



THIRD  
QUARTER  
REPORT  
MARCH 31, 2022

ENDURING  
**STRENGTH**





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

- Mr. Aly Khan (Chairman)
- Syed Mazher Iqbal (CEO)
- Ms. Aleeya Khan
- Mr. Shafiuddin Ghani Khan
- Mr. Mohammed Aftab Alam
- Mirza Ali Hasan 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
- Syed Mazher Iqbal (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
- Bank Islami Pakistan
- Dubai Islamic Bank
- First Credit and Investment Bank
- Habib Bank Limited
- JS Bank Limited
- Meezan Bank Limited
- MCB Bank Limited
- National Bank of Pakistan
- Samba Bank
- 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  
Tel: +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

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@pioneercement.com

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Directors of your Company are pleased to present financial statements for the nine months ended March 31, 2022.

### The Cement Sector

During the period under review, cement industry made dispatches of 40.82 million tons compared to 43.33 million tons dispatched during the same period last year (SPLY). It comprised of 36.17 million tons of local dispatches (SPLY: 36.18 million tons) and 4.64 million tons of exports (SPLY: 7.15 million tons).

### The Company

During the period under review, the Company's local sale volumes were 2,565,388 tons; recording a modest growth of 2.60% over SPLY. In line with the demand, cement production during the period also increased to 2,549,559 tons.

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

	Jul-Mar		(Tons)	
	FY 2022	FY 2021	Variance	%
<b>Production</b>				
Cement	<b>2,549,559</b>	2,534,472	15,087	0.60
<b>Cement Sales</b>				
Domestic	<b>2,565,388</b>	2,500,276	65,112	2.60
Exports	-	12,222	(12,222)	(100.0)
<b>Total</b>	<b>2,565,388</b>	2,512,498	52,890	2.11

A summary of key financial results for the current period along with comparative is as follows:

Particulars	Jul-Mar		(Rs. in million)	
	FY 2022	FY 2021	Variance	%
Net sales	<b>22,539.38</b>	15,641.00		44.10
Cost of sales	<b>17,649.71</b>	12,952.18		36.27
Gross profit	<b>4,889.67</b>	2,688.81		81.85
GP margin	<b>21.69%</b>	17.19%		-
Operating profit	<b>4,482.47</b>	2,634.95		70.12
Operating profit margin	<b>19.89%</b>	16.85%		-
Profit before taxation	<b>2,545.30</b>	1,307.37		94.69
Profit after taxation	<b>1,628.54</b>	1,293.02		25.95
PAT margin	<b>7.23%</b>	8.27%		-

During the period under review, your Company generated net revenue of Rs. 22,539.38 million, an increase of 44.10% over SPLY. Improved local net sale price of Rs. 8,786 per ton (SPLY: Rs. 6,232 per ton) coupled with 2.60% increase in quantitative local dispatches have led to massive topline growth of 44.10%.

Cost of sales for the period under review increased by Rs. 4,697.53 million (36.27% increase over SPLY). This increase is attributable to higher input costs, mainly on account of hike in energy prices globally, and is also induced by 2.11 % volumetric growth. To mitigate the adverse impact of increased energy cost, management substituted costlier imported coal with cost-effective local and Afghan-origin coal and has also placed maximum reliance on captive power generation plants.

Above-mentioned factors have resulted in overall improvement in gross margins for the period under review to clock in at Rs. 4,889.67 million (21.69% of net sales) compared to Rs. 2,688.81 million (17.19% of net sales) during SPLY. Finance cost for the period under review increased to Rs. 1,937.17 million: an increase of Rs. 609.59 million which is mainly caused by higher utilization level of working capital facilities and increase in policy rate by SBP. Moreover, finance cost for the current period also includes charge for financing facilities obtained for installation of power plants, which during the comparative period was capitalized as borrowing cost. After deducting tax charge of Rs. 916.76 million, Profit after tax (PAT) for the period under review amounted to Rs. 1,628.54 million (PAT margin: 7.23%) compared to Rs. 1,293.02 million earned in SPLY (PAT margin: 8.28%) resulting into EPS of Rs. 7.17 (SPLY: Rs. 5.69 per share).

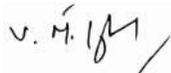
#### **Future Outlook**

We expect cement demand to remain stable in future considering the construction and business activities. However, political uncertainty and higher energy & commodity prices in international markets may continue to pose a challenge for operational profitability. Substitution to the cheap alternative energy sources and production efficiencies shall remain pivotal for the industry to remain competitive.

