسیم	انڈر سٹیڈنٹ
۷۔ جناب رفیق داؤد	انڈر سٹیڈنٹ
۸۔ جناب ساجد فیروز (چیف ایگزیکٹو)	ایگزیکٹو

آڈٹ کمیٹی

۱۔ جناب جمال 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

ڈائریکٹرز رپورٹ برائے حصص داران

بورڈ کی جانب سے ہم 30 ستمبر، 2020 کو ختم ہونے والی پہلی سہ ماہی کے حسابات کا جائزہ پیش کرتے ہیں۔

سیمنٹ سیکٹر

حالیہ مہینوں کے دوران مقامی منڈی میں سیمنٹ کی کھپت میں نمایاں اضافہ دیکھا گیا۔ معمول کے کاروبار اور معاشی سرگرمیوں کی بحالی کے بعد سیمنٹ کی مانگ میں اضافہ ہوا ہے۔ صنعت کا ایک حصہ ہونے کے ناطے ہم سمجھتے ہیں کہ مستقبل میں بھی سیمنٹ کی مانگ اسی رفتار سے اوپر جائے گی۔ کیونکہ گورنمنٹ آف پاکستان نے تعمیراتی صنعت کو ٹیکسوں میں چھوٹ دی ہے اور نیا پاکستان ہاؤسنگ پروگرام کے اعلان کے ساتھ ساتھ ترقیاتی اخراجات میں اضافے کا وعدہ بھی کیا ہے۔

