

Shaping the  
Future



PIONEER CEMENT

THIRD QUARTER REPORT  
**MARCH 31, 2024**

# CONTENTS



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

## COMPANY INFORMATION

### Board of Directors

- Mr. Aly Khan (Chairman)
- Mr. M. Habibullah Khan (CEO)
- Ms. Aleeya Hasan 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 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
- 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@pioneercement.com

### Registered Office

64-B/1, Gulberg-III, Lahore, Pakistan.  
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

F-54 Block 7, Clifton, Karachi  
Tel: +92 (21) 38899693  
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. 5, 3rd 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.

The Directors of your Company are pleased to present the condensed interim financial statements for the period ended March 31, 2024.

### Cement Industry

During the period under review, the cement industry made volumetric dispatches of 34.50 million tons compared to 33.60 million tons dispatched during the same period last year (SPLY), recording 2.69% growth. Dispatches for the period comprised of 29.40 million tons of local sales (SPLY: 30.56 million tons) and 5.10 million tons of exports (SPLY: 3.04 million tons).

### Business Performance

#### 1) Production and Sales Volume

	Period ended March 31,		(Tons)
	2024	2023	Variance %
Cement production	1,819,530	2,109,554	(13.75)
Cement sales	1,834,863	2,090,501	(12.23)

#### 2) Financial Performance

	Period ended March 31,		(Rupees in thousands)
	2024	2023	Variance %
Net sales	27,374,927	27,796,065	(1.52)
Cost of sales	18,492,334	20,614,269	(10.29)
Gross profit	8,882,593	7,181,796	23.68
Operating profit	8,169,471	6,611,161	23.57
Profit before taxation	6,275,572	3,996,436	57.03
Profit after taxation	3,828,099	2,711,230	41.19
Earnings per share (Rs.)	16.85	11.94	41.12

Despite 12.23% decline in sales volumes, the Company's topline witnessed a marginal reduction primarily attributable to improvement in net sales per ton, rising to Rs. 14,919 (SPLY: Rs. 13,296).

The cost of cement sold during the period after a slight uptick stood at Rs. 10,078 per ton (SPLY: Rs. 9,862 per ton). The rise in raw material costs to Rs. 865 per ton (SPLY: Rs. 641 per ton) was due to an increase in provincial charge on account of royalty on mineral extraction. In anticipation of increase in craft paper prices, the Company has proactively improved its poly to paper mix, which has limited the rise in packing costs to Rs. 797 per ton of cement sold (SPLY: Rs. 738 per ton). Revaluation of property, plant and equipment has also increased the total depreciation charge per ton to Rs. 1,177 per ton (SPLY: Rs. 953 per ton).

During the period under review, Rs. 2,031 million early loan settlements in addition to regular repayment of financing liabilities have effectively mitigated the impact of elevated policy rates.

Taxation encompasses charges related to alternate corporate tax, deferred tax and provisions for super tax during the period. This has led to net profit after tax of Rs. 3,828.10 million for the period (EPS: Rs. 16.85), compared to Rs. 2,711.23 million (EPS: Rs. 11.94) earned in the corresponding period.

#### Future Outlook

Following the recent general elections, the hopes for stability in Pakistan are increasingly fading courtesy of ongoing geopolitical conflicts which impedes efforts to stabilize prices and economy. Resultantly the management anticipates that the industry will continue to face significant challenges, such as rising raw material expenses, relentless rise in national grid tariffs, volatile foreign exchange rates, current levels of policy rate and limited government development expenditure.

However, the management remains optimistic that by achieving operational efficiencies it will be able to pass through these testing times and will continue to add more value to 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  
April 26, 2024  
Lahore



Aly Khan  
Chairman  
April 26, 2024



## ڈائریکٹرز رپورٹ برائے حصص داران

اللہ کے نام سے جو نہایت مہربان اور رحم کرنے والا ہے۔

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ، 2024 کو ختم ہونے والی مدت کے لئے مختصر عبوری مالی بیانات پیش کرنے پر خوش ہیں۔

### سینٹ کی صنعت

زیر نظر عرصہ کے دوران سینٹ کی صنعت کی مجموعی ترسیلات %2.69 کے اضافے کے ساتھ 34.50 ملین ٹن رہیں جو کہ پچھلے سال اسی عرصہ کے دوران 33.60 ملین ٹن تھیں۔ مجموعی ترسیلات میں 29.40 ملین ٹن سینٹ مقامی منڈی میں فروخت ہوا جبکہ 5.10 ملین ٹن سینٹ برآمد کیا گیا جبکہ گزشتہ سال اسی عرصہ کے دوران 30.56 ملین ٹن سینٹ مقامی منڈی میں فروخت ہوا اور 3.04 ملین ٹن سینٹ برآمد کیا گیا تھا۔

### کمپنی کی کارکردگی

ترسیلات کے حجم میں %12.23 کی کمی کے باوجود کمپنی کی مجموعی فروخت میں ہونے والی معمولی کمی کی وجہ سے نیٹ خالص قیمت میں بہتری ہے جو گزشتہ برس 13,296 روپے کے مقابلے میں اس برس 14,919 روپے رہی۔

زیر نظر عرصہ کے دوران فروخت کی کل لاگت - 10,078 روپے نیٹ رہی جو کہ پچھلے سال اسی عرصہ کے دوران - 9,862 روپے نیٹ تھی۔ گزشتہ سال کے اسی عرصہ میں خام مال کی لاگت 641 روپے نیٹ تھی جو کہ اس سال میں بڑھ کر 865 روپے نیٹ ہو گئی۔ خام مال کی لاگت میں اس اضافے کی وجہ معدنیات کے اخراج پر اٹلٹی کی مد میں صوبائی چارج میں اضافہ ہے۔ کاغذ کی قیمتوں میں اضافے کی توقع کے سبب کمپنی نے پولی بیک کے استعمال میں اضافہ کر دیا جس کے باعث بیکنگ کی لاگت 797 روپے نیٹ تک محدود رہی (گزشتہ سال 738 روپے نیٹ)۔

