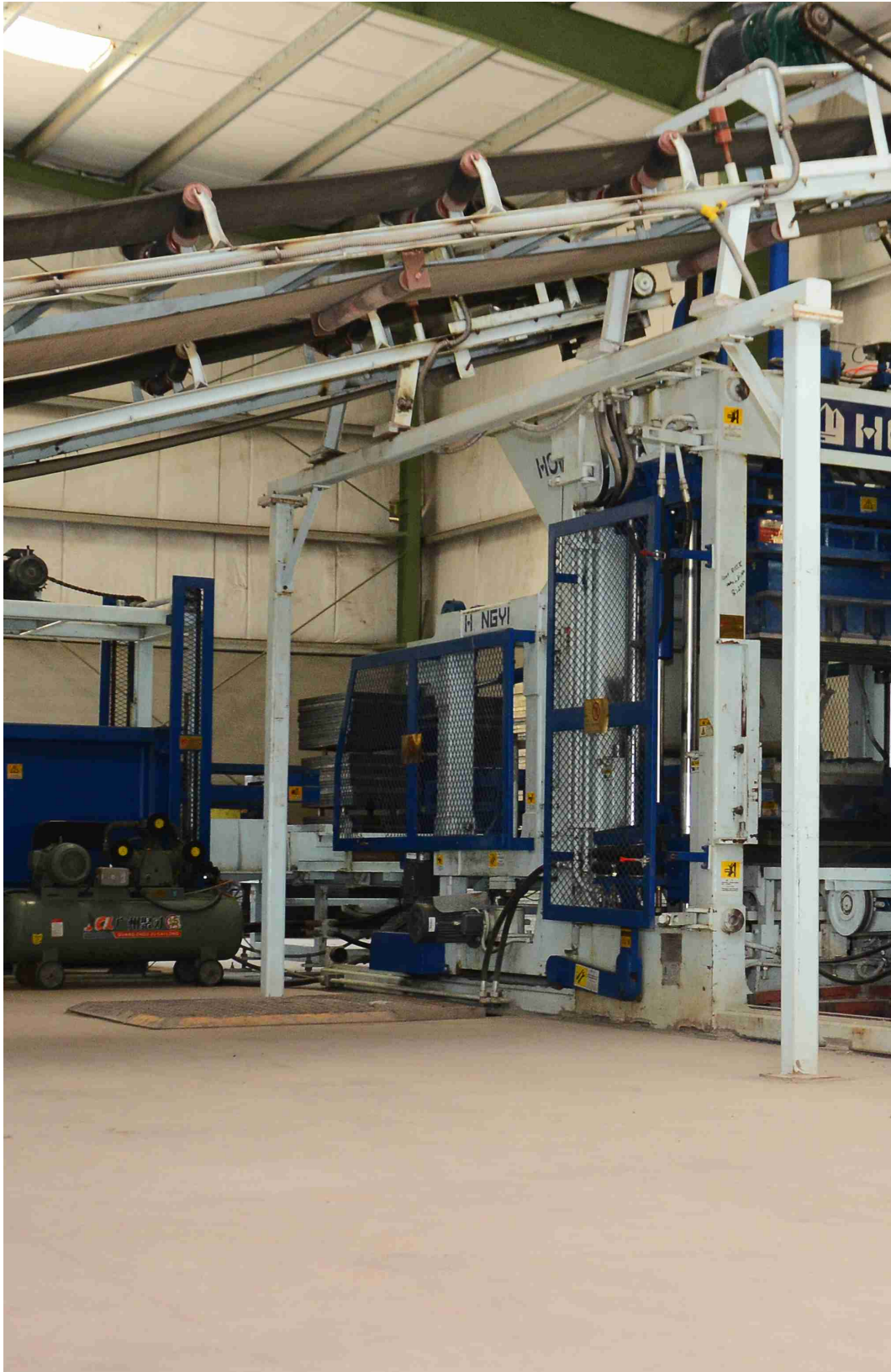




PIONEER CEMENT LTD.

THIRD QUARTER REPORT  
**MARCH 31, 2023**

SHAPING  
**THE FUTURE**



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## COMPANY 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. Doraib A Kisat

### 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 Naem

### Chief Internal Auditor

- Mr. Jamal-ud-Din

### Company Secretary

- Mr. Abdul Wahab

### Bankers

- Allied Bank Limited
- Askari Bank Limited
- Bank Al Habib Limited
- BankIslami Pakistan Limited
- 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

KPMG Taseer Hadi & Co.  
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**  
4<sup>th</sup> Floor, KDLB Building West Wharf,  
Karachi  
Tel: +92 (21) 32201232-3  
Fax: +92 (21) 32201234  
Email: pckhi@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, 2<sup>nd</sup> 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

In the name of Allah, the most Gracious, the most Merciful.

Directors of your Company are pleased to present condensed interim financial statements for the period ended March 31, 2023.

