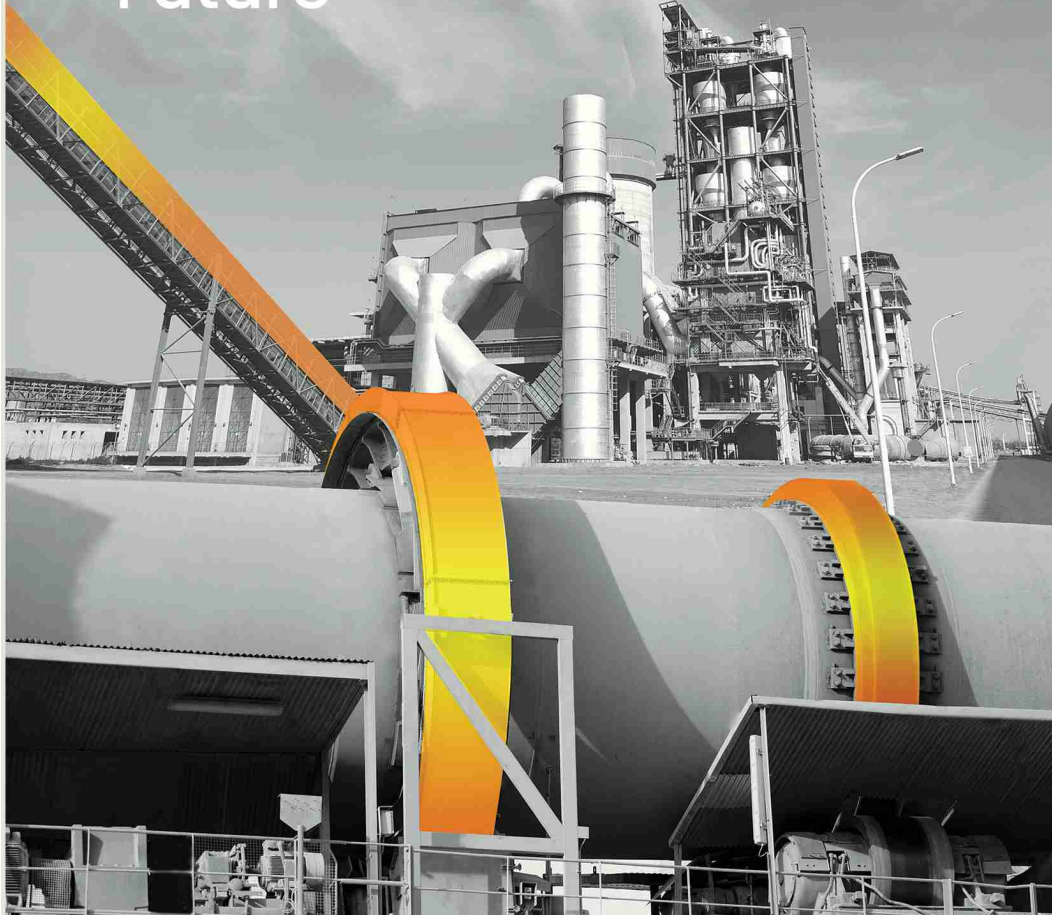


Shaping the
Future



PIONEER CEMENT

QUARTERLY REPORT
SEPTEMBER 30, 2023

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COMPANY INFORMATION

Board of Directors

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

Audit Committee

- Mr. Manzoor Ahmed (Chairman)
- Mr. Aly Khan
- Ms. Aleeya 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 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
- 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

Registered Office

135-Ferozepur Road, Lahore
Tel: +92 (42) 37503570-72
Fax: +92 (42) 37503573-4
Email: pioneer@pioneeracement.com

Factory

Chenki, District Khushab
Tel: +92 (454) 898101-3
Fax: +92 (454) 898104
Email: factory@pioneeracement.com

Regional Offices

Karachi Office
4th Floor, KDLB Building West Wharf,
Karachi
Tel: +92 (21) 32201232-3
Fax: +92 (21) 32201234
Email: pclkhi@pioneeracement.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

DIRECTORS' REPORT TO THE SHAREHOLDERS

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

Directors of your Company are pleased to present condensed interim financial statements for the period ended September 30, 2023.

