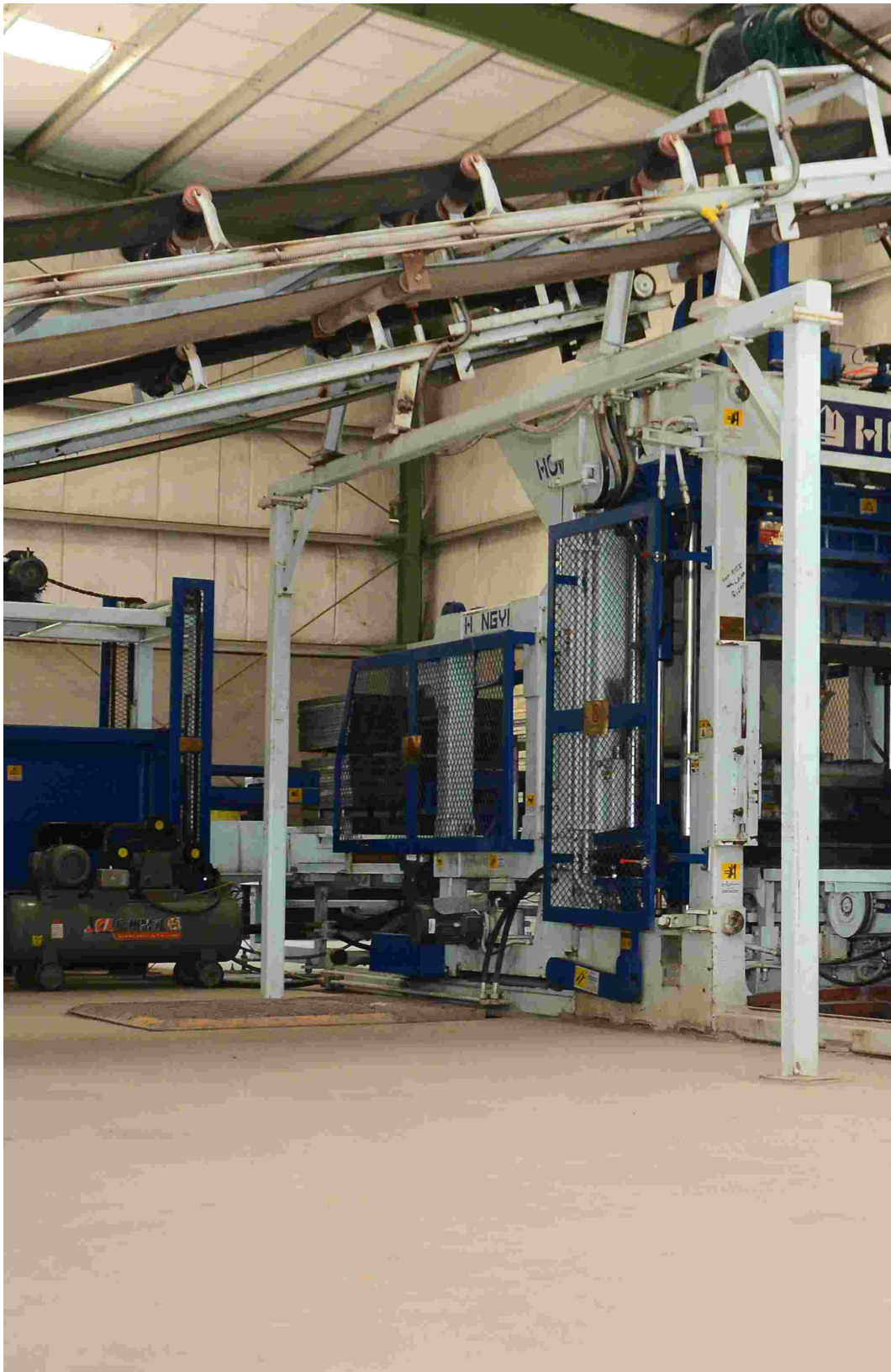


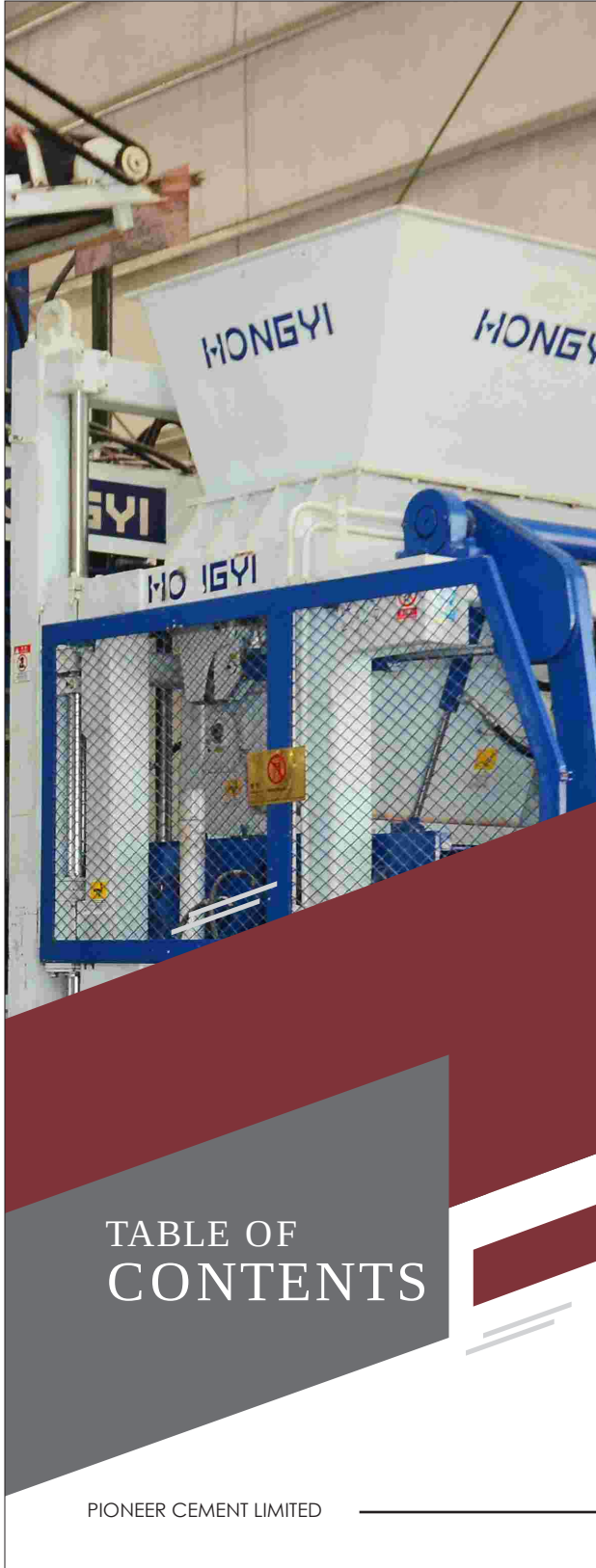


PIONEER
CEMENT

QUARTERLY
REPORT
SEPTEMBER 30, 2021

ENDURING
STRENGTH





2	Corporate Information
3	Directors' Report
6	ڈائریکٹرز رپورٹ
8	Condensed Interim Statement of Financial Position
9	Condensed Interim Statement of Profit or Loss
10	Condensed Interim Statement of Comprehensive Income
11	Condensed Interim Statement of Cash Flows
12	Condensed Interim Statement of Changes in Equity
13	Notes to the Condensed Interim Financial Statements

TABLE OF CONTENTS

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
- Meezan Bank Limited
- Bank Islami Pakistan
- Dubai Islamic Bank
- The 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@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: 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, 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 unaudited condensed interim financial statements for the quarter ended September 30, 2021.

The Cement Sector

During the period ended September 30, 2021, total cement industry dispatches reached 12.8 million tons compared to 13.6 million tons dispatched in same period last year (SPLY). This comprised of 11.3 million tons sold in domestic market and 1.5 million tons exports compared to SPLY sales of 10.9 million tons in local market and exports of 2.7 million tons.

Business Performance

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

	First Quarter		Variance	
	FY 2022	FY 2021		(Tons) %
Production				
Cement	759,898	689,730	70,168	10.2
Cement Sales				
Domestic	778,372	691,971	86,401	12.5
Exports	-	7,316	(7,316)	(100.0)
Total Sales	778,372	699,287	79,085	11.3

Cement industry's local sale volumes grew by 3.9%. However, your Company has registered a growth of 12.5% over SPLY. Company's cement production also increased by 10.2% to support the increased demand in local market.