#### **Acknowledgement**

The Board acknowledges the assistance and cooperation of all stakeholders including financial institutions, customers, creditors, government departments, employees and all others who strengthened the Company.

For and on behalf of the Board.



**Syed Mazher Iqbal**  
Chief Executive Officer  
April 29, 2022  
Lahore



**Aly Khan**  
Chairman  
April 29, 2022  
Lahore

1,937.17 ملین روپے رہی جو کہ گزشتہ عرصہ کے مقابلے میں 609.59 ملین روپے زیادہ ہے جس کی بڑی وجہ سٹیٹ بینک کی جانب سے شرح سود میں اضافہ ہے۔ موجودہ عرصہ کے مالی اخراجات میں پاور پلانٹ کی تعمیر کی مالی معاونت کے لئے حاصل کردہ قرضوں پر مالی لاگت بھی شامل ہے جبکہ گزشتہ سال اسی عرصہ میں ان اخراجات کو پراجیکٹ کی تعمیر کی لاگت کا حصہ بنایا گیا تھا۔ 916.76 ملین روپے ٹیکس منہا کرنے کے بعد منافع 1,628.54 ملین روپے رہا جو کہ گزشتہ سال اسی عرصہ میں 1,293.02 ملین روپے تھا جس کے نتیجے میں فی حصص آمدن 7.17 روپے رہی جو کہ گزشتہ سال اسی عرصہ میں 5.69 روپے تھی۔

### مستقبل کا نقطہ نظر

ہمیں توقع ہے کہ آنے والے سالوں میں تعمیراتی صنعت اور کاروباری سرگرمیوں میں اضافے کی وجہ سے سینٹ کی صنعت کو سہارا ملے گا۔ تاہم ملک میں سیاسی غیر یقینی اور عالمی منڈی میں بڑھتی ہوئی توانائی اور اشیاء کی قیمتوں کی وجہ سے منافع پر برے اثرات ہو سکتے ہیں۔ متبادل توانائی کے دوسرے ذرائع کے استعمال اور پیداوار میں بہتری جیسے اقدامات سینٹ کی صنعت کے لئے معاون ثابت ہوں گے۔

### اظہار تشکر

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

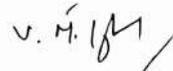


علی خان

چئیرمین

29 اپریل 2022

لاہور



سید مظہر اقبال

چیف ایگزیکٹو آفیسر

29 اپریل 2022

لاہور

## ڈائریکٹرز رپورٹ برائے حصص داران

آپ کی کمپنی کے ڈائریکٹران 31 مارچ، 2022 کو ختم ہونے والے عرصہ کے حسابات کا جائزہ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### سینٹ سیکلر

زیر نظر عرصہ کے دوران سینٹ کی صنعت نے 40.82 ملین ٹن ترسیلات کیں جبکہ پچھلے سال اسی عرصہ کے دوران 43.3 ملین ٹن ترسیلات کی گئی تھیں۔ ان ترسیلات میں 36.17 ملین ٹن کی مقامی ترسیلات (گزشتہ سال 36.18 ملین ٹن) اور 4.64 ملین ٹن کی برآمدات (گزشتہ سال 7.15 ملین ٹن) شامل ہیں۔

### کمپنی کی کارکردگی

کمپنی کی زیر نظر عرصہ کے دوران سینٹ کی مقامی فروخت کا حجم 2,565,388 ٹن رہا جو کہ گزشتہ سال اسی عرصہ کے مقابلے میں %2.60 زیادہ ہے جبکہ سینٹ کی پیداوار 2,549,559 ٹن رہی۔

موجودہ عرصہ کے دوران کمپنی کی خالص آمدنی 22,539.38 ملین روپے رہی جو کہ پچھلے سال اسی عرصہ کے مقابلے میں %44.10 زیادہ ہے۔ یہ اضافہ 8,786 روپے فی ٹن کی بہتر قیمت فروخت (گزشتہ سال 6,232 روپے فی ٹن) اور مقامی منڈی میں مقدراری ترسیلات میں اضافہ کی وجہ سے ہوا۔

رواں سال زیر نظر عرصہ کے دوران فروخت کی لاگت میں 4,697.53 ملین روپے اضافہ ہوا جو کہ پچھلے سال سے %36.27 زیادہ ہے۔ بنیادی طور پر یہ اضافہ دنیا میں توانائی کی بڑھتی ہوئی قیمتوں کی وجہ سے ہوا۔ توانائی کی قیمتوں کے منفی اثرات کو کم کرنے کے لئے انتظامیہ نے مہنگے درآمدی کولے کی بجائے کم قیمت مقامی اور افغانی کولے کے استعمال کو ترجیح دی ہے۔