Cement Industry

During the period under review, cement industry made volumetric dispatches of 11.88 million tons compared to 9.62 million tons dispatched during the same period last year (SPLY), recording an overall increase of 23.47%. Dispatches for the period comprised of 10.13 million tons of local sales (SPLY: 8.60 million tons) and 1.75 million tons of exports (SPLY: 1.02 million tons).

Business Performance

1) Production and Sales Volume

	Period ended September 30		Variance
	2023	2022	%
Cement production	592,334	635,177	(6.75)
Cement sales	600,575	633,549	(5.20)

2) Financial Performance

	Period ended September 30		Variance
	2023	2022	%
Net sales	8,712,228	8,321,543	4.69
Cost of sales	6,061,838	6,411,783	(5.46)
Gross profit	2,650,390	1,909,760	38.78
Operating profit	2,430,425	1,778,797	36.63
Profit before taxation	1,534,578	874,273	75.53
Profit after taxation	933,023	585,823	59.27
Earnings per share (Rs.)	4.11	2.58	59.30

During the period under review, the Company dispatched 600,575 tons cement in local market compared to 633,549 tons dispatched in SPLY; a decline of 5.20%. Even though there was a decrease in sales volume, overall revenue increased by 4.69%, primarily due to a cost-driven rise in the selling prices.

Cost of cement sold during the period decreased slightly to Rs. 10,093 per ton (SPLY: Rs. 10,120 per ton). Major variance has been observed in fuel and power cost which decreased to Rs. 6,721 per ton in current period (SPLY: Rs. 8,063 per ton), registering a decrease of 16.64% attributable to improved coal mix. Increase in raw material cost to Rs. 818 per ton (SPLY: Rs. 611 per ton) was triggered by increased royalty on mineral extraction. Packing material cost also increased to Rs. 808 per ton of cement sold (SPLY: Rs. 728 per ton). To counter the adverse impact of craft paper prices in international market, the Company has proactively improved its poly to paper mix.

Following revaluation of property, plant, and equipment, as well as transition in depreciation methodology from UoP to the straight line, there has been an observable increase in depreciation expense to Rs. 1,013 per ton (SPLY: Rs. 478 per ton).

For the period under review, timely repayment of loans has successfully offset the repercussions of continual upward revisions in policy rates. This has led to a marginal increase of 3.90% in finance cost, amounting to Rs. 950.19 million as opposed to the previous year's Rs. 914.51 million.

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. 933.03 million for the quarter (EPS: Rs. 4.11) compared to Rs. 585.82 million (EPS: Rs. 2.58) earned in the corresponding period

Election of Directors

Pursuant to election of directors in 37th AGM of the Company held on October 27th, 2023 following seven directors were elected unopposed;

1. Mr. Aly Khan
2. Ms. Aleeya Khan
3. Mr. Shafiuddin Ghani Khan
4. Mr. Manzoor Ahmed
5. Mr. Mohammed Aftab Alam
6. Mirza Ali Hassan Askari
7. Mr. Doraib A Kisat

All the elected directors are non-executive including two independent directors.

Future Outlook

Several factors are contributing to significant shifts within the cement industry, making it challenging to anticipate what lies ahead. Key factors impacting the sector include rising costs of raw materials and fuel, constrained government expenditures, escalating national grid tariff, unpredictable foreign exchange parity and upward adjustments in policy rates. These factors collectively contribute to the uncertainty surrounding the industry's future trajectory. However, the challenging operational conditions are inherent in operating within developing countries like ours and the Company's management maintains a positive outlook regarding the attainment of operational efficiencies.

Acknowledgement

The Board acknowledges the assistance and cooperation of all stakeholders including financial institutions, customers, creditors, Government departments and all others who strengthened the Company. The Board also places on record its gratitude for the dedication of employees towards the Company.

