



PIONEER CEMENT LTD.

QUARTERLY REPORT  
**SEPTEMBER 30, 2022**

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 Naeem

### 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: 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, 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 unaudited condensed interim financial statements for the quarter ended September 30, 2022.

### Cement Industry

During the period under review, cement industry made volumetric dispatches of 9.62 million tons compared to 12.82 million tons dispatched during the same period last year (SPLY), witnessing overall decline of 24.98%. Out of total dispatches, local dispatches comprised of 8.60 million tons (SPLY: 11.27 million tons) and 1.02 million tons of export sales (SPLY: 1.55 million tons).

### Business Performance

#### 1) Production and Sales Volume

(Tons)

	Period ended September 30 2022	September 30 2021	Variance %
Cement production	635,177	759,898	(16.41)
Cement sales	633,549	778,372	(18.61)

#### 2) Financial Performance

(Rupees in thousands)

	Period ended September 30 2022	September 30 2021	Variance %
Net sales	8,321,543	6,197,423	34.27
Gross profit	1,909,760	1,462,517	30.58
Operating profit	1,778,797	1,343,754	32.38
Profit before taxation	874,273	739,164	18.28
Profit after taxation	585,823	480,485	21.92
Earnings per share (Rs.)	2.58	2.12	21.92

During the period under review, the Company dispatched 633,549 tons cement in local market compared to 778,372 tons dispatched in SPLY; a decline of 18.61%. Despite decline in sale volumes, topline of the Company improved by 34.27%, mainly driven by cost-push increase in sale price in the local market. Net sales per ton of cement sold during the period under review were Rs. 13,135 (SPLY: Rs. 7,962).

Cost of sales per ton of cement sold during the quarter increased to Rs. 10,120 (SPLY: Rs. 6,083). Major variance has been observed in fuel and power cost which increased to Rs. 8,063 in current period (SPLY: Rs.4,450 per ton), registering a massive increase of 81.19% , mainly attributable to rising coal prices in the international and local markets, depreciation of Pak rupee against USD and increased national grid tariff.

Raw Material cost per ton of cement sold in current period amounted to Rs. 611 (SPLY: Rs. 437) registering increase of 39.82%, mainly on account of increase in diesel prices. Packing material cost per ton of cement sold also increased to Rs. 728 per ton (SPLY: Rs. 616) registering increase of 18.18%.

Pursuant to revaluation of fixed assets carried out on June 30, 2022, total depreciation charge for the period under review amounted to Rs. 423.28 million (SPLY: Rs. 279.61 million). The increase in depreciation is the net result of revaluation of fixed assets and reduced cement production compared to the comparative period.

Despite repayment of long-term loans, finance cost for the period under review increased mainly due to upward revisions in policy rate by SBP. For the current quarter, finance cost amounted to Rs. 914.51 million compared to Rs. 580.23 million incurred during the comparative period.

Taxation represents charge on account of alternate corporate tax, deferred tax and provision for super tax for the quarter. This has resulted in net profit after tax of Rs. 585.82 million for the quarter (EPS: Rs. 2.58) compared to Rs. 480.49 million (EPS: Rs. 2.12) earned in the corresponding period.

#### **Future Outlook**

With the addition of new cement capacities in coming months, the gap between demand and supply is expected to widen further. However, the demand is expected to rise as part of rehabilitation in flood-hit areas in order to rebuild houses and infrastructure. Swelling prices of fuel and other input costs, reduced government spending on development projects, increased national grid tariff and upward revisions in policy rate adversely affect the performance of cement industry. However, despite all these challenges, 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, 2022  
Lahore



**Aly Khan**  
Chairman  
October 28, 2022  
Lahore

بنیادی ڈھانچوں کی دوبارہ تعمیر سے سیمنٹ کی طلب میں اضافہ بھی متوقع ہے۔ ایندھن اور بجلی کی بڑھتی ہوئی قیمتوں، حکومتی ترقیاتی اخراجات میں کمی اور شرح سود میں اضافے سے سیمنٹ کی صنعت متاثر ہوتی ہے۔ تاہم ان سب مشکلات کے باوجود کمپنی کی انتظامیہ حصص داران کی بہتری کے لئے اپنی کوششوں کو جاری رکھے گی۔