Financial Performance

The summarized financial results are given below:

Particulars	First Quarter		Variance-fav/(un-fav)	
	FY 2022	FY 2021		(Rs. in million) %
Net sales	6,197.4	3,992.3	2,205.1	55.2
Cost of sales	4,734.9	3,685.6	1,049.3	(28.5)
Gross profit	1,462.5	306.7	1,155.8	376.9
Operating profit	1,319.4	363.4	956.0	263.1
Profit/(loss) before taxation	739.2	(66.0)	805.2	1,219.5
Profit/(loss) after taxation	480.5	(39.6)	520.1	1,314.1
Earnings/(loss) per share (Rs.)	2.12	(0.17)	2.3	1,347.1

Net sales for the period under review amounted to Rs. 6,197.4 million, registering a growth of Rs. 2,205.1 million (55.2%) over SPLY. Local dispatches grew by 12.5% and average net sales price increased to Rs. 7,962 per ton compared to Rs. 5,709 per ton during SPLY.

During the period under review, cost of sales increased to Rs. 4,734.9 million (SPLY: Rs. 3,685.6 million) consisting mainly of fuel and power cost of Rs. 3,400.4 million (SPLY: Rs. 2,470.9 million), raw materials cost of Rs. 340.5 million (SPLY: Rs. 321.2 million) and packing material cost of Rs. 479.5 million (SPLY: Rs. 393.8 million). This resulted in gross profit of Rs. 1,462.5 million (SPLY: Rs. 306.7 million) up by Rs. 1,155.8 million. During the period under review, input costs especially coal prices in international market significantly increased: major reason for increase in fuel and power cost.

During the period ended September 30, 2021, the Company recorded unrealized loss of Rs. 39.7 million on remeasurement of equity based short-term investments as Other Expense whereas a gain of Rs. 112.1 million was part of Other Income in corresponding period. Distribution cost dropped from Rs. 35.1 million incurred during SPLY to Rs. 27.9 million for the period under review. The amount of comparative includes Rs. 9.1 million incurred on freight and handling charges incurred on local sales made on delivered basis whereas during the current period, only nominal sales were made on delivered model basis.

After deduction of operational expenses for the quarter, operating profit amounted to Rs. 1,319.4 million (SPLY: Rs. 363.4 million). Finance cost for the period amounted to Rs. 580.2 million compared to Rs. 429.4 million incurred during SPLY.

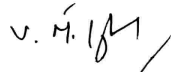
Going forward, we expect healthy quantitative growth in cement dispatches during financial year 2021-22. General elections are approaching and federal & provincial governments are expected to materialize development projects. Naya Pakistan Housing Program and construction stimulus packages are also driving cement demand in local market. High coal price remains a challenge for the profitability of cement sector which heavily relies on imported coal to meet its fuel requirements. However, with the local substitution of costlier imported fuel, the Company is not only mitigating the adverse impacts of sky rocket high prices of imported coal, but will also avoid the rise in input costs due to devaluation of Pak Rupee.

The management of the Company will continue to channel its efforts and focus on operational efficiencies to add more value to 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 of the Company.

For and on behalf of the Board.



Syed Mazher Iqbal
Chief Executive Officer
October 28, 2021
Lahore



Aly Khan
Chairman
October 28, 2021
Lahore

30 ستمبر، 2021 کو ختم ہونے والی مدت کے دوران کمپنی کو قلیل مدتی سرمایہ کاری پر 39.7 ملین روپے کا نقصان ہوا۔ جبکہ گزشتہ سال اسی عرصہ کے دوران 112.1 ملین روپے کا منافع دیگر آمدنی میں شامل تھا۔ گزشتہ سال اسی عرصہ کے دوران تقسیم کی لاگت 35.1 ملین روپے تھی جو موجودہ عرصہ کے دوران کم ہو کر 27.9 ملین روپے رہی۔ تقابلی رقم میں 9.1 ملین روپے شامل ہیں جو کہ مقامی فروخت پر ہونے والے فریٹ اور پنڈلنگ چارجز ہیں جب کہ موجودہ عرصہ کے دوران ڈیلیورڈ ماڈل کی بنیاد پر بہت تھوڑا سیسٹ بچا گیا۔

