



QUARTERLY REPORT  
SEPTEMBER 30, 2024

SHAPING  
THE FUTURE

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## COMPANY INFORMATION

### Board of Directors

- Mr. Aly Khan [Chairman]
- Mr. M. Habibullah Khan [CEO]
- Ms. Aleeya Hasan Khan
- Mr. Shafiuddin Ghani Khan
- Mr. Manzoor Ahmed
- Mr. Mohammed Aftab Alam
- Mirza Ali Hasan Askari
- Mr. Doraib A Kisat

### Audit Committee

- Mr. Manzoor Ahmed [Chairman]
- Mr. Aly Khan
- Ms. Aleeya Hasan Khan
- Mr. Shafiuddin Ghani Khan
- Mr. Mohammed Aftab Alam

### HR & Remuneration Committee

- Mr. Shafiuddin Ghani Khan [Chairman]
- Mr. M. Habibullah Khan [CEO]
- Mr. Aly Khan
- Ms. Aleeya Hasan Khan
- Mr. Mohammed Aftab Alam

### Chief Financial Officer

- Mr. Waqar Naeem

### Chief Internal Auditor

- Mr. Jan Muhammad

### Company Secretary

- Mr. Talha Saif

### Bankers

- Allied Bank Limited
- Askari Bank Limited
- Bank Al Habib Limited
- BankIslami Pakistan
- Dubai Islamic Bank
- First Credit and Investment Bank
- Habib Bank Limited
- Habib Metropolitan Bank
- 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

### 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@pioneeracement.com

### Locations

#### Registered Office

64-B/1, Gulberg-III, Lahore  
Tel: +92 (42) 37503570-72  
Fax: +92 (42) 37503573-4  
Email: pioneer@pioneeracement.com

#### Factory

Chenki, District Khushab  
Tel: +92 (454) 724500  
Fax: +92 (454) 724555  
Email: factory@pioneeracement.com

#### Regional Offices

##### Multan

House No. 218, Naqshband Colony  
Khanewal Road, Multan  
Tel: +92 (61) 6510404

##### Faisalabad

Office No. 5, 3rd Floor, Sitara Tower,  
New Civil Lines, Bilal Road, Faisalabad  
Tel: +92 (41) 2630030, 2630028

#### Liaison Office

##### Karachi

F-54 Block 7, Clifton, Karachi  
Tel: +92 (21) 38899693  
Email: pclkhi@pioneeracement.com

## DIRECTORS' REPORT TO THE SHAREHOLDERS

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

The Directors of your Company are pleased to present the condensed interim financial statements for the period ended September 30, 2024.

### Cement Industry

During the period under review, the cement industry made volumetric dispatches of 10.27 million tons compared to 11.88 million tons dispatched during the same period last year (SPLY), recording decline of 13.55%. Dispatches for the period comprised of 8.13 million tons local sales (SPLY: 10.13 million tons) and 2.14 million tons exports (SPLY: 1.75 million tons).

### Business Performance

#### a) Production and Sales Volume

	Period ended September 30,		(Tons)
	2024	2023	Variance %
<b>Production</b>			
Cement production	476,227	592,334	(19.60)
Cement sales	463,187	600,575	(22.88)

	Period ended September 30,		(Rs. in thousand)
Particulars	2024	2023	Variance %
Net sales	7,890,606	8,712,228	(9.43)
Cost of sales	5,489,766	6,061,838	(9.44)
Gross profit	2,400,840	2,650,390	(9.42)
Operating profit	2,117,400	2,430,425	(12.88)
Profit before taxation	1,676,820	1,534,578	9.27
Profit after taxation	1,022,860	933,023	9.63
Earnings per share (Rs.)	4.50	4.11	9.63

The Company's topline has decreased due to a 22.88% reduction in sales volume. However, this decline was partially offset by price increase in net sales per ton by 17.43%, which improved to Rs. 17,035 compared to Rs. 14,506 in the SPLY.