متذکرہ بالا عوامل کی وجہ سے مجموعی منافع 4,889.67 ملین روپے رہا (خالص فروخت کا %21.69) جو کہ گزشتہ سال اسی عرصہ کے دوران 2,688.81 ملین روپے تھا (خالص فروخت کا %17.19)۔ زیر نظر عرصہ کے دوران مالیاتی لاگت



**Condensed  
Interim Financial  
Statements**

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

Rupees in thousand	Note	March 31, 2022 Un-audited	June 30, 2021 Audited
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	42,703,470	42,945,194
Investment property		88,450	88,450
Long-term deposits		73,191	64,714
		<b>42,865,111</b>	43,098,358
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		4,177,635	3,080,234
Stock-in-trade	8	562,662	658,882
Trade debts - unsecured		1,417,437	1,333,978
Loans and advances		487,326	720,854
Trade deposits and short-term prepayments		7,864	7,048
Advance income tax - net		979,331	1,265,134
Other receivable		226	236
Short-term investments	9	926,795	978,738
Cash and bank balances		518,662	337,437
		<b>9,077,938</b>	8,382,541
		<b>51,943,049</b>	51,480,899
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital		3,500,000	3,500,000
Issued, subscribed and paid up capital		2,271,489	2,271,489
<b>Reserves</b>			
<b>Capital</b>			
Share premium		197,517	197,517
Surplus on revaluation of property, plant and equipment - net of tax		2,570,946	2,618,157
<b>Revenue</b>			
Accumulated profits		11,687,875	10,012,127
		<b>14,456,338</b>	12,827,801
		<b>16,727,827</b>	15,099,290
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing - secured	10	14,276,242	16,794,355
Long-term deposits		42,334	44,334
Deferred grant		786	5,868
Deferred liabilities		2,251,360	1,751,696
Retention money		811,559	802,746
		<b>17,382,281</b>	19,398,999
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	5,360,353	5,422,385
Loan from related party		350,000	350,000
Contract liabilities		119,879	119,792
Sales tax payable - net		494,024	457,180
Accrued interest / profit on financing	12	877,520	575,086
Short-term borrowings - secured	13	5,859,856	5,257,251
Current portion of long-term financing - secured	10	4,710,476	4,739,973
Unclaimed dividend		60,833	60,943
		<b>17,832,941</b>	16,982,610
<b>TOTAL LIABILITIES</b>		<b>35,215,222</b>	36,381,609
<b>CONTINGENCIES AND COMMITMENTS</b>	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>51,943,049</b>	51,480,899

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

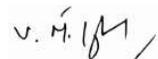
## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE NINE MONTHS ENDED MARCH 31, 2022 (UN-AUDITED)

Rupees in thousand	Nine Months Ended		Quarter Ended	
Note	March 31,		March 31,	
	2022	2021	2022	2021
<b>Revenue from contracts with customers - gross</b>				
Cement - Local	31,769,738	23,506,333	10,767,981	9,285,262
Cement - Export	-	59,950	-	8,258
	<b>31,769,738</b>	23,566,283	<b>10,767,981</b>	9,293,520
Less:				
Sales tax	(5,184,168)	(3,968,176)	(1,759,610)	(1,557,610)
Federal excise duty	(3,848,082)	(3,750,416)	(1,215,042)	(1,384,923)
Commission	(194,169)	(177,656)	(81,993)	(69,286)
Discount and rebate	(3,939)	(29,039)	16,596	(11,313)
	<b>(9,230,358)</b>	(7,925,287)	<b>(3,040,049)</b>	(3,023,132)
<b>Revenue from contracts with customers - net</b>	<b>22,539,380</b>	15,640,996	<b>7,727,932</b>	6,270,388
Cost of sales	15 (17,649,709)	(12,952,183)	(6,078,138)	(4,720,759)
<b>Gross profit</b>	<b>4,889,671</b>	2,688,813	<b>1,649,794</b>	1,549,629
Distribution cost	(84,980)	(101,711)	(27,704)	(33,800)
Administrative expenses	(99,115)	(94,002)	(30,700)	(34,110)
Other operating expenses	(250,230)	(97,600)	(78,394)	(72,001)
Other operating income	27,128	239,452	8,534	41,148
	<b>(407,197)</b>	(53,861)	<b>(128,264)</b>	(98,763)
Operating profit	<b>4,482,474</b>	2,634,952	<b>1,521,530</b>	1,450,866
Finance cost	(1,937,174)	(1,327,579)	(764,391)	(488,895)
<b>Profit before taxation</b>	<b>2,545,300</b>	1,307,373	<b>757,139</b>	961,971
Taxation	(916,763)	(14,355)	(271,831)	(275,464)
<b>Profit after taxation</b>	<b>1,628,537</b>	1,293,018	<b>485,308</b>	686,507
Earnings per share - basic and diluted (Rupees)	<b>7.17</b>	5.69	<b>2.14</b>	3.02