### Cement Industry

During the period under review, cement industry made volumetric dispatches of 33.60 million tons compared to 40.82 million tons dispatched during the same period last year (SPLY), recording an overall decline of 17.69%. Dispatches for the period comprised of 30.56 million tons of local sales (SPLY: 36.18 million tons) and 3.04 million tons of exports (SPLY: 4.64 million tons).

### Business Performance

#### 1) Production and Sales Volume

	Period ended March 31,		(Tons)
	2023	2022	Variance %
<b>Production</b>			
Cement production	2,109,554	2,549,559	(17.26)
Cement sales	2,090,501	2,565,388	(18.51)

	(Rs. in thousand)		
Particulars	Period ended March 31,	2022	Variance %
	2023		
Net sales	27,796,065	22,539,380	23.32
Cost of sales	20,614,269	17,649,709	16.80
Gross profit	7,181,796	4,889,671	46.88
Operating profit	6,611,161	4,507,273	46.68
Profit before taxation	3,996,436	2,545,300	57.01
Profit after taxation	2,711,230	1,628,537	66.48
Earnings per share (Rs.)	11.94	7.17	66.53

During the period under review, the Company dispatched 2,090,501 tons cement in local market compared to 2,565,388 tons dispatched in SPLY; a decline of 18.51%. Despite decline in sales volume, topline improved by 23.32% driven by cost-push increase in local sale price.

Cost of cement sold during the period increased to Rs. 9,861 per ton (SPLY: Rs. 6,880 per ton). Major variance has been observed in fuel and power cost which increased to Rs. 7,672 per ton in current period (SPLY: Rs. 5,049 per ton), registering an increase of 51.95% attributable to rising coal prices and increased national grid tariff. Increase in raw material cost was triggered by rise in diesel prices. Packing material cost also increased to Rs. 738 per ton of cement sold (SPLY: Rs. 633 per ton); up by 16.59%, mainly driven by devaluation of Pak Rupee.

Pursuant to revaluation of fixed assets carried out during the year ended on June 30, 2022 and during the period change in depreciation method of plant and machinery, total depreciation charge for the period under review increased to Rs. 1,999.02 million (SPLY: Rs. 865.80 million).

Despite repayment of loans, finance cost for the period under review increased to Rs. 2,634.99 million compared to Rs. 1,937.17 million in SPLY due to multiple upward revisions in policy rate.

After deducting tax charge of Rs. 1,285.21 million (SPLY: Rs. 916.76 million) including charge for super tax, profit after tax amounted to Rs. 2,711.23 million (SPLY: Rs. 1,628.54 million) translating into earnings per share of Rs. 11.94 (SPLY: Rs. 7.17).

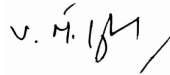
#### **Future Outlook**

Economic challenges comprising squeezed foreign exchange reserves, sky rocketing inflation numbers and cuts in Public Sector Development Program coupled with political instability pose a serious challenge to all businesses without exception. Due to import restrictions, supply chains of all major industries stand disturbed. However, despite all these challenges, the management of the Company continues to search for import substitution avenues and focuses on operational efficiencies to pass through these difficult times and add more value to the shareholders.

#### **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 towards the Company.

For and on behalf of the Board



**Syed Mazher Iqbal**  
Chief Executive Officer  
April 28, 2023



**Aly Khan**  
Chairman

قرضوں کی ادائیگی کے باوجود زیر جائزہ عرصہ کے لئے مالی لاگت 2,634.99 ملین روپے تک بڑھ گئی جو کہ گزشتہ سال اسی عرصہ میں 1,937.17 ملین روپے تھی۔ مالی لاگت میں اضافہ کی بنیادی وجہ مرکزی بینک کی جانب سے شرح سود میں اضافہ ہے۔

زیر نظر عرصہ کے دوران 1,285.21 ملین روپے ٹیکس منہا کرنے کے بعد خالص منافع 2,711.23 ملین روپے رہا جو کہ گزشتہ سال اسی عرصہ میں 1,628.54 ملین روپے تھا جس کے نتیجے میں فی حصص آمدن 11.94 روپے رہی جو کہ گزشتہ سال اسی عرصہ میں 7.17 روپے تھی۔

### مستقبل کا نقطہ نظر

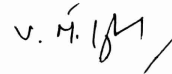
بڑھتی ہوئی شرح سود، زرمبادلہ کے گرتے ہوئے ذخائر، مہنگائی میں اضافہ اور عوامی سطح کے ترقیاتی منصوبوں میں کمی نے مجموعی طور پر معاشی سرگرمیوں کے لئے ایک بڑا بحران پیدا کر دیا ہے اور سینٹ کی صنعت بھی اس سے مبرا نہیں ہے۔ اگرچہ کمپنی بنیادی کاروباری سرگرمیوں کے لئے براہ راست غیر ملکی کرنسی پر انحصار نہیں کرتی لیکن درآمدی پابندیوں نے بڑی صنعتوں کے لئے خام مال کی فراہمی کو متاثر کیا ہے۔ تاہم ان سب بحرانوں کے باوجود کمپنی کی انتظامیہ درآمد کے بہترین متبادل ذرائع کی تلاش میں ہے اور اپنی عملی افادیت کو بروئے کار لانے کے لئے ہمہ وقت تیار ہے تاکہ اس مشکل وقت کے دوران بھی حصص داران کی دولت میں اضافہ کر سکے۔