During the period, manufacturing cost of cement increased by 14.28%, reaching Rs. 11,721 per ton (SPLY: Rs. 10,256 per ton). This rise was primarily driven by a significant escalation in raw material costs, which surged to Rs. 2,085 per ton of cement. This increase was largely due to an unjust revision in the royalty on mineral extraction, now based on 6% of the ex-factory sale price. Aggrieved by this revision, the Company, along with other industry players in Punjab, has challenged the increase in the Honorable Lahore High Court. The court has graciously granted a stay on the matter, subject to the provision of a 100% bank guarantee. However, as a prudent measure, the Company has made full provision for this in these interim financial statements.

Despite these challenges, the Company's continued focus on implementing robust and sustained strategies, including maintaining an optimal poly-to-paper mix and increasing the utilization of local coal, helped mitigate the inflationary impact. As a result, the Company was able to navigate effectively through a highly inflationary environment.

The Company's rigorous debt reduction strategy, combined with timely repayment of financing obligations and a downward revision in policy rates, has significantly reduced finance costs to Rs. 493 million, compared to Rs. 950 million in the SPLY.

Net profit after tax amounted to Rs. 1,023 million, despite a substantial 39% taxation charge, which included super tax, deferred tax, and current tax provisions. Nevertheless, the Company achieved an earnings per share of Rs. 4.50, an improvement over Rs. 4.11 in the SPLY.

#### **Future Outlook**

Multiple indicators, including the consistent reduction in policy rates, declining inflation, stable exchange rate and gradual increase in SBP reserves, suggest that the Government is slowly emerging from the challenging economic landscape it faced earlier. With this modest recovery, we anticipate that the Government will shift its focus toward development projects, which could significantly stimulate the economy. However, the Government's simultaneous efforts to increase revenues to meet stringent IMF conditions, particularly through tax hikes in the fiscal year 2025 budget, are placing further strain on an already burdened sector, potentially limiting the scope for substantial economic stimulus.

Despite these challenges, the Company remains optimistic that by enhancing operational efficiencies, it can weather these difficult times and continue to create value for its shareholders.

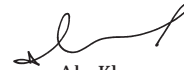
#### **Acknowledgement**

The Board acknowledges the role played by all stakeholders including customers, financial institutions, Government departments and employees in the continued growth of the Company.

For and on behalf of the Board



M Habibullah Khan  
Chief Executive Officer  
October 29, 2024



Aly Khan  
Chairman

کمپنی کی کارآمد حکمت عملی کی بدولت قرضوں میں کمی، مالیاتی واجبات کی بروقت ادائیگی اور شرح سود میں کمی کے ساتھ مالیاتی لاگت نمایاں طور پر کم ہو کر 493 ملین روپے رہ گئی جو کہ گزشتہ سال 950 ملین روپے تھی۔

39 فیصد ٹیکس لگانے کے باوجود جس میں سپر ٹیکس، موخر ٹیکس اور موجودہ ٹیکس شامل ہیں، کمپنی کو 1,023 ملین روپے کا بعد از ٹیکس منافع ہوا ہے جس کے نتیجے میں کمپنی نے 4.50 روپے فی حصص آمدنی حاصل کی جو کہ گزشتہ سال کی اسی سرمایہ میں 4.11 روپے تھی۔

### مستقبل کا نقطہ نظر

شرح سود میں مسلسل کمی، گرتی ہوئی افراط زر، مستحکم شرح مبادلہ اور سٹیٹ بینک کے ذخائر میں بتدریج اضافہ سمیت متعدد اقدامات عمدیہ دیتے ہیں کہ حکومت اس مشکل معاشی منظر نامے سے جس کا اسے پہلے سامنا تھا آہستہ آہستہ نکل رہی ہے۔ اس معمولی بحالی کے ساتھ ہم توقع کرتے ہیں کہ حکومت اپنی توجہ ترقیاتی منصوبوں کی طرف مبذول کر دے گی جو معیشت کو نمایاں طور پر متحرک کر سکتے ہیں۔ تاہم عالمی مالیاتی ادارے کی سخت شرائط کو پورا کرنے کے لئے محصولات میں اضافے کے لئے حکومت کی بیک وقت کوششیں خاص طور پر مالی سال 2025 کے بجٹ میں ٹیکسوں میں اضافے کے ذریعے پہلے سے محصولیاتی بوجھ سے دبے ہوئے سیمنٹ سیکٹر پر مزید باؤ ڈال رہی ہے اور ممکنہ طور پر اقتصادی محرک کی گنجائش کو محدود کر رہی ہے۔