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

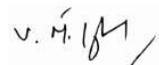
  
Chairman

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE NINE MONTHS ENDED MARCH 31, 2022 (UN-AUDITED)

Rupees in thousand	Nine Months Ended		Quarter Ended	
	March 31, 2022	2021	March 31, 2022	2021
Profit after taxation	<b>1,628,537</b>	1,293,018	<b>485,308</b>	686,507
<b>Other comprehensive income</b>				
Items that may be reclassified to profit or loss in subsequent periods (net of tax):	-	-	-	-
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):	-	-	-	-
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,628,537</b>	1,293,018	<b>485,308</b>	686,507

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

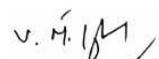
  
Chairman

**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
FOR THE NINE MONTHS ENDED MARCH 31, 2022 (UN-AUDITED)

Rupees in thousand		<b>Nine Months Ended</b>	
	Note	<b>March 31,</b>	<b>2021</b>
		<b>2022</b>	<b>Un-audited</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	16	<b>4,584,005</b>	4,315,958
Income tax paid		<b>(146,915)</b>	(406,340)
Workers' profit participation fund paid		<b>(30,152)</b>	-
Workers' welfare fund paid		-	-
Gratuity and compensated absences paid		<b>(18,123)</b>	(11,969)
(Increase) / decrease in long-term deposits - net		<b>(10,477)</b>	9,655
<b>Net cash generated from operating activities</b>		<b>4,378,338</b>	3,907,304
<b>Cash flows from investing activities</b>			
Capital expenditures incurred		<b>(537,964)</b>	(2,151,803)
Proceeds from disposal of property, plant and equipment		<b>3,094</b>	2,339
Increase in retention money payable		<b>8,813</b>	7,728
<b>Net cash used in investing activities</b>		<b>(526,057)</b>	(2,141,736)
<b>Cash flows from financing activities</b>			
Long-term financing obtained		-	2,029,747
Long-term financing repaid		<b>(2,553,276)</b>	-
Short-term financing obtained		<b>39,452,908</b>	87,380,228
Short-term financing repaid		<b>(38,850,300)</b>	(89,283,653)
Finance cost paid		<b>(1,720,278)</b>	(1,743,388)
Dividend paid		<b>(110)</b>	(3,942)
<b>Net cash used in financing activities</b>		<b>(3,671,056)</b>	(1,621,008)
<b>Net increase in cash and cash equivalents</b>		<b>181,225</b>	144,560
<b>Cash and cash equivalents at the beginning of the period</b>		<b>337,437</b>	366,214
<b>Cash and cash equivalents at the end of the period</b>		<b>518,662</b>	510,774