### اعتراف

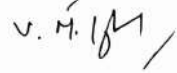
بورڈ تمام پیش کنندگان بشمول مالیاتی اداروں، صارفین، قرض دہندگان، سرکاری محکموں اور کمپنی کو مضبوط بنانے والے تمام دیگر کی امداد اور تعاون کو تسلیم کرتا ہے۔ بورڈ کمپنی کے ملازمین کی محنت اور لگن پر ان کا شکریہ ادا کرتا ہے۔



علی خان  
چئیرمین بورڈ آف ڈائریکٹرز

28 اکتوبر 2022

لاہور



سید مظہر اقبال  
چیف ایگزیکٹو آفیسر

28 اکتوبر 2022

لاہور

## ڈائریکٹرز رپورٹ برائے حصص داران

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر، 2022 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### سیمنٹ سیکٹر

زیر نظر مدت کے دوران سیمنٹ کی مجموعی ترسیلات 9.62 ملین ٹن رہیں جو کہ گزشتہ سال اسی عرصہ کے دوران 12.82 ملین ٹن تھیں۔ کل ترسیلات میں 8.60 ملین ٹن مقامی منڈی اور 1.02 ملین ٹن برآمدات شامل ہیں جبکہ گزشتہ سال اسی عرصہ میں 11.27 ملین ٹن مقامی منڈی میں فروخت اور 1.55 ملین ٹن سیمنٹ برآمد کیا گیا تھا۔

### مالیاتی کارکردگی

زیر نظر عرصہ کے دوران سیمنٹ کی مقامی فروخت 633,549 ٹن رہی جبکہ گزشتہ سال اسی عرصہ میں 778,372 ٹن سیمنٹ فروخت کیا گیا تھا۔ حجم میں کمی کے باوجود کمپنی کی خالص فروخت میں 34.27% کا اضافہ ہوا جس کی وجہ مقامی منڈی میں سیمنٹ کی قیمتوں میں اضافہ ہے۔ سیمنٹ کی فی ٹن قیمت فروخت 13,135 روپے رہی جو کہ گزشتہ سال اسی عرصہ کے دوران 7,962 روپے تھی۔ زیر نظر عرصہ میں بیچے گئے سیمنٹ کی فروخت کی لاگت 10,120 روپے فی ٹن رہی جو کہ گزشتہ سال 6,083 روپے فی ٹن تھی۔ ایندھن اور بجلی کی لاگت بڑے اضافے کے ساتھ 8,063 روپے فی ٹن ہو گئی جبکہ گزشتہ سال اسی عرصہ میں یہ 4,450 روپے فی ٹن تھی۔ اس کی بڑی وجہ بین الاقوامی اور مقامی منڈی میں کوئلے کی قیمت میں اضافہ، ڈالر کے مقابلے روپے کی قدر میں کمی اور بجلی کی قیمتوں میں اضافہ ہے۔

موجودہ عرصہ کے دوران خام مال کی لاگت 39.82% اضافے کے ساتھ 611 روپے فی ٹن رہی جو کہ بنیادی طور پر ڈیزل کی قیمتوں کی وجہ سے ہے۔ اسی طرح پیکنگ میٹیریل کی فی ٹن لاگت بھی 112 روپے کے اضافے کے ساتھ 728 روپے ہو گئی۔ طویل مدتی قرضہ جات کی ادائیگی کرنے کے باوجود زیر نظر عرصہ میں مالیاتی لاگت بڑھ گئی جس کی وجہ شرح سود میں اضافہ ہے۔ موجودہ سہ ماہی میں مالیاتی لاگت 914.51 ملین روپے رہی جو کہ گزشتہ سال اسی عرصہ میں 580.23 ملین روپے تھی۔ موجودہ سہ ماہی میں کمپنی نے 585.82 ملین روپے کا خالص منافع کمایا (EPS Rs.2.58) جبکہ گزشتہ سال اسی عرصہ میں خالص منافع 480.49 ملین روپے تھا (EPS Rs.2.12)۔