For and on behalf of the Board



M Habibullah Khan
Chief Executive Officer
October 30, 2023
Lahore



Aly Khan
Chairman
October 30, 2023
Lahore

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، 2023 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

سیمنٹ کی صنعت

زیر عرصہ مدت کے دوران سیمنٹ کی مجموعی ترسیلات 11.88 ملین ٹن رہیں جو کہ گزشتہ سال اسی عرصہ کے دوران 9.62 ملین ٹن تھیں، مجموعی طور پر 23.47% کا اضافہ ریکارڈ کیا گیا۔ کل ترسیلات میں 10.13 ملین ٹن مقامی منڈی اور 1.75 ملین ٹن برآمدات شامل ہیں جبکہ گزشتہ سال اسی عرصہ میں 8.60 ملین ٹن مقامی منڈی میں فروخت اور 1.02 ملین ٹن سیمنٹ برآمد کیا گیا تھا۔

مالیاتی کارکردگی

زیر عرصہ مدت کے دوران سیمنٹ کی مقامی فروخت 600,575 ٹن رہی جبکہ گزشتہ سال اسی عرصہ میں 633,549 ٹن سیمنٹ فروخت کیا گیا تھا (5.20% کمی)۔ حجم میں کمی کے باوجود کمپنی کی خالص فروخت میں 4.69% کا اضافہ ہوا جس کی وجہ مقامی منڈی میں سیمنٹ کی قیمتوں میں اضافہ ہے۔

زیر عرصہ مدت میں فروخت شدہ سیمنٹ کی لاگت 10,093 روپے فی ٹن رہی جو کہ گزشتہ سال 10,120 روپے فی ٹن تھی۔ اہم فرق یہ پڑا کہ ایندھن اور بجلی کی لاگت کم ہو کر 6,721 روپے فی ٹن ہو گئی جبکہ گزشتہ سال اسی عرصہ میں یہ 8,063 روپے فی ٹن تھی، اس طرح 16.64% کمی ہوئی جو کہ متناسب کونکے کی وجہ سے ہوئی۔ خام مال کی قیمتیں 818 روپے فی ٹن ہو گئیں جو کہ گزشتہ سال 611 روپے فی ٹن تھیں اس کی وجہ معدنیات پر انٹرنیٹ میں اضافہ ہے۔ اسی طرح پیکنگ مال کی فی ٹن لاگت بھی 808 روپے تک چلی گئی جبکہ گزشتہ سال یہ 728 روپے تھی۔ بین الاقوامی منڈی میں کرافٹ پیپر کی قیمتوں کے منفی اثرات کو زائل کرنے کے لئے کمپنی نے اپنے پوولی ٹو پیپر تناسب کو فعال طور پر بہتر کیا ہے۔

مقررہ اثاثوں کی دوبارہ تشخیص کے ساتھ ساتھ فرسودگی کے تعین کے طریقہ کار میں تبدیلی کی وجہ سے فرسودگی 1,013 روپے فی ٹن رہی جو کہ گزشتہ سال 478 روپے فی ٹن تھی۔

زیر جائزہ مدت کے لئے قرضوں کی بروقت ادائیگی نے پالیسی کی شرحوں میں مسلسل اضافے کے اثرات کو کم کیا ہے اس کی وجہ سے مالیاتی لاگت میں 3.90% کا معمولی اضافہ ہوا ہے جو کہ 950.19 ملین روپے ہے جبکہ گزشتہ سال 914.51 ملین روپے تھا۔ زیر جائزہ عرصہ میں ٹیکس کی لاگت، متبادل کارپوریٹ ٹیکس، موثر ٹیکس اور سہ ماہی کے لئے سپر ٹیکس کی نمائندگی کرتا ہے اس کے نتیجے میں 933.03 ملین روپے کا بعد از ٹیکس منافع ہوا ہے (EPS Rs.4.11) جبکہ گزشتہ سال اسی عرصہ میں خالص منافع 585.82 ملین

روپے تھا (EPS Rs.2.58)۔

ڈائریکٹرز کا انتخاب

بروز جمعہ اکتوبر 27، 2023 کو صبح 11:00 بجے منعقد ہونے والے سینتیسویں اجلاس عام میں ڈائریکٹرز کے انتخاب کے نتیجے میں مندرجہ ذیل سات ڈائریکٹرز بلا مقابلہ منتخب ہوئے ہیں؛