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

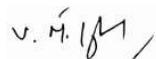
  
Chairman

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
FOR THE NINE MONTHS ENDED MARCH 31, 2022 (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 30 June 2020 (audited)	2,271,489	197,517	2,711,132	7,948,088	10,856,737	13,128,226
Profit after taxation for the period	-	-	-	1,293,018	1,293,018	1,293,018
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	1,293,018	1,293,018	1,293,018
Surplus on revaluation of property, plant and equipment realized through incremental depreciation - net of tax	-	-	(68,146)	68,146	-	-
<b>Balance as at 31 March 2021 - unaudited</b>	<b>2,271,489</b>	<b>197,517</b>	<b>2,642,986</b>	<b>9,309,252</b>	<b>12,149,755</b>	<b>14,421,244</b>
<b>Balance as at 30 June 2021 - audited</b>	<b>2,271,489</b>	<b>197,517</b>	<b>2,618,157</b>	<b>10,012,127</b>	<b>12,827,801</b>	<b>15,099,290</b>
Profit after taxation for the period	-	-	-	1,628,537	1,628,537	1,628,537
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	1,628,537	1,628,537	1,628,537
Surplus on revaluation of property, plant and equipment realized through incremental depreciation - net of tax	-	-	(47,211)	47,211	-	-
<b>Balance as at 31 March 2022 - unaudited</b>	<b>2,271,489</b>	<b>197,517</b>	<b>2,570,946</b>	<b>11,687,875</b>	<b>14,456,338</b>	<b>16,727,827</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2022 (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 09 February 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 of 2,429 kanals and 9 marlas.
- 1.2** The Company commenced its operations with an installed cement production capacity of 2,200 tons per day. During the year 2005, the capacity was optimized to 2,585 tons cement per day. In financial year 2006, another production line of 4,730 tons cement per day capacity was completed which started commercial operations from April 2006. During the financial year 2020, the Company completed the installation of another integrated cement plant with an installed cement production capacity of 10,000 tons per day which started commercial production in June 2020. During the year 2021, the Company completed the installation of 12 MW Waste Heat Recovery Power Plant and 24 MW Coal Power Plant.

### 2 BASIS OF PRESENTATION AND MEASUREMENT

- 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 Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
  - Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have followed.

- 2.2** The condensed interim financial statements do 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 30 June 2021.
- 2.3** These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.
- 2.4** The condensed interim financial statements have been prepared under the historical cost convention. These condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

### 3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended 30 June 2021.

#### 4 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 30 June 2021, except as follows:

##### 4.1 Standards, amendments or interpretations which became effective during the year

The Company has adopted the following amendments to standards and conceptual framework effective for annual period beginning on 01 January 2021. The adoption of these amendments and conceptual framework did not have an impact on these condensed interim financial statements. The Company has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### New Standards, Interpretations and Amendments

IFRS 3	Definition of a Business — (Amendments)
IAS 39, IFRS 9 and IFRS 7	Interest Rate Benchmark reform — (Amendments)
IAS 1 and IAS 8	Definition of Material — (Amendments)
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 — (Amendments)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2 — (Amendments)

The adoption of amendments applied for the first time in the year did not have any material impact on the financial statements of the Company.

#### 5 TAXATION, WORKERS' WELFARE AND WORKERS' PROFIT PARTICIPATION FUND

Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and Taxation are estimated based on management judgment and prevailing laws, these are subject to final adjustments in the annual audited financial statements.

Rupees in thousand		March 31, 2022	June 30, 2021
	Note	Un-audited	Audited

#### 6 PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment	6.1	<b>39,932,668</b>	40,660,329
Capital work-in-progress	6.2	<b>2,770,802</b>	2,284,865
		<b>42,703,470</b>	42,945,194

##### 6.1 Operating property, plant and equipment

Opening book value		<b>40,660,329</b>	34,650,824
Additions during the period / year	6.1.1	<b>138,139</b>	6,991,848
		<b>40,798,468</b>	41,642,672
Disposals during the period / year	6.1.2	-	(1,119)
Depreciation for the period / year		<b>(865,800)</b>	(981,224)
Closing book value		<b>39,932,668</b>	40,660,329

Rupees in thousand	Note	March 31, 2022 Un-audited	June 30, 2021 Audited
<b>6.1.1 Additions during the period / year</b>			
Freehold land		-	171,842
Factory building on freehold land		9,856	551,453
Plant and machinery		120,210	6,243,893
Office equipment		94	14,973
Furniture, fixture and equipment		216	1,914
Computers and accessories		523	542
Vehicles		7,240	7,231
		<b>138,139</b>	6,991,848

#### 6.1.2 Disposals during the period / year

Vehicles		-	1,119
Others		-	-
		-	1,119

#### 6.2 Capital work-in-progress

Opening balance		2,284,865	6,907,111
Additions during the period / year		485,937	2,262,274
Transferred to operating fixed assets		-	(6,884,520)
Closing balance	6.2.1	<b>2,770,802</b>	2,284,865

#### 6.2.1 Represented by

Infrastructure and support buildings under construction	6.2.2	1,695,253	1,439,272
Other plant and machinery items		96,048	96,048
Office premises under construction		939,189	705,772
Other civil works		40,312	43,773
Closing balance		<b>2,770,802</b>	2,284,865

**6.2.2** The amount of borrowing cost capitalized during the period amounts to Rs. 86.11 million (June 30, 2021: Rs. 458.29 million). The applicable financing rates for the under construction projects was 6M KIBOR plus 150 bps (30 June 2021: relevant KIBOR plus 20 bps - 175 bps).