### اعتراف

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



علی خان

چئیرمین بورڈ آف ڈائریکٹرز

29 اکتوبر 2024

لاہور



ایم حبیب اللہ خان

چیف ایگزیکٹو آفیسر

29 اکتوبر 2024

لاہور

## ڈائریکٹرز رپورٹ برائے حصص داران

شروع اللہ کے نام سے جو بڑا مہربان اور نہایت رحم والا ہے

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر، 2024 کو ختم ہونے والی پہلی سہ ماہی کے غیر محاسب شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### سیمنٹ کی صنعت

زیر نور مدت کے دوران سیمنٹ کی مجموعی ترسیلات %13.49 کی کمی کے ساتھ 10.27 ملین ٹن رہیں جو کہ گزشتہ سال کی اسی سہ ماہی کے دوران 11.88 ملین ٹن تھیں۔ کل ترسیلات میں 8.13 ملین ٹن مقامی فروخت اور 2.14 ملین ٹن برآمدات شامل ہیں۔ گزشتہ سال اسی عرصہ میں 10.13 ملین ٹن مقامی فروخت اور 1.75 ملین ٹن برآمدات تھیں۔

### مالیاتی کارکردگی

کمپنی کی خالص فروخت میں کمی کی وجہ سے 22.88 فیصد کمی ہے۔ تاہم اس کمی کو جزوی طور پر فی ٹن خالص فروخت میں 17.43 فیصد اضافے سے پورا کیا گیا۔ فی ٹن خالص فروخت اس سہ ماہی میں 17,035 روپے رہی جو کہ گزشتہ سال کی سہ ماہی میں 14,506 روپے تھی۔

زیر نور عرصہ میں فروخت شدہ سیمنٹ کی لاگت %12.64 اضافے کے بعد 11,721 روپے فی ٹن ہو گئی ہے جو کہ گزشتہ سال 10,256 روپے فی ٹن تھی۔ یہ اضافہ بنیادی طور پر خام مال کی قیمتوں میں اضافے کی وجہ سے ہوا جو کہ 2,085 روپے فی ٹن تک بڑھ گئیں۔ اس کی وجہ معدنیات پر صوبائی راہٹوں میں اضافہ ہے جو کہ اب فی ٹن کی فروخت کی قیمت کا 6 فیصد ہے۔ اس نظر ثانی سے متاثرہ دیگر کارخانہ داروں کے ساتھ مل کر کمپنی نے اس اضافہ پر لاہور ہائی کورٹ میں دعویٰ دائر کر دیا ہے۔ عدالت نے اس اضافے کے معاملے کو 100 فیصد بینک گارنٹی کی فراہمی کے ساتھ مشروط کرتے ہوئے فی الحال کے لئے روک دیا ہے۔ تاہم حفظ ماتقدم کے طور پر کمپنی نے ان عبوری مالیاتی گوشواروں میں اس سے متعلقہ مکمل رقم مختص کر دی ہے۔

ان مشکلات کے باوجود کمپنی کی مضبوط اور پائیدار حکمت عملیوں کو نافذ کرنے پر مسلسل توجہ، بشمول کم لاگتی پالی بیگ کے استعمال کو برقرار رکھنے اور مقامی کونسل کے استعمال میں اضافہ نے افراط زر کے اثرات کو کم کرنے میں مدد کی۔ نتیجے کے طور پر، کمپنی افراط زر کے ماحول سے موثر طریقے سے نکلنے کے لئے تیار رہا ہے۔