- 1- جناب علی خان
- 2- محترمہ عالیہ خان
- 3- جناب شفیع الدین غنی خان
- 4- جناب محمد آفتاب عالم
- 5- مرزا علی حسن عسکری
- 6- جناب دوریب اے کیست
- 7- جناب منظور احمد

تمام منتخب شدہ ڈائریکٹرز نان ایگزیکٹو ہیں جن میں دو آزاد ڈائریکٹرز بھی شامل ہیں۔

مستقبل کا نقطہ نظر

کئی عوامل سیمنٹ کی صنعت میں اہم تبدیلیوں میں حصہ ڈال رہے ہیں جس سے یہ اندازہ لگانا مشکل ہو رہا ہے کہ آگے کیا ہوگا۔ سیکٹر پر اثر انداز ہونے والے اہم عوامل میں خام مال کی بڑھتی ہوئی قیمتیں، حکومتی اخراجات، بڑھتا ہوا قومی گریڈ ٹیرف اور پالیسی ریت میں اضافہ شامل ہیں۔ یہ عوامل مجموعی طور پر صنعت کے مستقبل میں غیر یقینی صورتحال پیدا کر رہے ہیں تاہم چیلنجنگ آپریشنل حالات ہمارے جیسے ترقی پذیر ممالک میں موروثی ہیں اور کمپنی کی انتظامیہ عملی افادیت کے حصول کے حوالے سے مثبت نقطہ نظر رکھتی ہے۔

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 شکر گزار ہے۔



علی خان
چئیرمین بورڈ آف ڈائریکٹرز
30 اکتوبر 2023
لاہور



ایم حبیب اللہ خان
چیف ایگزیکٹو آفیسر
30 اکتوبر 2023
لاہور



Condensed
Interim Financial
Statements

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

Rupees in thousands		September 30, 2023	June 30, 2023
	Note	Un-audited	Audited
ASSETS			
Non Current Assets			
Property, plant and equipment	6	77,380,138	77,802,602
Investment property		94,926	94,926
Long-term advances and deposits		345,502	344,264
		77,820,566	78,241,792
Current Assets			
Stores, spares and loose tools	7	3,613,368	4,435,649
Stock-in-trade	8	1,478,015	1,631,574
Trade receivables		2,094,563	1,825,648
Loans and advances		303,049	199,627
Short-term prepayments		24,815	6,027
Other receivables		12,863	9,952
Short-term investments	9	523,315	461,502
Cash and bank balances		344,229	343,596
		8,394,217	8,913,575
TOTAL ASSETS		86,214,783	87,155,367
EQUITY AND LIABILITIES			
Share Capital And Reserves			
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		23,299,807	23,599,990
		23,497,324	23,797,507
Revenue reserve - unappropriated profit		15,685,653	14,452,447
		41,454,466	40,521,443
LIABILITIES			
Non Current Liabilities			
Long-term financing	10	8,453,727	8,033,010
Long-term deposits		41,384	41,384
Deferred liabilities		19,878,242	19,681,537
		28,373,353	27,755,931
Current Liabilities			
Trade and other payables	11	5,526,886	7,019,560
Retention money payable		846,225	843,944
Provision for taxation - net		749,091	411,796
Contract liabilities		146,218	129,269
Sales tax payable - net		390,397	10,094
Accrued mark-up / profit on financing	12	902,497	952,532
Short-term borrowings	13	2,675,030	3,961,845
Current portion of long-term financing	10	5,090,036	5,488,369
Unclaimed dividend		60,584	60,584
		16,386,964	18,877,993
		44,760,317	46,633,924
Contingencies And Commitments	14	-	-
TOTAL EQUITY AND LIABILITIES		86,214,783	87,155,367

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, 2023 (UN-AUDITED)

Rupees in thousands	Note	September 30, 2023	2022
Revenue from contracts with customers - gross		12,088,814	11,168,035
Sales tax		(2,075,697)	(1,840,526)
Federal excise duty		(1,201,149)	(950,323)
Commission		(83,961)	(47,253)
Discount and rebate		(15,779)	(8,390)
Revenue from contracts with customers - net		8,712,228	8,321,543
Cost of sales	15	(6,061,838)	(6,411,783)
Gross profit		2,650,390	1,909,760
Distribution cost		(61,487)	(29,038)
Administrative expenses		(79,479)	(37,094)
Other expenses		(78,999)	(64,831)
Operating profit		2,430,425	1,778,797
Other income		6,986	10,825
Remeasurement gain / (loss) on assets held at fair value - net		47,352	(839)
Finance costs		(950,185)	(914,510)
		(895,847)	(904,524)
Profit before taxation		1,534,578	874,273
Taxation		(601,555)	(288,450)
Profit after taxation		933,023	585,823
Earnings per share - basic and diluted (Rs.)		4.11	2.58