Rupees in thousand	March 31, 2022 Un-audited	June 30, 2021 Audited
--------------------	---------------------------------	-----------------------------

#### 7 STORES, SPARE PARTS AND LOOSE TOOLS

Stores	1,587,493	687,866
Spare parts	2,304,337	2,053,315
Loose tools	17,227	53,561
	<b>3,909,057</b>	2,794,742
Stores in transit	312,511	329,425
	<b>4,221,568</b>	3,124,167
Provision for slow-moving stores and spare parts	(43,933)	(43,933)
	<b>4,177,635</b>	3,080,234

Rupees in thousand	<b>March 31, 2022 Un-audited</b>	June 30, 2021 Audited
<b>8 STOCK-IN-TRADE</b>		
Raw material	<b>103,959</b>	125,148
Packing material	<b>84,460</b>	76,982
Work-in-process	<b>204,601</b>	259,633
Finished goods	<b>169,642</b>	197,119
	<b>562,662</b>	658,882
<b>9 SHORT-TERM INVESTMENTS</b>		
<b>Fair value through profit or loss:</b>		
<b>- Investment with Shariah compliant funds</b>		
<b>Meezan Islamic Fund</b>		
Units 4,004,681 (June 30, 2021: 4,004,681)	<b>245,664</b>	253,801
<b>NBP Islamic Stock Fund</b>		
Units 23,222,138 (June 30, 2021: 23,222,138)	<b>276,780</b>	295,734
<b>KSE Meezan Index Fund</b>		
Units 913,849 (June 30, 2021: 913,849)	<b>63,138</b>	66,593
<b>Meezan Balance Fund</b>		
Units 11,443,064 (June 30, 2021: 11,443,064)	<b>184,268</b>	185,380
<b>Meezan Assets Allocation Fund</b>		
Units 3,520,814 (June 30, 2021: 3,520,814)	<b>153,716</b>	174,139
<b>Meezan Islamic Income fund</b>		
Units 12,944 (June 30, 2021: 12,944 )	<b>704</b>	666
	<b>924,270</b>	976,313
<b>- Investment with conventional funds</b>		
<b>ABL Government Securities Fund</b>		
Units 3,742 (June 30, 2021: 3,742)	<b>40</b>	38
<b>NBP Government Securities Liquid Fund</b>		
Units 1,557 (June 30, 2021: 1,488)	<b>16</b>	15
<b>NBP Money Market Fund</b>		
Units 249,133 (June 30, 2021: 239,644)	<b>2,469</b>	2,372
	<b>2,525</b>	2,425
	<b>926,795</b>	978,738

Rupees in thousand		<b>March 31,</b>	June 30,
	Note	<b>2022</b>	2021
		<b>Un-audited</b>	Audited
<b>10 LONG-TERM FINANCING - SECURED</b>			
<b>Meezan Bank Limited (MBL)</b>			
MBL Facility - I	10.1	<b>450,000</b>	450,000
MBL Facility - II	10.1	<b>281,250</b>	375,000
Payment during the period / year		<b>(281,250)</b>	(93,750)
		-	281,250
MBL Facility - III	10.1	<b>1,389,000</b>	1,389,000
MBL Facility - IV (Syndicate)	10.1	<b>2,592,831</b>	2,592,831
Payment during the period / year		<b>(259,283)</b>	-
		<b>2,333,548</b>	2,592,831
		<b>4,172,548</b>	4,713,081
<b>NATIONAL BANK OF PAKISTAN</b>			
<b>Syndicate I</b>			
Conventional Component (Syndicate I)	10.1	<b>11,699,752</b>	12,999,740
Islamic Component (Syndicate I)	10.1	<b>1,799,960</b>	1,999,960
Payment during the period / year		<b>(1,499,877)</b>	(1,500,000)
		<b>11,999,835</b>	13,499,700
<b>Syndicate II</b>			
Conventional Component		<b>2,081,000</b>	2,081,000
Payment during the period / year		<b>(348,123)</b>	-
		<b>1,732,877</b>	2,081,000
<b>Bilateral Facility</b>			
Payment during the period / year		<b>1,100,000</b>	1,100,000
		<b>(91,667)</b>	-
		<b>1,008,333</b>	1,100,000
<b>JS BANK LIMITED</b>			
Opening balance	10.1	<b>140,547</b>	123,502
Additions during the period / year		-	63,374
Payments during the period / year		<b>(73,077)</b>	(48,750)
Finance cost		<b>6,441</b>	12,988
Deferred grant - net		<b>(786)</b>	(10,567)
		<b>73,125</b>	140,547
		<b>18,986,718</b>	21,534,328
Accrued markup		<b>718,402</b>	495,753
		<b>19,705,120</b>	22,030,081
Less: Current portion of long term financing		<b>(4,710,476)</b>	(4,739,973)
Less: Accrued markup shown under current liabilities		<b>(718,402)</b>	(495,753)
		<b>14,276,242</b>	16,794,355