Condensed  
Interim Financial  
Statements



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2024**

Rupees in thousand		September 30, 2024	June 30, 2024
	Note	Un-Audited	Audited
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	6	75,566,511	76,221,475
Investment property		669,541	669,541
Long-term advances and deposits		83,708	83,708
		<u>76,319,760</u>	<u>76,974,724</u>
<b>Current Assets</b>			
Stores, spares and loose tools	7	4,076,157	4,012,660
Stock-in-trade	8	1,470,987	1,403,519
Trade receivables		1,949,860	1,864,186
Loans and advances		181,337	185,115
Short-term prepayments		83,079	8,930
Other receivables		30,168	50,525
Short-term investments		292,653	163,652
Cash and bank balances		443,709	414,631
		<u>8,527,950</u>	<u>8,103,218</u>
<b>TOTAL ASSETS</b>		<u>84,847,710</u>	<u>85,077,942</u>
<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
Capital reserves			
Share premium		197,517	197,517
Surplus on revaluation of property, plant and equipment - net of tax		23,020,040	23,358,385
		<u>23,217,557</u>	<u>23,555,902</u>
Revenue reserve - unappropriated profit		21,205,655	19,844,450
		<u>46,694,701</u>	<u>45,671,841</u>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
Long-term financing	9	2,801,051	3,301,167
Long-term deposits		44,956	44,981
Deferred liabilities		21,690,231	21,342,780
		<u>24,536,238</u>	<u>24,688,928</u>
<b>Current Liabilities</b>			
Trade and other payables	10	5,492,161	5,381,438
Retention money payable		82,485	78,549
Provision for taxation - net		956,584	1,117,310
Contract liabilities		81,639	65,872
Sales tax payable - net		262,850	150,566
Accrued mark-up / profit on financing	11	446,609	646,985
Short-term borrowings	12	2,431,733	2,431,737
Current portion of long-term financing	9	3,793,813	4,770,123
Unclaimed dividend		68,897	74,593
		<u>13,616,771</u>	<u>14,717,173</u>
		<u>38,153,009</u>	<u>39,406,101</u>
Contingencies And Commitments	13	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>84,847,710</u>	<u>85,077,942</u>

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

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)**

Rupees in thousand		September 30,	
	Note	2024	2023
Revenue from contracts with customers - gross		11,845,755	12,088,814
Sales tax		(2,018,887)	(2,075,697)
Federal excise duty		(1,852,745)	(1,201,149)
Commission		(72,074)	(83,961)
Discount and rebate		(11,443)	(15,779)
		<u>(3,955,149)</u>	<u>(3,376,586)</u>
Revenue from contracts with customers - net		7,890,606	8,712,228
Cost of sales	14	(5,489,766)	(6,061,838)
Gross profit		2,400,840	2,650,390
Distribution cost		(40,803)	(61,487)
Administrative expenses		(137,065)	(79,479)
Other expenses		(105,572)	(78,999)
		<u>(283,440)</u>	<u>(219,965)</u>
Operating profit		2,117,400	2,430,425
Other income		52,578	6,986
Remeasurement gain on assets held at fair value - net		-	47,352
Finance costs		(493,158)	(950,185)
		<u>(440,580)</u>	<u>(895,847)</u>
Profit before taxation		1,676,820	1,534,578
Taxation		(653,960)	(601,555)
Profit after taxation		1,022,860	933,023
Earnings per share - basic and diluted (Rs.)		4.50	4.11

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

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)**

Rupees in thousand	September 30,	
	2024	2023
Profit after taxation	1,022,860	933,023
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>1,022,860</b>	<b>933,023</b>