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, 2023 (UN-AUDITED)

Rupees in thousands	September 30,	
	2023	2022
Profit after taxation	933,023	585,823
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	-	-
Total comprehensive income for the period	933,023	585,823

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, 2023 (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, 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	-	-	-	-	-	-
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(110,986)	110,986	-	-
Balance as at September 30, 2022 - unaudited	2,271,489	197,517	16,067,285	11,820,873	28,085,675	30,357,164
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	-	-	-	-	-	-
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(300,183)	300,183	-	-
Balance as at September 30, 2023 - unaudited	2,271,489	197,517	23,299,807	15,685,653	39,182,977	41,454,466


Chief Financial Officer


Chief Executive Officer


Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

Rupees in thousands	Note	September 30, 2023	2022
Cash Flows From Operating Activities			
Cash generated from operations	16	2,642,559	1,566,878
Income tax paid - net		(80,110)	(73,747)
Workers' profit participation fund paid		-	(1,850)
Employees' compensated absences paid		(22,438)	(780)
Gratuity paid		(2,119)	(2,396)
Increase in long-term deposits		(1,238)	(899)
Net cash generated from operating activities	A	2,536,654	1,487,206
Cash Flows From Investing Activities			
Capital expenditure incurred		(188,759)	(137,198)
Short term investments made		(14,461)	-
Net cash used in investing activities	B	(203,220)	(137,198)
Cash Flows From Financing Activities			
Proceeds from long-term financing		1,000,000	-
Repayment of long-term financing - net		(977,616)	(563,102)
(Decrease) / increase in short-term borrowings		(1,286,815)	(58,728)
Finance cost paid		(1,068,370)	(782,630)
Net cash used in financing activities	C	(2,332,801)	(1,404,460)
Net increase / (decrease) in cash and cash equivalents	A+B+C	633	(54,452)
Cash and cash equivalents - at the beginning of the period		343,596	588,896
Cash and cash equivalents - at the end of the period		344,229	534,444

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, 2023 (UN-AUDITED)**

1 LEGAL STATUS AND NATURE OF BUSINESS

Pioneer Cement Limited (the Company) was incorporated in Pakistan as a public company limited by shares on February 09, 1986. Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of cement. The registered office of the Company is situated at 135, Ferozpur Road, Lahore. The Company's production facility is situated at Chenki, District Khushab in Punjab Province.

2 BASIS OF PRESENTATION AND MEASUREMENT

2.1 These condensed interim financial statements comprise the condensed interim statement of financial position of the Company, as at September 30, 2023 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, 2023.

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, 2023, 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 the three month period ended September 30, 2022.

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

2.6 These condensed interim financial statements have been prepared under the 'historical cost convention' except for freehold land, factory building, cement production plants, waste heat recovery plants, coal power plants, investment property, short term investments and certain other financial instruments which are carried at revalued amounts / fair value and retirement benefit obligations which are measured at present value. These condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended June 30, 2023.

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, 2023.

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, 2023	June 30, 2023
	Note	Un-audited	Audited
6	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	6.1	72,630,179	73,326,002
Capital work in progress	6.2	4,690,320	4,416,961
Capital spares		59,639	59,639
		77,380,138	77,802,602
6.1	Operating fixed assets		
Opening book value		73,326,002	60,225,352
Revaluation surplus		-	15,603,456
Additions during the period / year	6.1.1	23,550	155,610
		73,349,552	75,984,418
Depreciation for the period / year		(719,373)	(2,658,416)
Closing book value		72,630,179	73,326,002
6.1.1	Additions during the period / year		
Plant and machinery		11,811	149,960
Furniture and fixtures		-	260
Office equipment		6,737	87
Computers and accessories		5,002	1,272
Vehicles		-	4,031
		23,550	155,610
6.2	Capital work in progress		
Opening balance		4,416,961	2,958,225
Additions during the period / year		273,359	1,458,736
Closing balance		4,690,320	4,416,961