### مستقبل کا نقطہ نظر

آنے والے مہینوں میں سیمنٹ کی طلب اور رسد میں فرق مزید بڑھنے کا امکان ہے۔ تاہم سیلاب سے متاثرہ علاقوں میں مکانات اور





**Condensed  
Interim Financial  
Statements**

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

Rupees in thousands		September 30, 2022 Un-audited	June 30, 2022 Audited
	Note		
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	62,957,133	63,243,216
Investment property		90,396	90,396
Long-term deposits		79,239	79,340
		<b>63,126,768</b>	63,412,952
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	7	3,930,307	4,504,964
Stock-in-trade	8	773,047	533,590
Trade receivables		2,156,589	1,708,217
Loans and advances		364,958	281,934
Short-term prepayments		32,973	898
Income tax receivable - net		409,326	484,150
Other receivables		119	225
Short-term investments	9	471,357	472,196
Cash and bank balances		534,444	588,896
		<b>8,673,120</b>	8,575,070
<b>TOTAL ASSETS</b>		<b>71,799,888</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		16,067,285	16,178,271
		<b>16,264,802</b>	16,375,788
Revenue reserve - unappropriated profit		11,820,873	11,124,064
		<b>30,357,164</b>	29,771,341
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Long-term financing	10	13,083,828	13,775,111
Long-term deposits		43,884	44,884
Deferred liabilities		10,660,633	10,511,694
Retention money		814,941	812,169
		<b>24,603,286</b>	25,143,858
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	6,783,213	7,129,689
Contract liabilities		128,863	160,306
Sales tax payable - net		344,285	401,869
Accrued mark-up / profit on financing	12	912,113	780,233
Short-term borrowings	13	4,226,415	4,285,143
Current portion of long-term financing	10	4,383,886	4,254,920
Unclaimed dividend		60,663	60,663
		<b>16,839,438</b>	17,072,823
		<b>41,442,724</b>	42,216,681
<b>CONTINGENCIES AND COMMITMENTS</b>	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>71,799,888</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 QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

Rupees in thousands	Note	September 30, 2022	2021
<b>Revenue from contracts with customers - gross</b>		<b>11,168,035</b>	8,868,105
Sales tax		(1,840,526)	(1,447,831)
Federal excise duty		(950,323)	(1,167,556)
Commission		(47,253)	(46,952)
Discount and rebate		(8,390)	(8,343)
		<b>(2,846,492)</b>	(2,670,682)
<b>Revenue from contracts with customers - net</b>		<b>8,321,543</b>	6,197,423
Cost of sales	15	<b>(6,411,783)</b>	(4,734,906)
<b>Gross profit</b>		<b>1,909,760</b>	1,462,517
Distribution costs		(29,038)	(27,954)
Administrative expenses		(37,094)	(35,985)
Other expenses		(64,831)	(54,824)
		<b>(130,963)</b>	(118,763)
<b>Operating profit</b>		<b>1,778,797</b>	1,343,754
Other income		10,825	9,885
Remeasurement loss on assets held at fair value - net		(839)	(34,241)
Finance costs		(914,510)	(580,234)
		<b>(904,524)</b>	(604,590)
<b>Profit before taxation</b>		<b>874,273</b>	739,164
Taxation		(288,450)	(258,679)
<b>Profit after taxation</b>		<b>585,823</b>	480,485
<b>Earnings per share - basic and diluted (Rs.)</b>		<b>2.58</b>	2.12

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 QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

Rupees in thousands	September 30, 2022	2021
<b>Profit after taxation</b>	<b>585,823</b>	480,485
Other comprehensive income for the period	-	-
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>585,823</b>	480,485