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

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)**

Rupees in thousand	Issued, subscribed and paid-up capital	Reserves			Sub total	Total equity
		Capital		Revenue		
		Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profits		
Balance as at June 30, 2023 (Audited)	2,271,489	197,517	23,599,990	14,452,447	38,249,954	40,521,443
Profit after taxation for the period	-	-	-	933,023	933,023	933,023
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	933,023	933,023	933,023
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(300,183)	300,183	-	-
<b>Balance as at September 30, 2023 (Un-Audited)</b>	<b>2,271,489</b>	<b>197,517</b>	<b>23,299,807</b>	<b>15,685,653</b>	<b>39,182,977</b>	<b>41,454,466</b>
Balance as at June 30, 2024 (Audited)	2,271,489	197,517	23,358,385	19,844,450	43,400,352	45,671,841
Profit after taxation for the period	-	-	-	1,022,860	1,022,860	1,022,860
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	1,022,860	1,022,860	1,022,860
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(338,345)	338,345	-	-
<b>Balance as at September 30, 2024 (Un-Audited)</b>	<b>2,271,489</b>	<b>197,517</b>	<b>23,020,040</b>	<b>21,205,655</b>	<b>44,423,212</b>	<b>46,694,701</b>

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

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (UN-AUDITED)

Rupees in thousand		September 30,	
	Note	2024	2023
<b>Cash Flows From Operating Activities</b>			
Cash generated from operations	15	2,962,320	2,642,559
Income tax paid - net		(479,994)	(80,110)
Workers' profit participation fund paid		(24,000)	-
Employees' compensated absences paid		(1,801)	(22,438)
Gratuity paid		(6,532)	(2,119)
Increase in long-term deposits		(25)	(1,238)
<b>Net cash generated from operating activities</b>	<b>A</b>	<b>2,449,968</b>	<b>2,536,654</b>
<b>Cash Flows From Investing Activities</b>			
Capital expenditure incurred		(116,247)	(188,759)
Short term investments made		(129,001)	(14,461)
Proceeds from disposal of property, plant and equipment		18	-
<b>Net cash used in investing activities</b>	<b>B</b>	<b>(245,230)</b>	<b>(203,220)</b>
<b>Cash Flows From Financing Activities</b>			
Proceeds from long-term financing		-	1,000,000
Repayment of long-term financing - net		(1,476,426)	(977,616)
Decrease in short-term borrowings		(4)	(1,286,815)
Finance cost paid		(693,534)	(1,068,370)
Dividend paid		(5,696)	-
<b>Net cash used in financing activities</b>	<b>C</b>	<b>(2,175,660)</b>	<b>(2,332,801)</b>
<b>Net increase in cash and cash equivalents</b>	<b>A+B+C</b>	<b>29,078</b>	<b>633</b>
<b>Cash and cash equivalents - at the beginning of the period</b>		<b>414,631</b>	<b>343,596</b>
<b>Cash and cash equivalents - at the end of the period</b>		<b>443,709</b>	<b>344,229</b>

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

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (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 64-B/1 Gulberg-III, 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 September 30, 2024 and the related condensed interim statement of profit and loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows 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, 2024.

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, 2024, whereas comparatives of condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for period ended September 30, 2023.

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, 2024

### 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, 2024.

### 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		September 30, 2024	June 30, 2024
	Note	Un-Audited	Audited
<b>6</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	6.1	72,765,088	73,525,369
Capital work in progress	6.2	2,741,784	2,636,467
Capital spares		59,639	59,639
		<b>75,566,511</b>	<b>76,221,475</b>
<b>6.1</b>	<b>Operating fixed assets</b>		
Opening book value		73,525,369	73,326,002
Additions during the period / year	6.1.1	10,930	3,215,386
		73,536,299	76,541,388
Disposals during the period / year		(13)	(62,122)
Depreciation for the period / year		(771,198)	(2,953,897)
Closing book value		<b>72,765,088</b>	<b>73,525,369</b>
<b>6.1.1</b>	<b>Additions during the period / year</b>		
Freehold land		-	5,603
Buildings		-	2,151,790
Plant and machinery		2,602	404,947
Furniture and fixtures		228	239,934
Office equipment		-	26,593
Computers and accessories		100	8,581
Vehicles		8,000	377,938
		<b>10,930</b>	<b>3,215,386</b>