Rupees in thousands		September 30, 2023	June 30, 2023
	Note	Un-audited	Audited
7	STORES, SPARES AND LOOSE TOOLS		
	Stores	1,053,906	2,036,677
	Spare parts	2,412,119	2,429,019
	Loose tools	23,042	17,947
		3,489,067	4,483,643
	Stores-in-transit	172,295	-
		3,661,362	4,483,643
	Provision for slow-moving stores and spare parts	(47,994)	(47,994)
		3,613,368	4,435,649
8	STOCK-IN-TRADE		
	Raw materials	33,669	73,514
	Packing materials	122,221	248,751
	Work in process	829,642	722,507
	Finished goods	492,483	586,802
		1,478,015	1,631,574
9	SHORT-TERM INVESTMENTS		
	Investments with Shariah compliant funds		
	Meezan Islamic Fund		
	Units 4,004,681 (June 30, 2023: 4,004,681)	241,311	219,522
	NBP Islamic Stock Fund		
	Units 23,222,138 (June 30, 2023: 23,222,138)	266,698	241,176
	Meezan Islamic Income Fund		
	Units 15,601 (June 30, 2023: 15,601)	845	804
		508,854	461,502
	Investments with Term Deposit Receipts		
	Term deposit with Bank Al Habib	14,461	-
		523,315	461,502
10	LONG-TERM FINANCING		
	Islamic long-term financing arrangements		
	Meezan Bank Limited - III	262,501	291,667
	Meezan Bank Limited - IV	855,000	950,000
	Meezan Bank Limited - Syndicate	1,555,714	1,814,997
	National Bank of Pakistan - Syndicate I	1,199,972	959,266
		3,873,187	4,015,930
	Conventional long-term financing arrangements		
	National Bank of Pakistan - Syndicate I	5,999,743	6,240,449
	National Bank of Pakistan - Syndicate II 10.1	-	440,000
	National Bank of Pakistan - Bilateral facility	733,333	825,000
	National Bank of Pakistan - Term loan 10.2	1,000,000	-
	Allied Bank Limited - facility I	1,000,000	1,000,000
	Allied Bank Limited - facility II	937,500	1,000,000
		9,670,576	9,505,449
	Total long-term financing	10.3	13,543,763
	Less: current portion	(5,090,036)	(4,254,920)
	Non-current portion	8,453,727	9,266,459

- 10.1 During the period, the Company has early settled remaining outstanding amount against syndicate finance facility II.
- 10.2 During the period, the Company has obtained a long term loan facility of Rs. 1,000 million. This facility carries markup at 3 months KIBOR plus 0.75% per annum payable quarterly whereas the principal is repayable in eight years including grace period of two years. The facility is secured against joint pari passu mortgage charge over the project with 25% margin.
- 10.3 Except disclosed above, there is no change in the terms of the facilities as mentioned in note 19 to annual audited financial statements for the year ended June 30, 2023.

Rupees in thousands	September 30, 2023	June 30, 2023	
	Note	Un-audited	Audited
11 TRADE AND OTHER PAYABLES			
Creditors		3,677,441	5,442,808
Payable to statutory authorities	11.1	785,720	658,050
Accrued expenses		648,474	609,035
Deposits		8,417	8,430
Employees' compensated absences		69,705	83,028
Worker related funds		297,086	218,117
Others		40,043	92
		5,526,886	7,019,560
11.1 Payable to statutory authorities			
Excise duty on cement		421,943	445,248
Royalty and excise duty		114,969	18,130
Income tax deducted at source		248,808	194,672
		785,720	658,050
12 ACCRUED MARKUP / PROFIT ON FINANCING			
Accrued profit on financing from islamic banks			
Long-term financing		111,632	212,611
Short-term borrowing		1,202	57,305
		112,834	269,916
Accrued mark-up on financing from conventional banks			
Long-term financing		631,221	554,606
Short-term borrowing		158,442	128,010
		789,663	682,616
		902,497	952,532