**10.1** There is no change in the terms of the facility as disclosed in note 21 to the financial statements for the year ended 30 June 2021.

Rupees in thousand	<b>March 31, 2022 Un-audited</b>	June 30, 2021 Audited
<b>11 TRADE AND OTHER PAYABLES</b>		
..... Creditors	<b>3,599,697</b>	3,192,161
..... Accrued expenses	<b>556,904</b>	610,588
..... Deposits	<b>17,661</b>	3,767
..... Employees' compensated absences	<b>57,946</b>	56,540
..... Workers' profit participation fund	<b>143,439</b>	30,152
..... Workers' welfare fund	<b>96,365</b>	41,858
..... Others	<b>18,964</b>	2,021
	<b>4,490,976</b>	3,937,087
Payable to Government on account of:		
..... Excise duty on cement	<b>600,108</b>	1,273,317
..... Royalty and excise duty	<b>46,681</b>	58,974
..... Withholding tax payable	<b>222,588</b>	153,007
	<b>869,377</b>	1,485,298
	<b>5,360,353</b>	5,422,385
<b>12 ACCRUED INTEREST / PROFIT ON FINANCING</b>		
<b>ISLAMIC BANKS</b>		
..... Long-term financing	<b>251,811</b>	120,109
..... Short-term borrowings	<b>49,783</b>	2,169
	<b>301,594</b>	122,278
<b>CONVENTIONAL BANKS</b>		
..... Long-term financing	<b>466,590</b>	375,644
..... Short-term borrowings	<b>109,336</b>	77,164
	<b>575,926</b>	452,808
	<b>877,520</b>	575,086
<b>13 SHORT-TERM BORROWINGS - SECURED</b>		
<b>ISLAMIC BANKS</b>		
..... Meezan Bank Limited - Running Musharaka	13.1 <b>999,872</b>	990,002
..... Meezan Bank Limited - Murabaha / Letter of Credit	13.1 -	450,225
..... Bank Islami Pakistan Limited	13.2 <b>847,032</b>	-
	<b>1,846,904</b>	1,440,227
<b>CONVENTIONAL BANKS</b>		
..... Allied Bank Limited	13.1 <b>189,479</b>	508,667
..... National Bank of Pakistan	13.1 <b>1,246,055</b>	996,078
..... MCB Bank Limited	13.1 <b>508,199</b>	394,140
..... Bank Al Habib Limited	13.1 <b>178,963</b>	422,362
..... Habib Bank Limited	13.1 <b>1,087,895</b>	732,850
..... JS Bank Limited	13.1 <b>434,347</b>	409,972
..... United Bank Limited	13.1 <b>368,014</b>	352,955
	<b>4,012,952</b>	3,817,024
	<b>5,859,856</b>	5,257,251

**13.1** There is no change in the terms of the facility as disclosed in note 29 to the financial statements for the year ended 30 June 2021.

**13.2** During the period, the Company has obtained One Time Transaction (OTT) LC sight facility amounting to Rs. 1,300 million with sublimit of Istisna / Murabaha / Tijara Finance. The LC facility is secured through lien over title documents whereas other funded sublimit are secured through ranking charge over current assets with 25% margin. The applicable profit rate for funded facilities is KIBOR + 100 bps. The conversion of this OTT facility into regular facility is in process.

## 14 CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies

There has been no significant change in the contingencies as disclosed in the annual financial statements for the year ended 30 June 2021.

### 14.2 Commitments

Commitments in respect of outstanding letters of credit amount to Rs. 67.26 million (30 June 2021: Rs.1,355.57 million). In addition, commitments in respect of contracts registered with banks amount to Rs. 74.30 million (30 June 2021: Rs.34.03 million).

Commitments in respect of issued letters of guarantees favouring Collector of Customs, Karachi amount to Rs.78.86 million (30 June 2021: Rs.78.86 million).