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

  
Chief Financial Officer

  
Chief Executive Officer

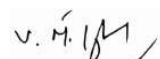
  
Chairman

**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

Rupees in thousands	Note	September 30, 2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	16	1,566,878	551,851
Income tax paid - net		(73,747)	(12,233)
Workers' profit participation fund paid		(1,850)	-
Employees' compensated absences paid		(780)	(462)
Gratuity paid		(2,396)	(4,106)
(Increase) / decrease in long-term deposits		(899)	500
<b>Net cash generated from operating activities</b>	<b>A</b>	<b>1,487,206</b>	<b>535,550</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(137,198)	(161,464)
Proceeds from disposal of property, plant and equipment		-	3,095
<b>Net cash used in investing activities</b>	<b>B</b>	<b>(137,198)</b>	<b>(158,369)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term financing		(563,102)	(118,189)
(Decrease) / increase in short-term borrowings		(58,728)	360,089
Finance cost paid		(782,630)	(562,136)
Dividend paid		-	(10)
<b>Net cash used in financing activities</b>	<b>C</b>	<b>(1,404,460)</b>	<b>(320,246)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>A+B+C</b>	<b>(54,452)</b>	<b>56,935</b>
<b>Cash and cash equivalents - at the beginning of the period</b>		<b>588,896</b>	<b>337,437</b>
<b>Cash and cash equivalents - at the end of the period</b>		<b>534,444</b>	<b>394,372</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



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

Rupees in thousands	Issued, subscribed and paid-up capital	Reserves			Sub total	Total equity
		Capital		Revenue		
		Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profits		
Balance as at June 30, 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
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(16,999)	16,999	-	-
Balance as at September 30, 2021 - unaudited	2,271,489	197,517	2,601,158	10,509,611	13,308,286	15,579,775
Balance as at June 30, 2022 - audited	2,271,489	197,517	16,178,271	11,124,064	27,499,852	29,771,341
Profit after taxation for the period	-	-	-	585,823	585,823	585,823
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	585,823	585,823	585,823
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(110,986)	110,986	-	-
<b>Balance as at September 30, 2022 - unaudited</b>	<b>2,271,489</b>	<b>197,517</b>	<b>16,067,285</b>	<b>11,820,873</b>	<b>28,085,675</b>	<b>30,357,164</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 QUARTER ENDED SEPTEMBER 30, 2022 (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-Ferozepur 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 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, 2022.

**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** These condensed interim financial statements have been prepared under the 'historical cost convention' except for freehold land, factory building, plant and machinery, 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 thousands		September 30, 2022	June 30, 2022
	Note	Un-audited	Audited
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	59,828,053	60,225,352
Capital work in progress	6.2	3,069,441	2,958,225
Capital spares		59,639	59,639
		<b>62,957,133</b>	63,243,216
<b>6.1 Operating property, plant and equipment</b>			
Opening book value		60,225,352	40,660,329
Revaluation surplus		-	20,365,657
Additions during the period / year	6.1.1	25,982	361,052
		<b>60,251,334</b>	61,387,038
Depreciation for the period / year		(423,281)	(1,161,686)
Closing book value		<b>59,828,053</b>	60,225,352
<b>6.1.1 Additions during the period / year</b>			
Factory building on freehold land		-	14,306
Plant and machinery		25,335	336,731
Furniture and fixtures		156	216
Office equipment		87	205
Computers and accessories		404	999
Vehicles		-	8,595
		<b>25,982</b>	361,052
<b>6.2 Capital work in progress</b>			
Opening balance		2,958,225	2,284,865
Additions during the period / year		111,216	673,360
Closing balance		<b>3,069,441</b>	2,958,225