Rupees in thousands	September 30, 2023	June 30, 2023
	Note	Un-audited
13 SHORT-TERM BORROWINGS		
Islamic Banks		
Meezan Bank Limited - Running Musharaka	-	999,617
Conventional Banks		
Allied Bank Limited	338,640	467,811
National Bank of Pakistan	990,355	999,355
MCB Bank Limited	365,312	429,756
Bank Al Habib Limited	125,289	175,069
Habib Bank Limited	656,535	690,273
United Bank Limited	198,899	199,964
	2,675,030	2,962,228
	13.1	2,675,030
		3,961,845

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, 2023.

14 CONTINGENCIES AND COMMITMENTS

14.1 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, 2023.

14.2 Commitments

Commitments in respect of outstanding letters of credit amount to Rs. 100.74 million (June 30, 2023: Rs.85.31 million). In addition, commitment in respect of contracts registered with banks amount to Rs. 0.12 million (June 30, 2023: Rs.0.59 million).

Commitments in respect of issued letters of guarantee favoring Collector of Customs, Karachi amount to Rs.78.86 million (June 30, 2023: Rs.63.98 million).

Rupees in thousands	September 30, 2023	2022
	Un-audited	
15 COST OF SALES		
Raw material consumed	491,058	387,067
Packing material consumed	485,093	461,204
Fuel and power	4,036,597	5,108,573
Stores and spare parts consumed	80,333	84,481
Salaries, wages and benefits	244,648	209,994
Insurance	14,731	10,791
Repairs and maintenance	38,526	29,219
Depreciation	608,436	302,959
Other manufacturing expenses	75,232	77,877
Total manufacturing cost	6,074,654	6,672,165
Work in process		
Opening balance	722,507	152,126
Closing balance	(829,642)	(322,061)
	(107,135)	(169,935)
Cost of goods manufactured	5,967,519	6,502,230
Finished goods		
Opening balance	586,802	182,990
Closing balance	(492,483)	(273,437)
	94,319	(90,447)
Cost of Sales	6,061,838	6,411,783

Rupees in thousands	September 30, 2023 2022 Un-audited	
16 CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,534,578	874,273
Adjustment for		
Depreciation	719,373	423,281
Provision for gratuity and compensated absences	23,787	17,803
Finance cost	950,185	914,510
Provision for expected credit losses	6,000	-
Provision for Workers' Profit Participation Fund	48,277	46,957
Provision for Workers' Welfare Fund	30,692	17,844
Remeasurement (gain)/ loss on assets held at fair value - net	(47,352)	839
Cash flow before working capital changes	3,265,540	2,295,507
Working capital changes (Increase) / decrease in current assets		
Stores, spares and loose tools	822,281	574,657
Stock in trade	153,559	(239,457)
Trade receivables	(274,915)	(448,372)
Loans and advances	(103,422)	(83,024)
Trade deposits and short term prepayments	(18,788)	(32,075)
Other receivables	(2,911)	106
	575,804	(228,165)
Increase/ (decrease) in current liabilities		
Trade and other payables	(1,598,318)	(414,209)
Contract liabilities	16,949	(31,443)
Sales tax payable	380,303	(57,584)
Retention money	2,281	2,772
	(1,198,785)	(500,464)
Cash generated from operations	2,642,559	1,566,878

17 FINANCIAL INSTRUMENTS-FAIR VALUES

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

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

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

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

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

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

	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
On-Balance sheet financial instruments					
September 30, 2023 (Un-Audited)		523,315			523,315
Financial assets measured at fair value					
Investments					
Financial assets at amortised cost					
Long term deposits	-	345,502	-	-	345,502
Trade debts - unsecured, considered good	-	2,094,563	-	-	2,094,563
Loans to employees	-	4,784	-	-	4,784
Other receivables	-	12,863	-	-	12,863
Cash and bank balances	-	344,229	-	-	344,229
	-	2,801,941	-	-	2,801,941
Financial liabilities measured at fair value					
Financial liabilities measured at amortised cost					
Long term financing	-	-	13,543,763	-	13,543,763
Long term deposits	-	-	41,384	-	41,384
Unclaimed dividend	-	-	60,584	-	60,584
Retention money	-	-	846,225	-	846,225
Trade and other payables	-	-	4,374,375	-	4,374,375
Accrued mark-up profit on financing	-	-	902,497	-	902,497
Short term borrowings	-	-	2,675,030	-	2,675,030
	-	-	22,443,858	-	22,443,858