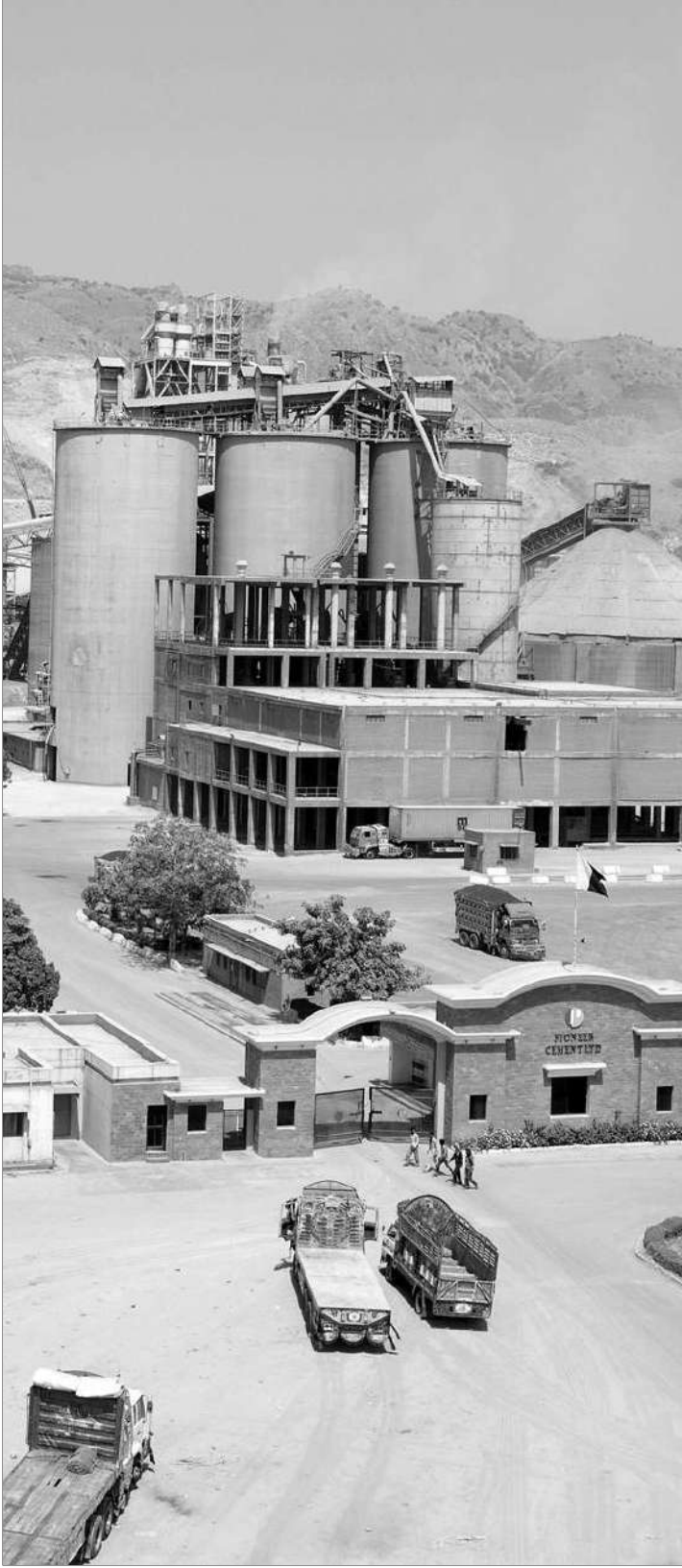
کاروباری کارکردگی

نئی پیداواری لائن کی تکمیل کے بعد آپ کی کمپنی کی پیداوار اور فروخت دوگنا ہو گئی ہے۔ زیر نظر عرصہ کے دوران آپ کی کمپنی نے 689,730 ٹن سیمنٹ پیدا کیا جبکہ گزشتہ سال اسی عرصہ کے دوران 344,560 ٹن سیمنٹ پیدا کیا گیا تھا۔ کل ترسیلات 699,287 ٹن زیادہ رہیں جن میں 691,971 ٹن مقامی اور 7,316 ٹن برآمدات شامل ہیں جو کہ تقابلی عرصہ کی نسبت بلترتیب 99.30% اور 11.90% کی شرح سے ترقی ہے۔

مالیاتی کارکردگی

زیر نظر عرصہ میں کمپنی نے خالص فروخت سے 3,992.30 ملین روپے حاصل کئے جبکہ ستمبر 2019 کے تقابلی عرصہ میں 1,871.04 ملین روپے حاصل کئے تھے جو کہ 113.37% کا اضافہ ظاہر کرتا ہے یہ ترقی کل ترسیلات میں 345,556 ٹن اضافے اور اوسط قیمت فروخت کے 5,709 روپے نی ٹن تک بڑھ جانے سے ممکن ہوا (ستمبر 2019: 5,289 روپے نی ٹن)۔

زیر نظر عرصہ کے دوران فروخت کی لاگت 3,685.60 ملین روپے تک بڑھ گئی (ستمبر 2019: 1,837.31 ملین روپے) جس میں ایندھن اور بجلی کی لاگت 2,470.91 ملین روپے (ستمبر 2019: 1,305.92 ملین روپے)، خام مال کی لاگت 321.20 ملین روپے (ستمبر 2019: 161.71 ملین روپے) جبکہ پیکنگ میٹریل کی لاگت 393.77 ملین روپے (ستمبر 2019: 204.70 ملین روپے) شامل ہے۔ مجموعی منافع 306.70 ملین روپے رہا جو کہ تقابلی عرصہ کی نسبت 272.97 ملین روپے زیادہ ہے۔



CONDENSED INTERIM FINANCIAL STATEMENTS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