Rupees in thousands	September 30, 2022 Un-audited	June 30, 2022 Audited
<b>7 STORES, SPARE PARTS AND LOOSE TOOLS</b>		
Stores	1,612,951	2,162,362
Spare parts	2,305,447	2,349,356
Loose tools	16,688	17,219
	<b>3,935,086</b>	4,528,937
Stores-in-transit	43,215	24,021
	<b>3,978,301</b>	4,552,958
Provision for slow-moving stores and spare parts	(47,994)	(47,994)
	<b>3,930,307</b>	4,504,964
<b>8 STOCK-IN-TRADE</b>		
Raw materials	78,083	78,657
Packing materials	99,466	119,817
Work in process	322,061	152,126
Finished goods	273,437	182,990
	<b>773,047</b>	533,590
<b>9 SHORT-TERM INVESTMENTS</b>		
<b>Investments with Shariah compliant funds</b>		
Meezan Islamic Fund	224,075	225,189
Units 4,004,681 (June 30, 2022: 4,004,681)		
NBP Islamic Stock Fund	246,545	246,292
Units 23,222,138 (June 30, 2022: 23,222,138)		
Meezan Islamic Income Fund	737	715
Units 13,879 (June 30, 2022: 13,879)		
	<b>471,357</b>	472,196
<b>10 LONG-TERM FINANCING - SECURED</b>		
<b>Islamic long-term financing arrangements</b>		
Meezan Bank Limited - I	112,500	112,500
Meezan Bank Limited - III	350,000	350,000
Meezan Bank Limited - IV	950,000	950,000
Meezan Bank Limited - Syndicate	2,074,272	2,333,548
Component of National Bank of Pakistan		
- Syndicate I	1,400,000	1,400,000
	<b>4,886,772</b>	5,146,048
<b>Conventional long-term financing arrangements</b>		
National Bank of Pakistan - Syndicate I	9,099,900	9,099,900
National Bank of Pakistan - Syndicate II	540,000	727,000
National Bank of Pakistan - Bilateral facility	916,667	1,008,333
JS Bank Limited	24,375	48,750
Allied Bank Limited - I	1,000,000	1,000,000
Allied Bank Limited - II	1,000,000	1,000,000
	<b>12,580,942</b>	12,883,983
Total long-term financing	<b>17,467,714</b>	18,030,031
Current portion	(4,383,886)	(4,254,920)
Non-current portion	<b>13,083,828</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 thousands	September 30, 2022 Un-audited	June 30, 2022 Audited
<b>11 TRADE AND OTHER PAYABLES</b>		
Creditors	5,068,805	5,026,161
Payable to statutory authorities	768,049	1,033,725
Accrued expenses	678,633	872,774
Deposits	8,882	8,884
Employees' compensated absences	67,910	63,129
Workers' profit participation fund	46,957	1,850
Workers' welfare fund	140,205	122,361
Others	3,772	805
	<b>6,783,213</b>	<b>7,129,689</b>
<b>Payable to statutory authorities</b>		
Excise duty on cement	516,429	799,028
Royalty and excise duty	40,454	47,380
Other taxes	211,166	187,317
	<b>768,049</b>	<b>1,033,725</b>
<b>12 ACCRUED INTEREST / PROFIT ON FINANCING</b>		
Accrued profit on financing from Islamic banks		
Long-term financing	164,272	221,485
Short-term borrowing	37,150	35,662
	<b>201,422</b>	<b>257,147</b>
Accrued mark-up on financing from		
Conventional banks		
Long-term financing	581,754	423,400
Short-term borrowing	128,937	99,686
	<b>710,691</b>	<b>523,086</b>
	<b>912,113</b>	<b>780,233</b>
<b>13 SHORT-TERM BORROWINGS</b>		
<b>Islamic Banks</b>		
Meezan Bank Limited - Running Musharaka	999,128	999,159
Bank overdrawn	-	23,225
	<b>999,128</b>	<b>1,022,384</b>
<b>Conventional Banks</b>		
Allied Bank Limited	467,031	490,243
National Bank of Pakistan	999,583	999,582
MCB Bank Limited	512,365	432,226
Bank Al Habib Limited	175,126	130,247
Habib Bank Limited	699,882	796,839
JS Bank Limited	971	971
United Bank Limited	199,773	368,366
Bank overdrawn	172,556	44,285
	<b>3,227,287</b>	<b>3,262,759</b>
	<b>4,226,415</b>	<b>4,285,143</b>