### اعتراف

بورڈ کے ارکان تمام شراکت داران بشمول اداروں، صارفین، قرض دہندگان، حکومتی اداروں، ملازمین اور تمام دیگر لوگوں کے اعتماد اور تعاون کے تہہ دل سے مشکور ہیں جن کی بدولت کمپنی مضبوط ہوئی۔



علی خان  
چئیرمین



سید مظہر اقبال  
چیف ایگزیکٹو آفیسر  
28 اپریل 2023  
لاہور

## ڈائریکٹرز رپورٹ برائے حصص داران

آپ کی کمپنی کے ڈائریکٹران 31 مارچ 2023 کو ختم ہونے والے عرصہ کے حسابات کا جائزہ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### سینٹ سیکٹر

زیر نظر عرصہ کے دوران سینٹ کی مجموعی ترسیلات 33.60 ملین ٹن رہیں جو کہ پچھلے سال اسی عرصہ کے دوران 40.82 ملین ٹن تھیں۔ 30.56 ملین ٹن سینٹ مقامی منڈی اور 3.04 ملین ٹن سینٹ برآمد کیا گیا جبکہ گزشتہ سال اسی عرصہ کے دوران 36.17 ملین ٹن سینٹ مقامی منڈی میں فروخت اور 4.64 ملین ٹن سینٹ برآمد کیا گیا تھا۔

### کمپنی کی کارکردگی

زیر نظر عرصہ کے دوران سینٹ کی مقامی فروخت کا حجم 2,090,501 ٹن رہا جو کہ گزشتہ سال اسی عرصہ میں 2,565,388 ٹن تھا۔ فروخت کے حجم میں کمی کے باوجود خالص فروخت میں %23.32 کا اضافہ ہوا جس کی وجہ مقامی منڈی میں سینٹ کی قیمت میں بہتری ہے۔

رواں سال زیر نظر عرصہ کے دوران فروخت کی لاگت -/9,861 روپے فی ٹن رہی جو کہ پچھلے سال اسی عرصہ کے دوران -/6,880 روپے فی ٹن تھی۔ یہ اضافہ بنیادی طور پر توانائی کی بڑھتی ہوئی قیمتوں کی وجہ سے ہوا جو کہ -/5,049 روپے فی ٹن سے بڑھ کر -/7,672 روپے فی ٹن ہو گئیں۔ خام مال کی لاگت میں اضافے کی بڑی وجہ ڈیزل کی بڑھتی ہوئی قیمتیں ہیں۔ ڈالر کے مقابلے میں روپے کی گراوٹ کی وجہ سے پیکنگ میٹیریل کی لاگت -/738 روپے فی ٹن ہو گئی جو کہ گزشتہ سال اسی عرصہ کے دوران -/633 روپے فی ٹن تھی۔

مالیاتی سال 30 جون 2022 کے اختتام پر مقررہ اثاثوں کی مالیت کا تعین نوکیا گیا تھا جس کی وجہ سے زیر جائزہ عرصہ کے لئے کل فرسودگی 1,999.02 ملین روپے رہی جو کہ گزشتہ سال اسی عرصہ میں 865.80 ملین روپے تھی۔





**Condensed  
Interim Financial  
Statements**

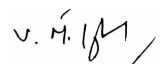
## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

Rupees in thousand	Note	March 31, 2023 Un-audited	June 30, 2022 Audited
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	6	62,475,873	63,243,216
Investment property		90,396	90,396
Long-term deposits		84,588	79,340
		<b>62,650,857</b>	63,412,952
<b>Current Assets</b>			
Stores, spares and loose tools	7	3,253,995	4,504,964
Stock-in-trade	8	1,950,405	533,590
Trade receivables		2,074,234	1,708,217
Loans and advances		285,823	281,934
Short-term prepayments		22,685	898
Income tax receivable - net		42,293	484,150
Other receivables		119	225
Short-term investments	9	454,596	472,196
Cash and bank balances		592,563	588,896
		<b>8,676,713</b>	8,575,070
<b>TOTAL ASSETS</b>		<b>71,327,570</b>	71,988,022
<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 share capital		2,271,489	2,271,489
<b>Capital reserves</b>			
Share premium		197,517	197,517
Surplus on revaluation of property, plant and equipment - net of tax		15,597,593	16,178,271
		15,795,110	16,375,788
Revenue reserve - unappropriated profit		14,415,972	11,124,064
		<b>32,482,571</b>	29,771,341
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
Long-term financing	10	10,241,944	13,775,111
Long-term deposits		41,384	44,884
Deferred liabilities		10,972,345	10,511,694
Retention money		833,418	812,169
		<b>22,089,091</b>	25,143,858
<b>Current Liabilities</b>			
Trade and other payables	11	6,361,796	7,129,689
Contract liabilities		122,342	160,306
Sales tax payable - net		103,481	401,869
Accrued mark-up / profit on financing	12	801,038	780,233
Short-term borrowings	13	4,198,059	4,285,143
Current portion of long-term financing	10	5,108,584	4,254,920
Unclaimed dividend		60,608	60,663
		<b>16,755,908</b>	17,072,823
		<b>38,844,999</b>	42,216,681
<b>Contingencies And Commitments</b>	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>71,327,570</b>	71,988,022