Rupees in thousand	Note	September 30 2020 Un-audited	June 30 2020 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	41,599,303	41,557,935
Investment property		85,531	85,531
Long term deposits		64,922	64,922
		41,749,756	41,708,388
CURRENT ASSETS			
Stores, spare parts and loose tools	5	2,625,307	2,615,489
Stock in trade	6	349,737	418,089
Trade debts - unsecured		1,123,752	974,170
Loans and advances		1,136,859	855,637
Trade deposits and short term prepayments		15,337	2,306
Advance taxes - net		1,049,500	1,352,260
Other receivables		226	228
Short term investments	7	853,849	741,736
Cash and bank balances	8	350,283	366,214
		7,504,850	7,326,129
TOTAL ASSETS		49,254,606	49,034,517
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			
Share premium		197,517	197,517
Surplus on revaluation of fixed assets - net of taxes		2,693,544	2,711,132
Revenue			
Accumulated profits		7,926,099	7,948,088
		10,817,160	10,856,737
		13,088,649	13,128,226
LIABILITIES			
NON - CURRENT LIABILITIES			
Long term financing - secured	9	19,424,197	18,901,627
Long term deposits		12,237	4,237
Deferred grant		13,661	6,624
Deferred liabilities	10	1,755,202	1,837,831
Retention money		793,753	794,691
		21,999,050	21,545,010
CURRENT LIABILITIES			
Trade and other payables	11	5,271,957	5,101,747
Loan from related party	19	350,000	500,000
Contract Liability		128,161	110,053
Sales tax payable		166,504	-
Accrued interest / profit on financing	12	719,606	971,523
Short term borrowings - secured	13	5,610,839	5,892,041
Current portion of long term financing - secured	9	1,854,375	1,720,406
Unclaimed dividend		65,465	65,511
		14,166,907	14,361,281
TOTAL LIABILITIES		36,165,957	35,906,291
Contingencies and commitments	14	-	-
TOTAL EQUITY AND LIABILITIES		49,254,606	49,034,517

The annexed notes from 1 to 21 form an integral part of these interim financial statements.


Chief Financial Officer


Chief Executive Officer


Chairman

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

Rupees in thousand	Note	September 30	
		2020	2019
		Un-audited	
Revenue from contracts with customers	15	3,992,295	1,871,035
Cost of sales	16	(3,685,598)	(1,837,312)
Gross profit		306,697	33,723
Distribution cost		(35,077)	(44,311)
Administrative expenses		(29,054)	(29,931)
Other income		120,827	11,861
Other expenses		-	(35,452)
		56,696	(97,833)
Operating profit / (loss)		363,393	(64,110)
Finance cost		(429,419)	(92,971)
Loss before taxation		(66,026)	(157,081)
Taxation		(26,449)	28,328
Loss after taxation		(39,577)	(185,409)
Loss per share - basic and diluted (Rs.)	17	(0.17)	(0.82)

The annexed notes from 1 to 21 form an integral part of these interim financial statements.


Chief Financial Officer


Chief Executive Officer


Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

Rupees in thousand	September 30	
	2020	2019
	Un-audited	
Loss after taxation	(39,577)	(185,409)
Other comprehensive income:		
Items that may be subsequently reclassified to statement of profit or loss	-	-
Items that will not be reclassified to statement of profit or loss subsequently	-	-
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	(39,577)	(185,409)

The annexed notes from 1 to 21 form an integral part of these interim financial statements.


Chief Financial Officer


Chief Executive Officer


Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

Rupees in thousand		September 30	
	Note	2020	2019
		Un-audited	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	18	801,123	313,951
Income tax paid		(117,995)	(108,509)
Workers' profit participation fund paid		-	(13,305)
Gratuity and compensated absences paid		(5,315)	(1,619)
Provident Fund paid		(3,398)	(4,817)
Decrease in long term deposits - net		-	(7,689)
		(126,707)	(135,938)
Net cash generated from operating activities		674,416	178,013
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures incurred		(249,338)	(1,750,246)
Net cash used in investing activities		(249,338)	(1,750,246)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained - net		663,576	96,079
(Decrease) / increase in short term borrowings		(431,202)	1,618,791
Finance cost paid		(681,336)	(93,096)
Increase in long term deposits		8,000	-
Dividend paid		(46)	(1,724)
Net cash (used in) / generated from financing activities		(441,008)	1,620,050
Net (decrease) / increase in cash and cash equivalents		(15,930)	47,817
Cash and cash equivalents at the beginning of the period		366,214	210,924
Cash and cash equivalents at the end of the period		350,283	258,740

The annexed notes from 1 to 21 form an integral part of these interim financial statements.