سہ ماہی کے انتظامی اخراجات منہا کرنے کے بعد کمپنی کا مجموعی منافع 1,319.4 ملین روپے رہا (گزشتہ سال 363.4 ملین روپے خسارہ)۔ اس عرصہ کے مالیاتی اخراجات میں 580.23 ملین روپے رہے جبکہ گزشتہ سال 429.4 ملین روپے تھے۔ آگے بڑھتے ہوئے ہم مالی سال 2021-22 کے دوران سیمنٹ کی ترسیلات میں بہتری کی توقع کرتے ہیں۔ عام انتخابات قریب آ رہے ہیں، وفاقی اور صوبائی حکومتوں کی جانب سے ترقیاتی منصوبوں کو عملی شکل دینے کی توقع ہے۔ نیا پاکستان ہاؤسنگ پروگرام اور تعمیراتی صنعت کے ٹیکے بھی مقامی منڈی میں سیمنٹ کی مانگ کو بڑھا رہے ہیں کوئلے کی بہت زیادہ قیمت سیمنٹ سیکٹر کیلئے ایک رکاوٹ ہے جو اپنی ایندھن کی ضروریات کو پورا کرنے کیلئے درآمد شدہ کوئلے پر بہت زیادہ انحصار کرتا ہے۔ تاہم، ہم مہنگے درآمدی ایندھن کے مقامی متبادل سے کمپنی نہ صرف درآمدی کوئلے کی اونچی قیمتوں کے اثرات کو کم کر رہی ہے بلکہ پاکستانی کرنسی کی قدر میں کمی کی وجہ سے پیداواری لاگت میں اضافے سے بھی بچ جائے گی۔

کمپنی کی انتظامیہ اپنی کوششوں کو جاری رکھے گی اور حصص داران کے سامنے سرخرو ہونے کے لئے اپنی کارکردگی پر توجہ مرکوز رکھے گی۔

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۔

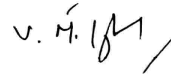


علی خان

چیرمین بورڈ آف ڈائریکٹرز

28 اکتوبر 2021

لاہور



سید مظہر اقبال

چیف ایگزیکٹو آفیسر

28 اکتوبر 2021

لاہور

ڈائریکٹرز رپورٹ برائے حصص داران

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر، 2021 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

سیمنٹ سیکٹر

30 ستمبر، 2021 کو ختم ہونے والی مدت کے دوران سیمنٹ کی مجموعی ترسیلات 12.8 ملین ٹن رہیں جو کہ گزشتہ سال اسی عرصہ کے دوران 13.6 ملین ٹن تھیں اس میں 11.3 ملین ٹن مقامی منڈی اور 1.5 ملین ٹن برآمدات شامل ہیں جبکہ گزشتہ سال اسی عرصہ میں 10.9 ملین ٹن مقامی منڈی میں اور 2.7 ملین ٹن سیمنٹ برآمد کیا گیا تھا۔

کاروباری کارکردگی

سیمنٹ کی صنعت کے مقامی فروخت کے حجم میں 3.9% کا اضافہ ہوا۔ جبکہ آپ کی کمپنی نے گزشتہ سال کے مقابلے میں 12.5% کی شرح سے ترقی کی۔ مقامی منڈی میں طلب میں اضافے کی وجہ سے کمپنی کی سیمنٹ کی پیداوار میں بھی 10.2% اضافہ ہوا۔

مالیاتی کارکردگی

زیر نظر عرصہ میں کمپنی نے خالص فروخت سے 6,197.4 ملین روپے حاصل کئے جو کہ گزشتہ سال کے تقابلی عرصہ کے مقابلے میں 2,205.1 ملین روپے (55.2%) زیادہ ہیں۔ مقامی ترسیلات میں 12.5% اضافہ ہوا اور اوسط قیمت فروخت 7,962 روپے فی ٹن تک بڑھ گئی گزشتہ سال یہ قیمت 5,709 روپے فی ٹن تھی۔