Rupees in thousand	Note	September 30, 2024 Un-Audited	June 30, 2024 Audited
<b>6.2 Capital work in progress</b>			
Opening balance		2,636,467	4,416,961
Additions during the period / year		105,317	1,336,680
Transferred to operating fixed assets / investment property		-	(3,117,174)
Closing balance		2,741,784	2,636,467
<b>7 STORES, SPARES AND LOOSE TOOLS</b>			
Stores		1,221,751	1,327,026
Spare parts		2,699,133	2,709,304
Loose tools		20,649	20,955
		3,941,533	4,057,285
Stores in transit		182,618	3,369
		4,124,151	4,060,654
Provision for slow-moving stores and spare parts		(47,994)	(47,994)
		4,076,157	4,012,660
<b>8 STOCK-IN-TRADE</b>			
Raw materials		97,905	84,134
Packing materials		38,832	76,953
Work in process		1,028,836	1,072,895
Finished goods		305,414	169,537
		1,470,987	1,403,519
<b>9 LONG-TERM FINANCING</b>			
<b>Islamic long-term financing arrangements</b>			
Meezan Bank Limited - IV		380,000	475,000
Meezan Bank Limited - Syndicate		1,037,148	1,296,431
National Bank of Pakistan - Syndicate I		120,000	429,236
		1,537,148	2,200,667
<b>Conventional long-term financing arrangements</b>			
National Bank of Pakistan - Syndicate I		2,411,882	3,120,623
National Bank of Pakistan - Term loan		1,000,000	1,000,000
Allied Bank Limited - Facility I		687,500	750,000
Allied Bank Limited - Facility II		958,334	1,000,000
		5,057,716	5,870,623
Total long-term financing	9.1	6,594,864	8,071,290
Less: current portion		(3,793,813)	(4,770,123)
Non-current portion		2,801,051	3,301,167
<b>9.1 There is no change in the terms of the facilities as mentioned in note 20 to annual audited financial statements for the year ended June 30, 2024.</b>			



Rupees in thousand	September 30, 2024 Un-Audited	June 30, 2024 Audited
<b>10 TRADE AND OTHER PAYABLES</b>		
Creditors	2,625,971	3,607,700
Payable to statutory authorities	1,578,531	648,590
Accrued expenses	614,593	510,020
Deposits	12,093	6,607
Employees' compensated absences	87,525	77,141
Worker related funds	566,923	498,359
Others	6,525	33,021
	<b>5,492,161</b>	<b>5,381,438</b>
<b>11 ACCRUED MARKUP / PROFIT ON FINANCING</b>		
Accrued profit on financing from Islamic banks		
Long-term financing	59,306	146,469
Accrued mark-up on financing from conventional banks		
Long-term financing	285,883	369,188
Short-term borrowing	101,420	131,328
	<b>387,303</b>	<b>500,516</b>
	<b>446,609</b>	<b>646,985</b>
<b>12 SHORT-TERM BORROWINGS</b>		
Allied Bank Limited	387,122	368,742
National Bank of Pakistan	999,902	986,302
MCB Bank Limited	474,559	451,627
Bank Al Habib Limited	12,000	14,961
Habib Bank Limited	512,485	410,441
The Bank of Punjab	45,665	199,664
	<b>2,431,733</b>	<b>2,431,737</b>

12.1 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, 2024.

### 13 CONTINGENCIES AND COMMITMENTS

#### 13.1 Contingencies

There has been no significant change in the contingencies as disclosed in note 27 to the annual financial statements for the year ended June 30, 2024.

#### 13.2 Commitments

Commitments in respect of outstanding letters of credit amount to Rs. 233.77 million (June 30, 2024: Rs.333.02 million). In addition, commitment in respect of contracts registered with banks are Nil (June 30, 2024: Rs.9.96 million).

Commitments in respect of issued letters of guarantee favoring Collector of Customs, Karachi amount to Rs.185.06 million (June 30, 2024: Rs. 185.06 million).