Chief Financial Officer


Chief Executive Officer


Chairman

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)**

Rupees in thousand	Issued, subscribed and paid-up capital	Reserves			Sub total	Total equity
		Capital		Revenue		
		Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profits		
Balance as at June 30, 2019 (audited)	2,271,489	197,517	2,816,077	8,036,260	11,049,854	13,321,343
Loss after taxation for the period	-	-	-	(185,409)	(185,409)	(185,409)
Surplus on revaluation of property, plant and equipment realised through incremental depreciation - net of tax	-	-	(34,115)	34,115	-	-
Balance as at September 30, 2019 - unaudited	2,271,489	197,517	2,781,962	7,884,966	10,864,445	13,135,934
Balance as at June 30, 2020 - audited	2,271,489	197,517	2,711,132	7,948,088	10,856,737	13,128,226
Loss after taxation for the period	-	-	-	(39,577)	(39,577)	(39,577)
Surplus on revaluation of property, plant and equipment realised through incremental depreciation - net of tax	-	-	(17,588)	17,588	-	-
Balance as at September 30, 2020 - unaudited	2,271,489	197,517	2,693,544	7,926,099	10,817,160	13,088,649

The annexed notes from 1 to 21 form an integral part of these interim financial statements.


Chief Financial Officer


Chief Executive Officer


Chairman

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (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 Ferozpur Road, Lahore. The Company's production facility is situated at Chenki, District Khushab in Punjab Province with the land area 2,429 kanals and 9 marlas.
- 1.2 The Company commenced its operations with installed cement capacity of 2,200 tons per day. During 2005, the capacity was optimized to 2,585 tons cement per day. In financial year 2006, another integrated production line with cement production capacity of 4,730 tons per day was completed, which started commercial operations from April 2006. In financial year 2020, the Company commenced production of a new state of the art integrated cement production line with an installed production capacity of 10,000 tons cement per day.
- 1.3 The Company completed installation of a new 12 MW Waste Heat Recovery power plant which started production subsequent to the period end. A new 24 MW Coal Fired Power Plant is also being installed at existing plant site and it is expected to start production in second quarter of financial year 2020-21.

2 STATEMENT OF COMPLIANCE

- 2.1 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 Standards IAS-34, Interim Financial reporting issued by IASB as notified under the Companies Act, 2017
- Provisions 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.

- 2.2 The condensed interim financial statements do not include all the information and disclosures required in an annual financial statements and should be read in conjunction with the financial statements for the year ended June 30, 2020.
- 2.3 The condensed interim financial statements have been prepared under the historical cost convention. These financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2020, except as follows.

New Standards, Interpretations and Amendments	
IFRS 14	Regulatory Deferral Accounts
IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
IFRS 9	Prepayment Features with Negative Compensation — (Amendments)
IAS 28	Long-term Interests in Associates and Joint Ventures — (Amendments)
IAS 19	Plan Amendment, Curtailment or Settlement — (Amendments)
IFRS 3	Business Combinations - Previously held Interests in a joint operation — (AIP)
IFRS 11	Joint Arrangements - Previously held Interests in a joint operation — (AIP)
IAS 12	Income Taxes - Income tax consequences of payments on financial instruments classified as equity — (AIP)
IAS 23	Borrowing costs eligible for capitalization (AIP)