زیر نظر عرصہ کے دوران فروخت کی لاگت 4,734.9 ملین روپے تک رہی (ستمبر 2020: 3,685.6 ملین روپے) جس میں ایندھن اور بجلی کی لاگت 3,400.4 ملین روپے (ستمبر 2020: 2,470.9 ملین روپے)، خام مال کی لاگت 340.5 ملین روپے (ستمبر 2020: 321.2 ملین روپے) اور پیکنگ میٹیریل کی لاگت 479.5 ملین روپے (ستمبر 2020: 393.8 ملین روپے) شامل ہے نتیجتاً مجموعی منافع 1,462.5 ملین روپے رہا (ستمبر 2020: 306.7 ملین روپے) جو کہ تقابلی عرصہ کی نسبت 1,155.6 ملین روپے زیادہ ہے۔ زیر نظر عرصہ کے دوران بین الاقوامی منڈی میں کوئلے کی قیمتوں میں نمایاں اضافہ ہوا جو کہ ایندھن اور بجلی کی قیمتوں میں اضافے کی بڑی وجہ بنا۔



**Condensed
Interim Financial
Statements**

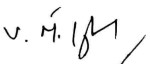
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

Rupees in thousand	Note	September 30, 2021 Un-audited	June 30, 2021 Audited
ASSETS			
NON CURRENT			
Property, plant and equipment	6	42,827,042	42,945,194
Investment property		88,450	88,450
Long term deposits		64,714	64,714
		42,980,206	43,098,358
CURRENT			
Stores, spare parts and loose tools	7	3,283,745	3,080,234
Stock-in-trade	8	745,020	658,882
Trade debts - unsecured		1,357,915	1,333,978
Loans and advances		553,533	720,854
Trade deposits and short term prepayments		4,018	7,048
Advance income tax - net		1,159,101	1,265,134
Other receivable		210	236
Short term investments	9	944,497	978,738
Cash and bank balances		394,372	337,437
		8,442,411	8,382,541
		51,422,617	51,480,899
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		3,500,000	3,500,000
Issued, subscribed and paid up capital		2,271,489	2,271,489
Reserves			
Capital			
Share premium		197,517	197,517
Surplus on revaluation of property, plant and equipment - net of tax		2,601,158	2,618,157
Revenue			
Accumulated profits		10,509,611	10,012,127
		13,308,286	12,827,801
		15,579,775	15,099,290
LIABILITIES			
NON CURRENT			
Long term financing - secured	10	16,400,068	16,794,355
Long term deposits		44,834	44,334
Deferred grant		3,933	5,868
Deferred liabilities		1,897,374	1,751,696
Retention money		806,304	802,746
		19,152,513	19,398,999
CURRENT			
Trade and other payables	11	4,614,661	5,422,385
Loan from related party		350,000	350,000
Contract liabilities		119,885	119,792
Sales tax payable - net		316,320	457,180
Accrued interest / profit on financing	12	593,184	575,086
Short term borrowings - secured		5,617,340	5,257,251
Current portion of long term financing - secured	10	5,018,006	4,739,973
Unclaimed dividend		60,933	60,943
		16,690,329	16,982,610
		35,842,842	36,381,609
CONTINGENCIES AND COMMITMENTS			
	13	-	-
TOTAL EQUITY AND LIABILITIES		51,422,617	51,480,899

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer


Chairman

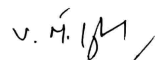
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

Rupees in thousand	Note	September 30, 2021	2020
		Un-audited	
Revenue from contracts with customers - gross		8,868,105	6,107,663
Less:			
Sales tax		(1,447,831)	(1,025,495)
Federal excise duty		(1,167,556)	(1,037,955)
Commission		(46,952)	(44,727)
Discount and rebate		(8,343)	(7,191)
		(2,670,682)	(2,115,368)
Revenue from contracts with customers - net		6,197,423	3,992,295
Cost of sales	14	(4,734,906)	(3,685,598)
Gross profit		1,462,517	306,697
Distribution cost		(27,954)	(35,077)
Administrative expenses		(35,985)	(29,054)
Other expenses		(89,065)	-
Other income		9,885	120,827
		(143,119)	56,696
Operating profit		1,319,398	363,393
Finance cost		(580,234)	(429,419)
Profit / (loss) before taxation		739,164	(66,026)
Taxation		(258,679)	26,449
Profit / (loss) after taxation		480,485	(39,577)
Earnings / (loss) per share - basic and diluted (Rs.)		2.12	(0.17)

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


 Chief Financial Officer


 Chief Executive Officer

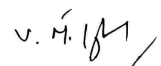

 Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

Rupees in thousand	September 30,	
	2021	2020
	Un-audited	
Profit / (loss) after taxation	480,485	(39,577)
Other comprehensive income		
Items that may be 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 income / (loss) for the period	480,485	(39,577)