The annexed notes from 1 to 20 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 AND QUARTER ENDED MARCH 31, 2023 (UN-AUDITED)

Rupees in thousand		Nine Months Ended		Quarter Ended	
	Note	March 31,		March 31,	
		2023	2022	2023	2022
<b>Revenue from contracts with customers - gross</b>		<b>37,585,019</b>	31,769,738	<b>12,503,258</b>	10,767,981
Sales tax		<b>(6,225,895)</b>	(5,184,168)	<b>(2,096,093)</b>	(1,759,610)
Federal excise duty		<b>(3,258,552)</b>	(3,848,082)	<b>(1,137,364)</b>	(1,215,042)
Commission		<b>(239,546)</b>	(167,373)	<b>(87,920)</b>	(55,197)
Discount and rebate		<b>(64,961)</b>	(30,735)	<b>(32,020)</b>	(10,200)
		<b>(9,788,954)</b>	(9,230,358)	<b>(3,353,397)</b>	(3,040,049)
<b>Revenue from contracts with customers - net</b>		<b>27,796,065</b>	22,539,380	<b>9,149,861</b>	7,727,932
Cost of sales	15	<b>(20,614,269)</b>	(17,649,709)	<b>(6,689,217)</b>	(6,078,138)
<b>Gross profit</b>		<b>7,181,796</b>	4,889,671	<b>2,460,644</b>	1,649,794
Distribution cost		<b>(93,685)</b>	(80,118)	<b>(32,088)</b>	(27,704)
Administrative expenses		<b>(118,470)</b>	(99,115)	<b>(38,676)</b>	(30,700)
Other expenses		<b>(358,480)</b>	(203,165)	<b>(117,128)</b>	(65,676)
		<b>(570,635)</b>	(382,398)	<b>(187,892)</b>	(124,080)
<b>Operating profit</b>		<b>6,611,161</b>	4,507,273	<b>2,272,752</b>	1,525,714
Other income		<b>37,866</b>	27,128	<b>20,943</b>	8,534
Remeasurement loss on assets held at fair value - net		<b>(17,600)</b>	(51,927)	<b>(8,511)</b>	(12,718)
Finance costs		<b>(2,634,991)</b>	(1,937,174)	<b>(867,329)</b>	(764,391)
		<b>(2,614,725)</b>	(1,961,973)	<b>(854,897)</b>	(768,575)
<b>Profit before taxation</b>		<b>3,996,436</b>	2,545,300	<b>1,417,855</b>	757,139
Taxation		<b>(1,285,206)</b>	(916,763)	<b>(467,892)</b>	(271,831)
<b>Profit after taxation</b>		<b>2,711,230</b>	1,628,537	<b>949,963</b>	485,308
<b>Earnings per share - basic and diluted (Rs.)</b>		<b>11.94</b>	7.17	<b>4.18</b>	2.14

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

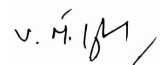
  
Chairman

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023 (UN-AUDITED)

Rupees in thousand	Nine Months Ended		Quarter Ended	
	March 31,		March 31,	
	2023	2022	2023	2022
<b>Profit after taxation</b>	<b>2,711,230</b>	1,628,537	<b>949,963</b>	485,308
<b>Other comprehensive income for the period</b>				
Items that may be reclassified to statement of profit or loss	-	-	-	-
Items that will not be reclassified to statement of profit or loss subsequently	-	-	-	-
	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>2,711,230</b>	1,628,537	<b>949,963</b>	485,308