Rupees in thousand	Un-Audited September 30,	
	2024	2023
<b>14 COST OF SALES</b>		
Raw material consumed	992,788	491,058
Packing material consumed	319,575	485,093
Fuel and power	3,167,405	4,036,597
Stores and spare parts consumed	97,624	80,333
Salaries, wages and benefits	276,768	244,648
Insurance	17,182	14,731
Repairs and maintenance	37,246	38,526
Depreciation	595,522	608,436
Other manufacturing expenses	77,474	75,232
<b>Total manufacturing cost</b>	<b>5,581,584</b>	<b>6,074,654</b>
<b>Work in process</b>		
Opening balance	1,072,895	722,507
Closing balance	(1,028,836)	(829,642)
	44,059	(107,135)
<b>Cost of goods manufactured</b>	<b>5,625,643</b>	<b>5,967,519</b>
<b>Finished goods</b>		
Opening balance	169,537	586,802
Closing balance	(305,414)	(492,483)
	(135,877)	94,319
	<b>5,489,766</b>	<b>6,061,838</b>
<b>15 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	1,676,820	1,534,578
<b>Adjustment for</b>		
Depreciation	771,198	719,373
Provision for gratuity and compensated absences	31,476	23,787
Finance cost	493,158	950,185
Provision for expected credit losses	6,000	6,000
Gain on disposal of property, plant and equipment	(5)	-
Provision for Workers' Profit Participation Fund	52,752	48,277
Provision for Workers' Welfare Fund	39,812	30,692
Remeasurement gain on assets held at fair value - net	-	(47,352)
<b>Cash flow before working capital changes</b>	<b>3,071,211</b>	<b>3,265,540</b>
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(63,497)	822,281
Stock in trade	(67,468)	153,559
Trade receivables	(91,674)	(274,915)
Loans and advances	3,778	(103,422)
Trade deposits and short term prepayments	(74,149)	(18,788)
Other receivables	20,357	(2,911)
	(272,653)	575,804
<b>Increase/ (decrease) in current liabilities</b>		
Trade and other payables	31,775	(1,598,318)
Contract liabilities	15,767	16,949
Sales tax payable	112,284	380,303
Retention money	3,936	2,281
	163,762	(1,198,785)
<b>Cash generated from operations</b>	<b>2,962,320</b>	<b>2,642,559</b>

## 16 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	Fair value through other comprehensive income	Fair value through profit and loss	Carrying Amount			Fair Value		
				Financial Assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<b>On-Balance sheet financial instruments</b>									
September 30, 2024 (Un-Audited)									
<b>Financial assets measured at fair value</b>									
		-	-	-	-	-	-	-	-
<b>Financial assets at amortized cost</b>									
		-	-	83,708	-	83,708	-	-	-
		-	-	292,653	-	292,653	-	-	-
		-	-	1,949,860	-	1,949,860	-	-	-
		-	-	7,403	-	7,403	-	-	-
		-	-	30,168	-	30,168	-	-	-
		-	-	443,709	-	443,709	-	-	-
	16.1	-	-	2,807,501	-	2,807,501	-	-	-
<b>Financial liabilities measured at fair value</b>									
		-	-	-	-	-	-	-	-
<b>Financial liabilities measured at amortized cost</b>									
		-	-	-	6,594,864	6,594,864	-	-	-
		-	-	-	44,956	44,956	-	-	-
		-	-	-	68,897	68,897	-	-	-
		-	-	-	82,485	82,485	-	-	-
		-	-	-	3,259,182	3,259,182	-	-	-
		-	-	-	446,609	446,609	-	-	-
		-	-	-	2,431,733	2,431,733	-	-	-
	16.1	-	-	-	12,928,726	12,928,726	-	-	-