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

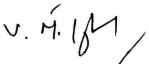

Chief Financial Officer
Chief Executive Officer
Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

Rupees in thousand		September 30,	
	Note	2021	2020
		Un-audited	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	551,851	801,123
Income tax paid		(12,233)	(117,995)
Gratuity and compensated absences paid		(4,568)	(5,315)
Provident Fund paid		-	(3,398)
Long term deposits - net		500	8,000
Net cash generated from operating activities	A	535,550	682,415
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(161,464)	(249,338)
Disposals during the period		3,095	-
Net cash used in investing activities	B	(158,369)	(249,338)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained - net		(118,189)	663,576
Increase / (decrease) in short term borrowings		360,089	(431,202)
Finance cost paid		(562,136)	(681,336)
Dividend paid		(10)	(46)
Net cash used in financing activities	C	(320,246)	(449,008)
Net increase in cash and cash equivalents	A+B+C	56,935	(15,931)
Cash and cash equivalents - at the beginning of the period		337,437	366,214
Cash and cash equivalents - at the end of the period		394,372	350,283

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer

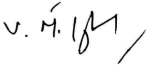

Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (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
Loss after taxation for the period	-	-	-	(39,577)	(39,577)	(39,577)
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	(39,577)	(39,577)	(39,577)
Surplus on revaluation of property, plant and equipment realized through incremental depreciation - net of tax	-	-	(17,588)	17,588	-	-
Balance as at 30 September 2020 - unaudited	2,271,489	197,517	2,693,544	7,926,099	10,817,160	13,088,649
Balance as at 30 June 2021 - audited	2,271,489	197,517	2,618,157	10,012,127	12,827,801	15,099,290
Profit after taxation for the period	-	-	-	480,485	480,485	480,485
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	480,485	480,485	480,485
Surplus on revaluation of property, plant and equipment realized through incremental depreciation - net of tax	-	-	(16,999)	16,999	-	-
Balance as at 30 September 2021 - unaudited	2,271,489	197,517	2,601,158	10,509,611	13,308,286	15,579,775

The annexed notes from 1 to 17 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 QUARTER ENDED SEPTEMBER 30, 2021 (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 - Ferozepur 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 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 been 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 June 30, 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 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 June 30, 2021, except as follows:

4.1 Standards, amendments or interpretations which became effective during the period

The Company has adopted the following amendments to standards and conceptual framework effective for annual period beginning on 01 January 2020. 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 7 & IFRS 9	Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
IFRS 3	Business Combinations – The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
IAS 16	Property, plant and equipment – Amendment to clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.
IAS 37	Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.
IAS 1	Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current. Presentation of Financial Statements to require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments) - Definition of Accounting Estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty
IFRS 10 & IAS 28	Consolidated Financial Statements & Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - (Amendment)

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	September 30, 2021 Un-audited	June 30, 2021 Audited
6 PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	6.1	40,447,227	40,660,329
Capital work in progress	6.2	2,379,815	2,284,865
		42,827,042	42,945,194
6.1 Operating property, plant and equipment			
Opening book value		40,660,329	34,650,824
Additions during the period / year	6.1.1	66,512	6,991,848
		40,726,841	41,642,672
Disposals during the period / year		-	(1,980)
Depreciation for the period / year		(279,614)	(980,363)
Closing book value		40,447,227	40,660,329
6.1.1 Additions during the period / year			
Freehold land		-	171,842
Factory building on freehold land		-	551,453
Plant and machinery		65,984	6,243,893
Office equipment		-	14,973
Furniture, fixture and equipment		142	1,914
Computers and accessories		386	542
Vehicles		-	7,231
		66,512	6,991,848
6.2 Capital work in progress			
Opening balance		2,284,865	6,907,111
Additions during the period / year		94,950	2,262,274
Transferred to operating fixed assets		-	(6,884,520)
Closing balance	6.2.1	2,379,815	2,284,865
6.2.1 Represented by			
Infrastructure and support buildings under construction	6.2.2	1,480,979	1,439,272
Other plant and machinery items		96,048	96,048
Office premises under construction		759,015	705,772
Other civil works		43,773	43,773
Closing balance		2,379,815	2,284,865
6.2.2	The amount of borrowing cost capitalized during the period amounts to Rs. 25.42 million (June 30, 2021: Rs. 458.29 million). The applicable financing rates for the under construction projects was KIBOR plus 150 bps (June 30, 2021: KIBOR plus 20 bps to KIBOR plus 175 bps).		