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

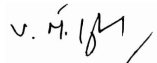
  
Chairman

**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
FOR THE NINE MONTHS ENDED MARCH 31, 2023 (UN-AUDITED)

Rupees in thousand	Note	<b>Nine Months Ended</b>	
		<b>March 31,</b>	<b>2022</b>
		<b>2023</b>	<b>Un-audited</b>
<b>Cash Flows From Operating Activities</b>			
Cash generated from operations	16	<b>7,045,466</b>	4,592,818
Income tax paid - net		<b>(402,755)</b>	(146,915)
Workers' profit participation fund paid		<b>(1,850)</b>	(30,152)
Workers' welfare fund paid		<b>(5,000)</b>	-
Employees' compensated absences paid		<b>(3,303)</b>	(5,629)
Gratuity paid		<b>(15,884)</b>	(12,494)
Increase in long-term deposits		<b>(8,748)</b>	(10,477)
<b>Net cash generated from operating activities</b>	A	<b>6,607,926</b>	4,387,151
<b>Cash Flows From Investing Activities</b>			
Capital expenditure incurred		<b>(1,231,675)</b>	(537,964)
Proceeds from disposal of property, plant and equipment		<b>9,029</b>	3,094
<b>Net cash used in investing activities</b>	B	<b>(1,222,646)</b>	(534,870)
<b>Cash Flows From Financing Activities</b>			
Repayment of long-term financing		<b>(2,680,288)</b>	(2,553,276)
(Decrease) / increase in short-term borrowings		<b>(87,084)</b>	602,608
Finance cost paid		<b>(2,614,186)</b>	(1,720,278)
Dividend paid		<b>(55)</b>	(110)
<b>Net cash used in financing activities</b>	C	<b>(5,381,613)</b>	(3,671,056)
<b>Net increase in cash and cash equivalents</b>	A+B+C	<b>3,667</b>	181,225
<b>Cash and cash equivalents - at the beginning of the period</b>		<b>588,896</b>	337,437
<b>Cash and cash equivalents - at the end of the period</b>		<b>592,563</b>	518,662

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

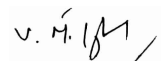
  
Chairman

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
FOR THE NINE MONTHS ENDED MARCH 31, 2023

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			
<b>Balance as at June 30, 2021 (audited)</b>	2,271,489	197,517	2,618,157	10,012,127	12,827,801	15,099,290	
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	
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(47,211)	47,211	-	-	
<b>Balance as at March 31, 2022 - unaudited</b>	2,271,489	197,517	2,570,946	11,687,875	14,456,338	16,727,827	
<b>Balance as at June 30, 2022 - audited</b>	2,271,489	197,517	16,178,271	11,124,064	27,499,852	29,771,341	
Profit after taxation for the period	-	-	-	2,711,230	2,711,230	2,711,230	
Other comprehensive income for the period	-	-	-	-	-	-	
	-	-	-	2,711,230	2,711,230	2,711,230	
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(580,678)	580,678	-	-	
<b>Balance as at March 31, 2023 - unaudited</b>	<b>2,271,489</b>	<b>197,517</b>	<b>15,597,593</b>	<b>14,415,972</b>	<b>30,211,082</b>	<b>32,482,571</b>	

The annexed notes from 1 to 20 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 AND QUARTER ENDED MARCH 31, 2023 (UN-AUDITED)

### **1 LEGAL STATUS AND NATURE OF BUSINESS**

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.

### **2 BASIS OF PRESENTATION AND MEASUREMENT**

**2.1** These condensed interim financial statements comprise the condensed interim statement of financial position of the Company, as at March 31, 2023 and the related condensed interim statement of profit and loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof.

**2.2** 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 been followed.

**2.3** 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 June 30, 2022.

**2.4** Comparative statement of financial position numbers are extracted from the annual audited financial statements of the Company for the year ended June 30, 2022, whereas comparatives of condensed interim statement of profit or loss, statement of comprehensive income, statement of cash flow and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the nine month period ended March 31, 2022.

**2.5** These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

**2.6** These condensed interim financial statements have been prepared under the 'historical cost convention' except for freehold land, factory building, cement production plants, waste heat recovery plants, coal power plants, investment property, short term investments and certain other financial instruments which are carried at revalued amounts / fair value and retirement benefit obligations which are measured at present value. 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 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 June 30, 2022.

### 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 June 30, 2022.

### 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	Note	March 31, 2023 Un-audited	June 30, 2022 Audited
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	<b>58,331,819</b>	60,225,352
Capital work in progress	6.2	<b>4,084,415</b>	2,958,225
Capital spares		<b>59,639</b>	59,639
		<b>62,475,873</b>	63,243,216
<b>6.1 Operating fixed assets</b>			
Opening book value		<b>60,225,352</b>	40,660,329
Revaluation surplus		-	20,365,657
Additions during the period / year	6.1.1	<b>105,485</b>	361,052
		<b>60,330,837</b>	61,387,038
Depreciation for the period / year		<b>(1,999,018)</b>	(1,161,686)
Closing book value		<b>58,331,819</b>	60,225,352
<b>6.1.1 Additions during the period / year</b>			
Factory building on freehold land		-	14,306
Plant and machinery		<b>100,809</b>	336,731
Furniture and fixtures		<b>260</b>	216
Office equipment		<b>87</b>	205
Computers and accessories		<b>913</b>	999
Vehicles		<b>3,416</b>	8,595
		<b>105,485</b>	361,052
<b>6.2 Capital work in progress</b>			
Opening balance		<b>2,958,225</b>	2,284,865
Additions during the period / year		<b>1,126,190</b>	673,360
Closing balance		<b>4,084,415</b>	2,958,225