Rupees in thousand		September 30 2020	June 30 2020
		Note	Un-audited Audited
4	PROPERTY, PLANT AND EQUIPMENT		
	Operating property, plant and equipment	4.1	34,461,786 34,650,824
	Capital work in progress	4.2	7,137,517 6,907,111
			41,599,303 41,557,935
4.1	Operating fixed assets		
	Opening book value		34,650,824 11,053,352
	Additions for the period / year - net	4.1.1	18,932 24,022,740
	Depreciation for the period / year		(207,970) (425,268)
			34,461,786 34,650,824
4.1.1	Additions for the period / year - net		
	Plant and machinery		18,364 23,332,035
	Furniture and fixtures		480 634
	Office and other equipment		88 6,054
	Factory buildings		- 681,964
	Computers and accessories		- 2,053
			18,932 24,022,740
4.2	Capital Work in Progress		
	Opening balance		6,907,111 25,053,163
	Additions during the period / year		230,406 5,794,842
	Transferred to operating fixed assets during the period / year		- (23,940,894)
	Closing balance	4.2.1	7,137,517 6,907,111
4.2.1	Represented by:		
	Cement plant, waste heat recovery and coal power plant including civil work		6,345,336 6,152,067
	Office premises under construction		676,051 625,843
	Other plant and machinery items		93,460 93,460
	Other civil works		22,670 35,741
			7,137,517 6,907,111

Rupees in thousand		September 30 2020 Un-audited	June 30 2020 Audited
5	STORES, SPARE PARTS AND LOOSE TOOLS		
	Stores	565,556	536,649
	Spare parts	1,831,716	1,856,839
	Loose tools	15,339	15,435
	A	2,412,611	2,408,923
	In transit		
	Spare parts in transit	86,480	7,679
	Imported coal in transit	170,149	242,820
	B	256,629	250,499
	Provision for slow moving stores, spare parts and loose tools	C	(43,933)
	A+B+C	2,625,307	2,615,489
6	STOCK IN TRADE		
	Raw material	29,979	51,432
	Packing material	28,117	47,716
	Work in process	262,546	239,397
	Finished goods	29,095	79,544
		349,737	418,089
7	SHORT TERM INVESTMENTS		
	Fair Value Through Profit or Loss:		
	- Investments with Shariah compliant funds		
	NBP Islamic Stock Fund		
	22,977,008 Units (June 30, 2020: 22,977,008)	256,678	217,438
	Meezan Islamic Fund		
	4,004,681 Units (June 30, 2020: 4,004,681)	219,846	186,964
	Meezan Balance Fund		
	11,443,064 Units (June 30, 2020: 11,443,064)	170,803	156,926
	Meezan Assets Allocation Fund		
	3,520,814 Units (June 30, 2020: 3,520,814)	146,390	128,708
	KSE Meezan Index Fund		
	913,849 Units (June 30, 2020: 913,849)	57,229	48,811
	Meezan Islamic Income fund		
	12,253 Units (June 30, 2020: 12,253)	643	631
	A	851,589	739,478
	- Investments with conventional funds		
	NBP Money Market Fund		
	227,118 Units (June 30, 2020: 227,118)	2,246	2,244
	NBP Government Securities Liquid Fund		
	1,413 Units (June 30, 2020: 1,413)	14	14
	B	2,260	2,258
	A+B	853,849	741,736
8	CASH AND BANK BALANCES		
8.1	This includes sales collection in process (cheques in hand) amounting to Rs. 106.23 million (June 30, 2020: Rs. 129.98 million).		

Rupees in thousand		September 30 2020	June 30 2020
	Note	Un-audited	Audited
9 LONG TERM FINANCING - SECURED			
ISLAMIC BANK			
Meezan Bank Limited - I	9.1	450,000	450,000
Meezan Bank Limited - II	9.1	375,000	375,000
Meezan Bank Limited - Syndicate	9.1	2,592,831	2,592,831
		3,417,831	3,417,831
Current portion		(281,250)	(187,500)
	A	3,136,581	3,230,331
NATIONAL BANK OF PAKISTAN			
Syndicate I			
Conventional Component	9.1	12,999,740	12,999,740
Islamic Component	9.1	1,999,960	1,999,960
		14,999,700	14,999,700
Current portion		(1,500,000)	(1,500,000)
		13,499,700	13,499,700
Syndicate II			
Conventional Component	9.1	2,081,000	2,081,000
		15,580,700	15,580,700
Bilateral facility	9.2	600,000	-
	B	16,180,700	15,580,700
JS BANK			
Opening balance		123,502	-
Additions during the period / year		63,648	129,930
Deferred grant - net		(10,303)	(6,624)
Interest cost		3,194	196
Term Finance - under refinance scheme for payroll financing	9.1	180,041	123,502
Current portion		(73,125)	(32,906)
	C	106,916	90,596
Total	A+B+C	19,424,197	18,901,627