**13.1** There is no change in the terms of the facilities as disclosed in note 25 to 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. 27.94 million (June 30, 2022: Rs.22.51 million). In addition, commitment in respect of contracts registered with banks amount to Rs. 5.03 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 thousands	<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>Un-audited</b>	
<b>15 COST OF SALES</b>		
Raw material consumed	<b>387,067</b>	340,455
Packing material consumed	<b>461,204</b>	479,472
Fuel and power	<b>5,108,573</b>	3,463,705
Stores and spare parts consumed	<b>84,481</b>	41,053
Salaries, wages and benefits	<b>209,994</b>	201,161
Insurance	<b>10,791</b>	9,501
Repairs and maintenance	<b>29,219</b>	28,589
Depreciation	<b>302,959</b>	213,790
Other manufacturing expenses	<b>77,877</b>	96,641
<b>Total manufacturing cost</b>	<b>6,672,165</b>	4,874,367
<b>Work in process</b>		
Opening balance	<b>152,126</b>	259,633
Closing balance	<b>(322,061)</b>	(466,394)
	<b>(169,935)</b>	(206,761)
<b>Cost of goods manufactured</b>	<b>6,502,230</b>	4,667,606
<b>Finished goods</b>		
Opening balance	<b>182,990</b>	197,119
Closing balance	<b>(273,437)</b>	(129,819)
	<b>(90,447)</b>	67,300
<b>Cost of Sales</b>	<b>6,411,783</b>	4,734,906

Rupees in thousands

**September 30,**  
**2022**      **2021**  
**Un-audited**

**16 CASH GENERATED FROM OPERATIONS**

Profit before taxation	<b>874,273</b>	739,164
<b>Adjustment for</b>		
Depreciation	<b>423,281</b>	279,614
Provision for gratuity and compensated absences	<b>17,803</b>	11,692
Finance costs	<b>914,510</b>	580,234
Gain on disposal of property, plant and equipment	<b>-</b>	(3,095)
Provision for workers' profit participation fund	<b>46,957</b>	26,790
Provision for workers' welfare fund	<b>17,844</b>	27,989
Remeasurement loss on assets held at fair value - net	<b>839</b>	34,241
<b>Cash flow before working capital changes</b>	<b>2,295,507</b>	1,696,629
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	<b>574,657</b>	(203,511)
Stock-in-trade	<b>(239,457)</b>	(86,138)
Trade receivables	<b>(448,372)</b>	(23,937)
Loans and advances	<b>(83,024)</b>	167,321
Trade deposits and short term prepayments	<b>(32,075)</b>	3,030
Other receivables	<b>106</b>	26
	<b>(228,165)</b>	(143,209)
<b>Increase/ (decrease) in current liabilities</b>		
Trade and other payables	<b>(414,209)</b>	(864,360)
Contract liabilities	<b>(31,443)</b>	93
Sales tax payable	<b>(57,584)</b>	(140,860)
Retention money	<b>2,772</b>	3,558
	<b>(500,464)</b>	(1,001,569)
<b>Cash generated from operations</b>	<b>1,566,878</b>	551,851

**17 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

**17.2** The following table shows the carrying amounts and fair values of assets according to their respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is reasonable approximation of fair value.

Rupees in thousands				
	Level 1	Level 2	Level 2	Total
<b>At September 30, 2022</b>				
Short-term investments	-	471,357	-	471,357
Operating fixed assets	-	671,841	59,136,432	59,808,273
Investment property	-	90,396	-	90,396
	-	1,233,594	59,136,432	60,370,026
<b>At June 30, 2022</b>				
Short-term investments	-	472,196	-	472,196
Operating fixed assets	-	671,841	59,483,756	60,155,597
Investment property	-	90,396	-	90,396
	-	1,234,433	59,483,756	60,718,189

## 18 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. Amounts due from and to related parties, remuneration of directors and key management personnel are disclosed in the relevant notes. The transactions with the related parties are carried out at arm's length. Transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

Rupees in thousands		September 30, 2021	
Relationship with Company	Nature of Transaction	2022	Un-audited
Key management personnel including CEO	Remuneration	50,873	46,879
Staff retirement contribution plan	Contribution to staff provident fund	5,107	4,891

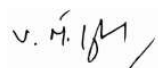
## 19 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for better and fair presentation. However, no significant re-arrangement / reclassifications have been made in these financial statements.

## 20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on October 28, 2022.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman



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