Rupees in thousand	Note	March 31, 2023 Un-audited	June 30, 2022 Audited
<b>7 STORES, SPARES AND LOOSE TOOLS</b>			
Stores		868,154	2,162,362
Spare parts		2,308,051	2,349,356
Loose tools		18,125	17,219
		<b>3,194,330</b>	4,528,937
Stores in transit		107,659	24,021
		<b>3,301,989</b>	4,552,958
Provision for slow moving stores and spare parts		(47,994)	(47,994)
		<b>3,253,995</b>	4,504,964
<b>8 STOCK-IN-TRADE</b>			
Raw materials		185,963	78,657
Packing materials		202,832	119,817
Work in process		1,139,514	152,126
Finished goods		422,096	182,990
		<b>1,950,405</b>	533,590
<b>9 SHORT-TERM INVESTMENTS</b>			
<b>Investments with Shariah compliant funds</b>			
Meezan Islamic Fund			
Units 4,004,681 (June 30, 2022: 4,004,681)		215,217	225,189
NBP Islamic Stock Fund			
Units 23,222,138 (June 30, 2022: 23,222,138)		238,591	246,292
Meezan Islamic Income Fund			
Units 13,879 (June 30, 2022: 13,879)		788	715
		<b>454,596</b>	472,196
<b>10 LONG-TERM FINANCING</b>			
<b>Islamic long-term financing arrangements</b>			
Meezan Bank Limited - I		-	112,500
Meezan Bank Limited - III		320,834	350,000
Meezan Bank Limited - IV		950,000	950,000
Meezan Bank Limited - Syndicate		1,814,997	2,333,548
National Bank of Pakistan - Syndicate I		1,199,972	1,400,000
		<b>4,285,803</b>	5,146,048
<b>Conventional long-term financing arrangements</b>			
National Bank of Pakistan - Syndicate I		7,799,725	9,099,900
National Bank of Pakistan - Syndicate II		440,000	727,000
National Bank of Pakistan - Bilateral facility		825,000	1,008,333
JS Bank Limited		-	48,750
Allied Bank Limited - facility I		1,000,000	1,000,000
Allied Bank Limited - facility II		1,000,000	1,000,000
		<b>11,064,725</b>	12,883,983
Total long-term financing	10.1	<b>15,350,528</b>	18,030,031
Less: current portion		<b>(5,108,584)</b>	(4,254,920)
Non-current portion		<b>10,241,944</b>	13,775,111

**10.1** There is no change in the terms of the facilities as disclosed in note 20 to annual audited financial statements for the year ended June 30, 2022.

Rupees in thousand	Note	March 31, 2023 Un-audited	June 30, 2022 Audited
<b>11 TRADE AND OTHER PAYABLES</b>			
Creditors		<b>4,433,750</b>	5,026,161
Payable to statutory authorities	11.1	<b>670,497</b>	1,033,725
Accrued expenses		<b>751,489</b>	872,774
Deposits		<b>8,407</b>	8,884
Employees' compensated absences		<b>84,009</b>	63,129
Workers' profit participation fund		<b>214,631</b>	1,850
Workers' welfare fund		<b>198,921</b>	122,361
Others		<b>92</b>	805
		<b>6,361,796</b>	7,129,689
<b>11.1 Payable to statutory authorities</b>			
Excise duty on cement		<b>433,679</b>	799,028
Royalty and excise duty		<b>43,771</b>	47,380
Income tax deducted at source		<b>193,047</b>	187,317
		<b>670,497</b>	1,033,725
<b>12 ACCRUED MARKUP / PROFIT ON FINANCING</b>			
<b>Accrued profit on financing from islamic banks</b>			
Long-term financing		<b>87,114</b>	221,485
Short-term borrowing		<b>47,194</b>	35,662
		<b>134,308</b>	257,147
<b>Accrued mark-up on financing from conventional banks</b>			
Long-term financing		<b>535,463</b>	423,400
Short-term borrowing		<b>131,267</b>	99,686
		<b>666,730</b>	523,086
		<b>801,038</b>	780,233
<b>13 SHORT-TERM BORROWINGS</b>			
<b>Islamic Banks</b>			
Meezan Bank Limited - Running Musharaka		<b>998,703</b>	999,159
Bank overdrawn		-	23,225
		<b>998,703</b>	1,022,384
<b>Conventional Banks</b>			
Allied Bank Limited		<b>469,298</b>	490,243
National Bank of Pakistan		<b>999,582</b>	999,582
MCB Bank Limited		<b>608,598</b>	432,226
Bank Al Habib Limited		<b>234,158</b>	130,247
Habib Bank Limited		<b>699,076</b>	796,839
JS Bank Limited		-	971
United Bank Limited		<b>188,644</b>	368,366
Bank overdrawn		-	44,285
		<b>3,199,356</b>	3,262,759
	13.1	<b>4,198,059</b>	4,285,143

**13.1** There is no change in the terms of the facilities as disclosed in annual audited financial statements for the year ended June 30, 2022.

## **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 June 30, 2022.

### **14.2 Commitments**

Commitments in respect of outstanding letters of credit amount to Rs. 57.35 million (June 30, 2022: Rs.22.51 million). In addition, commitment in respect of contracts registered with banks amount to Rs. 3.14 million (June 30, 2022: Rs.42.65 million).