9.1 There is no change in the terms disclosed in financial statements for the year ended June 30, 2020.

9.2 During the period, the Company obtained bilateral facility of Rs. 2.1 billion during the year, to finance the construction of line 3 support buildings. This facility carries markup at 6 months KIBOR + 1.5% per annum payable quarterly in arrears whereas the principal is payable in seven years including a grace period of one year. This facility is secured by way of pari passu charge over all present and future fixed assets of the Company excluding existing Waste heat recovery power plant, Cement grinding mills, Cement grinding up gradation project and 24 MW Coal power plant with 25% margin.

Rupees in thousand		September 30 2020	June 30 2020
	Note	Un-audited	Audited
10	DEFERRED LIABILITIES		
	Deferred tax liability	1,600,510	1,687,444
	Gratuity - vested contractual employees	154,691	150,387
		1,755,201	1,837,831
11	TRADE AND OTHER PAYABLES		
	Creditors	2,931,969	2,657,044
	Excise duty on cement	1,429,717	1,620,026
	Accrued expenses	658,863	673,775
	Royalty and excise duty	69,843	50,767
	Withholding tax payable	93,425	26,321
	Employees' compensated absences	48,401	49,408
	Deposits	25,558	24,044
	Others	14,181	362
		5,271,957	5,101,747
12	ACCRUED INTEREST / PROFIT ON FINANCING		
	ISLAMIC BANKS		
	Long term financing	231,774	198,464
	Short term borrowings	48,637	51,525
		A	280,411
	CONVENTIONAL BANKS		
	Long term financing	373,448	611,772
	Short term borrowings	65,747	109,762
		B	721,534
		A+B	971,523
13	SHORT TERM BORROWINGS - secured		
	ISLAMIC BANK		
	Meezan Bank Limited - Running		
	Musharaka/ Murabaha	13.1	614,050
	Meezan Bank Limited - Salam	13.1	839,089
	CONVENTIONAL BANKS		
	National Bank of Pakistan	13.1	996,078
	Bank Al Habib Ltd	13.1	791,980
	Habib Bank Limited	13.1	697,700
	MCB Bank Ltd	13.1	495,600
	Allied Bank Limited	13.1	484,481
	United Bank Limited	13.1	397,837
	JS Bank Limited	13.1	294,024
	Banks overdrawn		-
			98,708
		4,157,700	4,497,066
		5,610,839	5,892,041

13.1 There is no change in the terms disclosed in financial statements for the year ended June 30, 2020.

14 CONTINGENCIES AND COMMITMENTS

14.1 There is no significant change in the contingencies as disclosed in the financial statements for the year ended June 30, 2020.

14.2 Commitments in respect of outstanding letters of credit amount to Rs.724.23 million (June 30,2020 Rs.550.75 million). It includes letter of credit facilities for the procurement of new cement production plant, WHR and Coal power plant aggregating to USD 0.39 million (June 30, 2020: USD 0.46 million). Commitments in respect of issued letters of guarantees favouring Collector of Customs, Karachi amount to Rs.17.57 million (June 30, 2020: Rs.10.61 million).