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>									
June 30, 2024 (Audited)									
Financial assets measured at fair value									
Investments	-	-	-	-	-	-	-	-	-
<b>Financial assets at amortized cost</b>									
Long term deposits	-	-	-	83,708	-	-	-	-	-
Short term Investment	-	-	-	163,652	-	-	-	-	-
Trade debts - unsecured, considered good	-	-	-	1,864,186	-	-	-	-	-
Loans to employees	-	-	-	7,765	-	-	-	-	-
Other receivables	-	-	-	50,525	-	-	-	-	-
Cash and bank balances	-	-	-	414,631	-	-	-	-	-
	16.1	-	-	2,584,467	-	-	2,584,467	-	-
<b>Financial liabilities measured at fair value</b>									
<b>Financial liabilities measured at amortized cost</b>									
Long term financing	-	-	-	-	-	-	8,071,290	-	-
Long term deposits	-	-	-	-	-	-	44,981	-	-
Unclaimed dividend	-	-	-	-	-	-	74,593	-	-
Retention money	-	-	-	-	-	-	78,549	-	-
Trade and other payables	-	-	-	-	-	-	4,157,348	-	-
Accrued mark-up/ profit on financing	-	-	-	-	-	-	646,985	-	-
Short term borrowings	-	-	-	-	-	-	2,431,737	-	-
	16.1	-	-	-	-	-	15,505,483	15,505,483	-

16.1 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.

17 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Rupees in thousand	For the quarter ended September 30, 2024				
	Liabilities				Total
	Long term finances	Short term borrowings	Accrued mark-up / profit on	Unclaimed Dividend	
Balance as at July 01, 2024	8,071,290	2,431,737	646,985	74,593	11,224,605
<b>Changes from financing activities</b>					
Repayment of long term finances - secured	(1,476,426)	-	-	-	(1,476,426)
Decrease in short term borrowings - net	-	(4)	-	-	(4)
Finance costs paid	-	-	(693,534)	-	(693,534)
Dividend paid	-	-	-	(5,696)	(5,696)
<b>Total changes from financing cash flows</b>	<b>(1,476,426)</b>	<b>(4)</b>	<b>(693,534)</b>	<b>(5,696)</b>	<b>(2,175,660)</b>
<b>Other changes</b>					
Finance costs paid	-	-	493,158	-	493,158
<b>Total liability related other changes</b>	<b>-</b>	<b>-</b>	<b>493,158</b>	<b>-</b>	<b>493,158</b>
<b>Closing as at September 30, 2024</b>	<b>6,594,864</b>	<b>2,431,733</b>	<b>446,609</b>	<b>68,897</b>	<b>9,542,103</b>

Rupees in thousand	For the quarter ended September 30, 2023				
	Liabilities				Total
	Long term finances	Short term borrowings	Accrued mark-up / profit on financing	Unclaimed Dividend	
Balance as at July 01, 2023	13,521,379	3,961,845	952,532	60,584	18,496,340
<b>Changes from financing activities</b>					
Proceeds from long-term financing	1,000,000	-	-	-	1,000,000
Repayment of long term finances - secured	(977,616)	-	-	-	(977,616)
Decrease in short term borrowings - net	-	(1,286,815)	-	-	(1,286,815)
Finance costs paid	-	-	(1,000,220)	-	(1,000,220)
Dividend paid	-	-	-	-	-
<b>Total changes from financing cash flows</b>	<b>22,384</b>	<b>(1,286,815)</b>	<b>(1,000,220)</b>	<b>-</b>	<b>(2,264,651)</b>
<b>Other changes</b>					
Finance costs paid	-	-	950,185	-	950,185
<b>Total liability related other changes</b>	<b>-</b>	<b>-</b>	<b>950,185</b>	<b>-</b>	<b>950,185</b>
<b>Closing as at September 30, 2023</b>	<b>13,543,763</b>	<b>2,675,030</b>	<b>902,497</b>	<b>60,584</b>	<b>17,181,874</b>

## 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. Transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

Rupees in thousand			September 30,	
Relationship with Company	Relationship	Nature of Transaction	2024 Un-Audited	2023
Imperial developers and builders private limited	Common Directorship	Operations and Maintenance	34,500	10,000
Haleeb Foods Limited	Common Directorship	Rental income	8,649	-
		Reimbursement against:		
		- Operations and Maintenance	17,250	-
		- Others	9,975	-
Staff retirement contribution plan	Staff retirement benefits	Contribution to staff provident fund	8,481	6,682
Rupees in thousand			September 30, 2024 Un-Audited	June 30, 2024 Audited
Period end balances				
Receivable from Haleeb Foods Limited			-	30,667

## 19 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on October 29, 2024.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

Notes

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