Commitments in respect of issued letters of guarantee favoring Collector of Customs, Karachi amount to Rs.78.86 million (June 30, 2022: Rs.78.86 million).

Rupees in thousand	<b>Nine Months Ended</b>		<b>Quarter Ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
<b>15 COST OF SALES</b>				
Raw material consumed	<b>1,340,185</b>	1,253,693	<b>427,420</b>	406,704
Packing material consumed	<b>1,542,517</b>	1,622,717	<b>482,666</b>	527,866
Fuel and power	<b>16,037,839</b>	12,952,410	<b>4,717,300</b>	4,163,787
Stores and spare parts consumed	<b>292,940</b>	300,560	<b>104,237</b>	104,977
Salaries, wages and benefits	<b>623,560</b>	536,776	<b>211,252</b>	140,092
Insurance	<b>34,621</b>	19,334	<b>12,973</b>	3,133
Repairs and maintenance	<b>111,906</b>	86,358	<b>42,074</b>	27,909
Depreciation	<b>1,638,050</b>	643,136	<b>545,349</b>	196,108
Other manufacturing expenses	<b>219,145</b>	152,216	<b>80,785</b>	74,355
<b>Total manufacturing cost</b>	<b>21,840,763</b>	17,567,200	<b>6,624,056</b>	5,644,931
<b>Work in process</b>				
Opening balance	<b>152,126</b>	259,633	<b>1,203,631</b>	532,221
Closing balance	<b>(1,139,514)</b>	(204,601)	<b>(1,139,514)</b>	(204,601)
	<b>(987,388)</b>	55,032	<b>64,117</b>	327,620
<b>Cost of goods manufactured</b>	<b>20,853,375</b>	17,622,232	<b>6,688,173</b>	5,972,551
<b>Finished goods</b>				
Opening balance	<b>182,990</b>	197,119	<b>423,140</b>	275,229
Closing balance	<b>(422,096)</b>	(169,642)	<b>(422,096)</b>	(169,642)
	<b>(239,106)</b>	27,477	<b>1,044</b>	105,587
<b>Cost of Sales</b>	<b>20,614,269</b>	17,649,709	<b>6,689,217</b>	6,078,138

Rupees in thousand	<b>March 31,</b>	
	<b>2023</b>	2022
	<b>Un-audited</b>	
<b>16 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	<b>3,996,436</b>	2,545,300
<b>Adjustments for:</b>		
Depreciation	<b>1,999,018</b>	865,800
Provision for gratuity and compensated absences	<b>60,910</b>	35,148
Finance cost	<b>2,634,991</b>	1,937,174
Provision for expected credit losses	<b>62,000</b>	4,862
Gain on disposal of property, plant and equipment	<b>(9,029)</b>	(3,094)
Provision for Workers' Profit Participation Fund	<b>214,631</b>	143,439
Provision for Workers' Welfare Fund	<b>81,560</b>	54,507
Remeasurement loss on assets held at fair value - net	<b>17,600</b>	51,944
<b>Cash flow before working capital changes</b>	<b>9,058,117</b>	5,635,080
<b>Working capital changes</b>		
(Increase) / decrease in current assets		
Stores, spares and loose tools	<b>1,250,969</b>	(1,097,401)
Stock in trade	<b>(1,416,815)</b>	96,220
Trade receivables	<b>(428,017)</b>	(88,321)
Loans and advances	<b>(3,889)</b>	232,712
Trade deposits and short term prepayments	<b>(21,787)</b>	-
Other receivables	<b>106</b>	10
	<b>(619,433)</b>	(856,780)
<b>Increase/ (decrease) in current liabilities</b>		
Trade and other payables	<b>(1,078,115)</b>	(231,226)
Contract liabilities	<b>(37,964)</b>	87
Sales tax payable	<b>(298,388)</b>	36,844
Retention money	<b>21,249</b>	8,813
	<b>(1,393,218)</b>	(185,482)
<b>Cash generated from operations</b>	<b>7,045,466</b>	4,592,818

## 17 FINANCIAL INSTRUMENTS-FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

Rupees in thousand	Note	Carrying Amount				Fair Value			
		Fair value through other comprehensive income	Fair value through profit and loss	Financial Assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<b>On-Balance sheet financial Instruments</b>									
<b>March 31, 2023 (Un-Audited)</b>									
Financial assets measured at fair value									
		-	454,596	-	-	454,596	454,596	-	-
<b>Financial assets at amortised cost</b>									
		-	-	84,588	-	84,588	-	-	-
		-	-	2,074,234	-	2,074,234	-	-	-
		-	-	4,792	-	4,792	-	-	-
		-	-	119	-	119	-	-	-
		-	-	592,563	-	592,563	-	-	-
	17.1	-	-	2,756,296	-	2,756,296	-	-	-
Financial liabilities measured at fair value									
		-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost									
		-	-	-	15,350,528	15,350,528	-	-	-
		-	-	-	41,384	41,384	-	-	-
		-	-	-	60,608	60,608	-	-	-
		-	-	-	833,418	833,418	-	-	-
		-	-	-	6,361,796	6,361,796	-	-	-
		-	-	-	801,038	801,038	-	-	-
		-	-	-	4,198,059	4,198,059	-	-	-
	17.1	-	-	-	27,646,831	27,646,831	-	-	-