Rupees in thousand	September 30, 2021 Un-audited	June 30, 2021 Audited
7 STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	884,707	687,866
Spare parts	2,216,409	2,053,315
Loose tools	17,814	53,561
	3,118,930	2,794,742
Stores, spares and loose tools in transit	208,748	329,425
	3,327,678	3,124,167
Provision for slow moving stores and spare parts	(43,933)	(43,933)
	3,283,745	3,080,234
8 STOCK-IN-TRADE		
Raw materials	81,018	125,148
Packing materials	67,789	76,982
Work in process	466,394	259,633
Finished goods	129,819	197,119
	745,020	658,882
9 SHORT TERM INVESTMENTS		
Fair value through profit or loss:		
-Investment with Shariah compliant funds		
Meezan Islamic Fund		
Units 4,004,681 (June 30, 2021: 4,004,681)	246,942	253,801
NBP Islamic Stock Fund		
Units 23,222,138 (June 30, 2021: 23,222,138)	282,235	295,734
KSE Meezan Index Fund		
Units 913,849 (June 30, 2021: 913,849)	63,123	66,593
Meezan Balance Fund		
Units 11,443,064 (June 30, 2021: 11,443,064)	183,230	185,380
Meezan Assets Allocation Fund		
Units 3,520,814 (June 30, 2021: 3,520,814)	165,859	174,139
Meezan Islamic Income Fund		
Units 12,944 (June 30, 2021: 12,944)	680	666
	942,069	976,313
-Investment with conventional funds		
ABL Government Securities Fund		
Units 3,742 (June 30, 2021: 3,742)	39	38
NBP Government Securities Liquid Fund		
Units 1,488 (June 30, 2021: 1,488)	15	15
NBP Money Market Fund		
Units 239,644 (June 30, 2021: 239,644)	2,374	2,372
	2,428	2,425
	944,497	978,738

Rupees in thousand		September 30, 2021 Un-audited	June 30, 2021 Audited
	Note		
10 LONG TERM FINANCING - SECURED			
Meezan Bank Limited (MBL) MBL Facility - I	10.1	450,000	450,000
MBL Facility - II	10.1	281,250	375,000
Payment during the period/ year		(93,750)	(93,750)
		187,500	281,250
MBL Facility - III	10.1	1,389,000	1,389,000
MBL Facility - IV (Syndicate)	10.1	2,592,831	2,592,831
		4,619,331	4,713,081
Current Portion - MBL I		(337,500)	(225,000)
Current Portion - MBL II		(187,500)	(281,250)
Current Portion - MBL - IV (Syndicate)		(518,566)	(259,283)
		(1,043,566)	(765,533)
	A	3,575,765	3,947,548
NATIONAL BANK OF PAKISTAN SYNDICATE			
Syndicate I			
Conventional component (Syndicate I)	10.1	11,699,740	12,999,740
Islamic component (Syndicate I)	10.1	1,799,960	1,999,960
		13,499,700	14,999,700
Payment during the period/ year		-	(1,500,000)
Current portion of long term financing		(2,999,940)	(2,999,940)
		10,499,760	10,499,760
Syndicate II			
Conventional component	10.1	2,081,000	2,081,000
Less: Current portion		(693,667)	(693,667)
		1,387,333	1,387,333
Bilateral facility	10.1	1,100,000	1,100,000
Less: Current portion		(183,333)	(183,333)
		916,667	916,667
	B	12,803,760	12,803,760
JS BANK LIMITED			
Opening balance	10.1	140,547	123,502
Additions during the period/year		-	63,374
Payments during the period/ year		(24,375)	(48,750)
Finance cost		1,871	12,988
Deferred grant - net		-	(10,567)
		118,043	140,547
Less: Current portion		(97,500)	(97,500)
	C	20,543	43,047
	A+B+C	16,400,068	16,794,355