Note

17.1

	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
	Rupees in thousand				
On-Balance sheet financial instruments					
June 30, 2023 (Audited)					
Financial assets measured at fair value		461,502			461,502
Investments					461,502
<i>Financial assets at amortised cost</i>					
Long term deposits	-	-	344,264	-	344,264
Trade debts - unsecured, considered good	-	-	1,825,648	-	1,825,648
Loans to employees	-	-	3,860	-	3,860
Other receivables	-	-	9,952	-	9,952
Cash and bank balances	-	-	343,596	-	343,596
17.1	-	-	2,527,320	-	2,527,320
Financial liabilities measured at fair value					
<i>Financial liabilities measured at amortised cost</i>					
Long term financing	-	-	-	13,521,379	13,521,379
Long term deposits	-	-	-	41,384	41,384
Unclaimed dividend	-	-	-	60,584	60,584
Retention money	-	-	-	843,944	843,944
Trade and other payables	-	-	-	6,060,365	6,060,365
Accrued mark-up/ profit on financing	-	-	-	952,532	952,532
Short term borrowings	-	-	-	3,961,845	3,961,845
17.1	-	-	-	25,442,033	25,442,033

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

18 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES.

	For the quarter ended September 30, 2023				Total
	Liabilities				
	Long term finances	Short term borrowings	Accrued mark-up / profit on financing	Unclaimed Dividend	
	----- Rupees in thousand -----				
Balance as at July 01, 2023	13,521,379	3,961,845	952,532	60,584	18,496,340
<i>Changes from financing activities</i>					
Proceeds from long-term financing	1,000,000	-	-	-	1,000,000
Repayment of long term finances - secured	(977,616)	-	-	-	(977,616)
Repayment of short term borrowings - net	-	(1,286,815)	-	-	(1,286,815)
Finance cost paid	-	-	(1,000,220)	-	(1,000,220)
Dividend paid	-	-	-	-	-
Total changes from financing cash flows	22,384	(1,286,815)	(1,000,220)	-	(2,264,651)
<i>Other changes</i>					
Amortization of government grant	-	-	-	-	-
Finance cost	-	-	950,185	-	950,185
Total liability related other changes	-	-	950,185	-	950,185
Closing as at September 30, 2023	13,543,763	2,675,030	902,497	60,584	17,181,874
	----- Rupees in thousand -----				
	For the quarter ended September 30, 2022				Total
	Liabilities				
	Long term finances	Short term borrowings	Accrued mark-up / profit on financing	Unclaimed Dividend	
	----- Rupees in thousand -----				
Balance as at July 01, 2022	18,030,031	4,285,143	780,233	60,663	23,156,070
<i>Changes from financing activities</i>					
Repayment of long term finances - secured	(563,102)	-	-	-	(563,102)
Disbursement of short term borrowings - net	-	(58,728)	-	-	(58,728)
Finance cost paid	-	-	(782,630)	-	(782,630)
Dividend paid	-	-	-	-	-
Total changes from financing cash flows	(563,102)	(58,728)	(782,630)	-	(1,404,460)
<i>Other changes</i>					
Amortization of government grant	785	-	-	-	785
Finance cost	-	-	914,510	-	914,510
Total liability related other changes	785	-	914,510	-	915,295
Closing as at September 30, 2022	17,467,714	4,226,415	912,113	60,663	22,666,905

19 TRANSACTIONS WITH RELATED PARTIES

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

Rupees in thousands		September 30, 2023 2022	
Relationship with Company	Nature of Transaction	Un-audited	
Key management personnel including CEO	Remuneration	76,451	50,873
Imperial developers and builders private limited	Building O&M charges	10,000	-
Staff retirement contribution plan	Contribution to staff provident fund	6,682	5,107

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 30, 2023.


Chief Financial Officer


Chief Executive Officer


Chairman



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