Rupees in thousand	Note	Carrying Amount				Fair Value			
		Fair value through other comprehensive income	Fair value through profit and loss	Financial Assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<b>On-Balance sheet financial instruments</b>									
<b>June 30, 2022 (Audited)</b>									
Financial assets measured at fair value									
		-	472,196	-	-	472,196	472,196	-	-
Investments									
<b>Financial assets at amortised cost</b>									
		-	-	79,340	-	79,340	-	-	-
		-	-	1,708,217	-	1,708,217	-	-	-
		-	-	3,749	-	3,749	-	-	-
		-	-	225	-	225	-	-	-
		-	-	588,896	-	588,896	-	-	-
	17.1	-	-	2,380,427	-	2,380,427	-	-	-
<b>Financial liabilities measured at fair value</b>									
		-	-	-	-	-	-	-	-
<b>Financial liabilities measured at amortised cost</b>									
		-	-	-	18,030,031	18,030,031	-	-	-
		-	-	-	44,884	44,884	-	-	-
		-	-	-	60,663	60,663	-	-	-
		-	-	-	812,169	812,169	-	-	-
		-	-	-	7,129,689	7,129,689	-	-	-
		-	-	-	780,233	780,233	-	-	-
		-	-	-	4,285,143	4,285,143	-	-	-
	17.1	-	-	-	31,142,812	31,142,812	-	-	-

17.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or are repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

18 Reconciliation of movement of liabilities to cash flows arising from financing activities.

Rupees in thousand	For the nine months ended March 31, 2023				
	Liabilities				
	Long term finances	Short term borrowings	Accrued mark-up / profit on financing	Unclaimed Dividend	Total
<b>Balance as at July 01, 2022</b>	18,030,031	4,285,143	780,233	60,663	23,156,070
<b>Changes from financing activities</b>					
Repayment of long term finances - secured	(2,680,288)	-	-	-	(2,680,288)
Repayment of short term borrowings - net	-	(87,084)	-	-	(87,084)
Finance cost paid	-	-	(2,614,186)	-	(2,614,186)
Dividend paid	-	-	-	(55)	(55)
<b>Total changes from financing cash flows</b>	<b>(2,680,288)</b>	<b>(87,084)</b>	<b>(2,614,186)</b>	<b>(55)</b>	<b>(5,381,613)</b>
<b>Other changes</b>					
Amortization of government grant	785	-	-	-	785
Finance cost	-	-	2,634,991	-	2,634,991
<b>Total liability related other changes</b>	<b>785</b>	<b>-</b>	<b>2,634,991</b>	<b>-</b>	<b>2,635,776</b>
<b>Closing as at March 31, 2023</b>	<b>15,350,528</b>	<b>4,198,059</b>	<b>801,038</b>	<b>60,608</b>	<b>20,410,233</b>

Rupees in thousand	For the nine months ended March 31, 2022				
	Liabilities				
	Long term finances	Short term borrowings	Accrued mark-up / profit on financing	Unclaimed Dividend	Total
<b>Balance as at July 01, 2021</b>	21,534,328	5,257,251	575,086	60,943	27,427,608
<b>Changes from financing activities</b>					
Repayment of long term finances - secured	(2,553,276)	-	-	-	(2,553,276)
Disbursement of short term borrowings - net	-	602,608	-	-	602,608
Finance cost paid	-	-	(1,720,278)	-	(1,720,278)
Dividend paid	-	-	-	(110)	(110)
<b>Total changes from financing cash flows</b>	<b>(2,553,276)</b>	<b>602,608</b>	<b>(1,720,278)</b>	<b>(110)</b>	<b>(3,671,056)</b>
<b>Other changes</b>					
Amortization of government grant	5,666	-	-	-	5,666
Finance cost	-	-	2,022,712	-	2,022,712
<b>Total liability related other changes</b>	<b>5,666</b>	<b>-</b>	<b>2,022,712</b>	<b>-</b>	<b>2,028,378</b>
<b>Closing as at March 31, 2022</b>	<b>18,986,718</b>	<b>5,859,859</b>	<b>877,520</b>	<b>60,833</b>	<b>25,784,930</b>



## 19 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of the associated companies and undertakings having directors in common, directors and key management personnel. Transactions with related parties are as follows:

Rupees in thousand		March 31,	
Relationship with Company	Nature of Transaction	2023 Un-audited	2022
Key management personnel including CEO	Remuneration	183,240	145,810
Staff retirement contribution plan	Contribution to staff provident fund	16,274	15,503
Imperial developers and builders private limited - Common directors	Project supervision and consultancy fee	250,000	-

## 20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on April 28, 2023.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman



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