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

Rupees in thousand	September 30, 2021 Un-audited	June 30, 2021 Audited
11 TRADE AND OTHER PAYABLES		
Creditors	2,601,942	3,192,161
Accrued expenses	597,821	610,588
Deposits	3,909	3,767
Employees' compensated absences	58,407	56,540
Workers' profit participation fund	69,847	30,152
Workers' welfare fund	56,942	41,858
Others	548	2,021
	3,389,416	3,937,087
Payable to Government on account of:		
Excise duty on cement	972,014	1,273,317
Royalty and excise duty	44,387	58,974
Other taxes	208,844	153,007
	1,225,245	1,485,298
	4,614,661	5,422,385
12 ACCRUED INTEREST / PROFIT ON FINANCING		
ISLAMIC BANKS		
Long term financing	110,371	120,109
Short term borrowing	24,819	2,169
	135,190	122,278
CONVENTIONAL BANKS		
Long term financing	374,794	375,644
Short term borrowing	83,200	77,164
	457,994	452,808
	593,184	575,086

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There has been no significant change in the contingencies as disclosed in note 31 to the annual audited financial statements for the year ended June 30, 2021.

13.2 Commitments

Commitments in respect of outstanding letters of credit amount to Rs. 588 million (June 30, 2021: Rs.1,355.57 million). In addition, commitments in respect of contracts registered with banks amount to Rs. 22.55 million (June 30, 2021: Rs.34.03 million).

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

Rupees in thousand	September 30, 2021	2020
	Un-audited	
14 COST OF SALES		
Raw material consumed	340,455	321,198
Packing material consumed	479,472	393,769
Fuel and power	3,400,337	2,470,907
Stores and spares consumed	41,053	27,341
Salaries, wages and benefits	201,161	161,749
Insurance	9,501	15,083
Repairs and maintenance	28,589	23,178
Depreciation	277,158	205,263
Other manufacturing expenses	96,641	39,810
Total manufacturing cost	4,874,367	3,658,298
Work in process		
Opening balance	259,633	239,397
Closing balance	(466,394)	(262,546)
	(206,761)	(23,149)
Cost of goods manufactured	4,667,606	3,635,149
Finished goods		
Opening balance	197,119	79,544
Closing balance	(129,819)	(29,095)
	67,300	50,449
	4,734,906	3,685,598
15 CASH GENERATED FROM OPERATIONS		
Profit / (loss) before taxation	739,164	(66,026)
Adjustment for:		
Depreciation	279,614	207,970
Provision for gratuity and compensated absences	11,692	8,613
Finance cost	580,234	429,419
Gain on disposal of property, plant and equipment	(3,095)	-
WPPF and WWF expense	54,779	-
Unrealized loss / (gain) on investments	34,241	(112,111)
Cash flow before working capital changes	1,696,629	467,865
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(203,511)	(9,818)
Stock in trade	(86,138)	68,352
Trade debts	(23,937)	(149,582)
Loans and advances	167,321	(281,222)
Trade Deposits and short term prepayments	3,030	(13,031)
Sales tax receivable	-	526,773
Other receivables	26	2
	(143,209)	141,474
Increase/ (decrease) in current liabilities:		
Trade and other payables	(864,360)	174,614
Contract liability	93	18,108
Sales tax payable	(140,860)	-
Retention money	3,558	(938)
Cash generated from operations	551,851	801,123

16 TRANSACTIONS WITH RELATED PARTIES

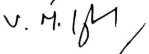
16.1 Related parties include major shareholders of the Company, entities having directors in common with the Company, associated companies, staff retirement funds, Workers Profit Participation Fund (WPPF), directors and key management personnel. Significant transactions along with their balances are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

Rupees in thousand		September 30, 2021 Un-audited	2020
Relationship with Company	Nature of Transaction		
Common directorship	Repayment of loan from related party	-	150,000
Key management personnel	Remuneration	40,367	48,610
CEO	Remuneration	6,512	7,940
Staff retirement contribution plan	Contribution to staff provident fund	4,891	3,398
Rupees in thousand		September 30, 2021 Un-audited	June 30, 2021 Audited
Balances			
Loan from related party		350,000	350,000

17 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on October 28, 2021.


Chief Financial Officer


Chief Executive Officer


Chairman

www.pioneeracement.com



Head Office:

135-Ferozepur Road, Lahore, Pakistan.
Phone (+92-42) 3750 3570 - 72
Email: pioneer@pioneeracement.com

Factory:

P.B. No. 50, Jauharabad, District Khushab, Pakistan.
Email: factory@pioneeracement.com