Rupees in thousand	Nine Months Ended		Quarter ended	
	March 31,		March 31,	
	2022	2021	2022	2021
<b>15 COST OF SALES</b>				
Raw material consumed	<b>1,253,693</b>	1,217,940	<b>406,704</b>	475,731
Packing material consumed	<b>1,622,717</b>	1,416,863	<b>527,866</b>	520,398
Fuel and power	<b>12,952,410</b>	8,738,665	<b>4,163,787</b>	3,269,313
Stores and spares consumed	<b>300,560</b>	99,925	<b>104,977</b>	32,250
Salaries, wages and benefits	<b>536,776</b>	501,237	<b>140,092</b>	177,118
Insurance	<b>19,334</b>	30,992	<b>3,133</b>	9,881
Repairs and maintenance	<b>86,358</b>	54,727	<b>27,909</b>	5,882
Depreciation	<b>643,136</b>	702,919	<b>196,108</b>	264,632
Other manufacturing expenses	<b>152,216</b>	241,614	<b>74,355</b>	134,667
<b>Total manufacturing cost</b>	<b>17,567,200</b>	13,004,882	<b>5,644,931</b>	4,889,872
Opening balance	<b>259,633</b>	239,397	<b>532,221</b>	149,439
Closing balance	<b>(204,601)</b>	(199,526)	<b>(204,601)</b>	(199,526)
	<b>55,032</b>	39,871	<b>327,620</b>	(50,087)
<b>Cost of goods manufactured</b>	<b>17,622,232</b>	13,044,753	<b>5,972,551</b>	4,839,785
<b>Finished goods</b>				
Opening balance	<b>197,119</b>	79,544	<b>275,229</b>	53,088
Closing balance	<b>(169,642)</b>	(172,114)	<b>(169,642)</b>	(172,114)
	<b>27,477</b>	(92,570)	<b>105,587</b>	(119,026)
	<b>17,649,709</b>	12,952,183	<b>6,078,138</b>	4,720,759

Rupees in thousand	March 31,	
	2022	2021
	Un-audited	
<b>16 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	2,545,300	1,307,373
<b>Adjustment for non-cash and other items:</b>		
Depreciation	865,800	710,257
Provision for gratuity and compensated absences	35,148	25,794
Finance cost	1,937,174	1,327,579
Provision for expected credit losses	4,862	-
Gain on disposal of property, plant and equipment	(3,094)	(559)
Workers' profit participation fund	143,439	70,249
Workers' welfare fund	54,507	26,694
Unrealized loss / (gain) on investment	51,944	(196,373)
<b>Cash flow before working capital changes</b>	<b>5,635,080</b>	<b>3,271,014</b>
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spares and loose tools	(1,097,401)	16,571
Stock-in-trade	96,220	(96,795)
Trade debts	(88,321)	(286,886)
Loans, advances, deposits and short-term prepayments	232,712	111,879
Other receivables	10	2
<b>(Decrease) / Increase in current liabilities:</b>		
Trade and other payables	(231,226)	182,913
Contract liabilities	87	14,076
Sales tax payable - net	36,844	1,103,184
<b>Cash generated from operations</b>	<b>4,584,005</b>	<b>4,315,958</b>

## 17 TRANSACTIONS WITH RELATED PARTIES

17.1 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		March 31,	
Relationship with Company	Nature of Transaction	2022	2021
		Un-audited	
Common directorship	Repayment of loan from related party	-	300,000
Key management personnel excluding CEO	Remuneration	124,500	142,025
CEO	Remuneration	21,310	23,644
Staff retirement contribution plan	Contribution to staff provident fund	15,503	15,885
Rupees in thousand		March 31,	June 30,
		2022	2021
		Un-audited	Audited
<b>Balances</b>			
Loan from related party		350,000	350,000

## 18 FAIR VALUE OF FINANCIAL INSTRUMENTS

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 requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13 Fair value Measurement 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); and
- Level 3 Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

As at 31 March 2022, the Company had following financial instruments with respect to their level of fair value modelling:

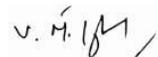
Rupees in thousand

<b>Financial assets at fair value through profit or loss</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>31 March 2022 (Un-audited)</b>			
Short-term investment	926,795	-	-
<b>30 June 2021 (audited)</b>			
Short-term investment	978,738	-	-

## 19 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 29, 2022 by the Board of Directors of the Company.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

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