14.3 Contracts for capital expenditure amounts to Rs. 1,659.63 million (June 30, 2020: Rs. 1,748.39 million).

Rupees in thousand	September 30	
	2020	2019
	Un-audited	
15 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
Sales - gross	6,107,663	3,111,963
Less:		
Sales tax	1,025,495	534,628
Federal Excise duty	1,037,955	694,388
Commission	44,727	8,306
Discount and rebate	7,191	3,606
	2,115,368	1,240,928
Total revenue from contracts with customers - net	3,992,295	1,871,035
16 COST OF SALES		
Raw material consumed	321,198	161,705
Packing material consumed	393,769	204,701
Fuel and power	2,470,907	1,305,917
Stores and spare parts consumed	27,341	38,862
Salaries, wages and benefits	161,749	95,162
Insurance	15,083	2,449
Repairs and maintenance	23,178	12,009
Depreciation	205,263	111,751
Other manufacturing expenses	39,810	19,736
Total manufacturing cost	3,658,298	1,952,292
Work in process		
Opening balance	239,397	201,136
Closing balance	(262,546)	(337,516)
	(23,149)	(136,380)
Cost of goods manufactured	3,635,149	1,815,912
Finished goods		
Opening balance	79,544	65,921
Closing balance	(29,095)	(44,521)
	50,449	21,400
	3,685,598	1,837,312
17 LOSS PER SHARE - basic and diluted		
Loss after taxation (Rupees in '000)	(39,577)	(185,409)
Weighted average number of ordinary shares in issue ('000)	227,149	227,149
Loss per share - basic and diluted - (Rs)	(0.17)	(0.82)

Rupees in thousand	September 30	
	2020	2019
	Un-audited	
18 CASH GENERATED FROM OPERATIONS		
Loss before taxation	(66,026)	(157,081)
Adjustment for non cash and other items:		
Depreciation	207,970	135,251
Provision for gratuity and compensated absences	8,613	12,425
Finance cost	429,419	92,971
Unrealized (gain) / loss on investments	(112,111)	34,879
	533,891	275,526
Cash flows before working capital changes	467,865	118,445
Movement in working capital (Increase) / decrease in current assets		
Stores, spare parts and loose tools	(9,818)	(874,261)
Stock in trade	68,352	(95,397)
Trade debts	(149,582)	(53,365)
Loans and advances	(281,222)	(38,983)
Trade Deposits and short term prepayments	(13,031)	(898)
Sales tax receivable	526,773	108,161
Other receivables	2	100
	141,474	(954,643)
Increase / (decrease) in current liabilities		
Trade and other payables	174,614	1,042,133
Contract liability	18,108	-
Retention money	(938)	108,016
Cash generated from operations	801,123	313,951

19 TRANSACTIONS WITH RELATED PARTIES

19.1 The related parties include major shareholders of the Company, entities having directors in common with the Company, directors of the Company, other key management personnel, employees benefit plans and Workers' Profit Participation Fund. Transactions with related parties, other than transactions with such parties disclosed elsewhere in these financial statements, are as under:

Rupees in thousand		September 30	
Relationship with Company	Nature of Transaction	2020	2019
		Un-audited	
Common Directorship	Loan repayment to related party	150,000	-
Key management personnel excluding CEO	Remuneration	48,610	40,730
Payments to WPPF	Remuneration	7,940	6,850
Staff retirement contribution plan	Payments to WPPF	-	13,305
	Contribution to staff provident fund	3,398	4,817

Rupees in thousand	September 30 2020 Un-audited	June 30 2020 Audited
Balances		
Loan from related party	350,000	500,000

20 DATE OF AUTHORIZATION FOR ISSUE

These interim financial statements were authorized for issue on 29 October 2020 by the Board of directors of the Company.

21 GENERAL

- The figures of the corresponding period / year have been rearranged wherever necessary. However, there were no material classifications to report.
- Figures have been rounded off to the nearest thousand rupees unless otherwise stated.


Chief Financial Officer


Chief Executive Officer


Chairman



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