کمپنی کے اثاثہ جات کی دوبارہ تشخیص کی وجہ سے کل فرسودگی گزشتہ سال کے اسی عرصہ کے 953 روپے نیٹ کی نسبت زیر جائزہ مدت میں 1,177 روپے نیٹ رہی۔

زیر جائزہ عرصہ کے دوران مالیاتی واجبات کی بروقت ادائیگی بشمول 2,031 ملین روپے قرضہ کی قبل از وقت واپسی نے بلند شرح سود کے منفی اثرات کو موثر طریقہ سے کم کیا ہے۔

محصولات میں متبادل کارپوریٹ ٹیکس، موخر ٹیکس اور اس مدت کے دوران سپر ٹیکس سے متعلق اخراجات شامل ہیں۔ زیر جائزہ مدت میں مجموعی محصولات کی کٹوتی کے بعد خالص منافع 3,828.10 ملین روپے رہا (نیٹ حصص آمدنی Rs.16.85) جو کہ گزشتہ سال اسی عرصہ میں 2,711.23 ملین روپے تھا (نیٹ حصص آمدنی 11.94 روپے)۔

## مستقبل کا نقطہ نظر

حالیہ عام انتخابات کے بعد، پاکستان میں استحکام کی امیدیں جاری جغرافیائی سیاسی تنازعات کی وجہ سے تیزی سے معدوم ہو رہی ہیں جو قیمتوں اور معیشت کو مستحکم کرنے کی کوششوں میں رکاوٹ ہیں۔ اس کے نتیجے میں انتظامیہ یہ توقع کر رہی ہے کہ سینٹ کی صنعت کو خام مال کے بڑھتے ہوئے اخراجات، واپڈا کے مقرر کردہ نرخوں میں اضافے، غیر ملکی کرنسی کی غیر مستحکم شرح، بلند شرح سود اور محدود سرکاری ترقیاتی اخراجات جیسے اہم مسائل کا سامنا کرنا پڑے گا۔ اس کے باوجود کمپنی کی انتظامیہ پر امید ہے کہ بہترین کاروباری امور کو انجام دے کر اس آزمائشی وقت سے نکل جائیں گے اور حصص داران کی بہتری کے لئے کام جاری رکھیں گے۔

## اعتراف

بورڈ کمپنی کی مسلسل ترقی میں صارفین، مالیاتی اداروں، سرکاری محکموں اور ملازمین سمیت تمام اسٹیک ہولڈرز کے کردار کا اعتراف کرتا ہے۔

منجانب بورڈ



علی خان  
چیرمین



ایم حبیب اللہ خان  
چیف ایگزیکٹو آفیسر

26 اپریل 2024

لاہور



Condensed  
Interim Financial  
Statements



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
AS AT MARCH 31, 2024

Rupees in thousands	Note	March 31, 2024 Un-audited	June 30, 2023 Audited
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	6	76,636,128	77,802,602
Investment property		701,175	94,926
Long-term advances and deposits		85,049	344,264
		<u>77,422,352</u>	<u>78,241,792</u>
<b>Current Assets</b>			
Stores, spares and loose tools		3,979,700	4,435,649
Stock-in-trade	7	1,805,924	1,631,574
Trade receivables		2,118,902	1,825,648
Loans and advances		248,884	199,627
Short-term prepayments		14,366	6,027
Other receivables		15,472	9,952
Short-term investments	8	100,000	461,502
Cash and bank balances		661,302	343,596
		<u>8,944,550</u>	<u>8,913,575</u>
<b>TOTAL ASSETS</b>		<b>86,366,902</b>	<b>87,155,367</b>
<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		23,617,006	23,599,990
		<u>23,814,523</u>	<u>23,797,507</u>
Revenue reserve - unappropriated profit		18,239,558	14,452,447
		<u>44,325,570</u>	<u>40,521,443</u>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
Long-term financing	9	5,300,297	8,033,010
Long-term deposits		43,859	41,384
Deferred liabilities		21,173,486	19,681,537
		<u>26,517,642</u>	<u>27,755,931</u>
<b>Current Liabilities</b>			
Trade and other payables	10	6,618,814	7,019,560
Retention money payable		76,669	843,944
Provision for taxation - net		999,525	411,796
Contract liabilities		125,869	129,269
Sales tax payable - net		238,238	10,094
Accrued mark-up / profit on financing	11	630,748	952,532
Short-term borrowings	12	2,553,489	3,961,845
Current portion of long-term financing	9	4,033,415	5,488,369
Unclaimed dividend		246,923	60,584
		<u>15,523,690</u>	<u>18,877,993</u>
		<u>42,041,332</u>	<u>46,633,924</u>
Contingencies And Commitments	13	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>86,366,902</b>	<b>87,155,367</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 PROFIT OR LOSS (UN-AUDITED)**  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024

Rupees in thousands	Nine Months Ended March 31,		Quarter Ended March 31,		
	Note	2024	2023	2024	2023
Revenue from contracts with customers - gross		37,967,414	37,585,019	11,869,940	12,503,258
Sales tax		(6,600,509)	(6,225,895)	(2,089,513)	(2,096,093)
Federal excise duty		(3,669,726)	(3,258,552)	(1,129,014)	(1,137,364)
Commission		(275,961)	(239,546)	(86,600)	(87,920)
Discount and rebate		(46,291)	(64,961)	(14,729)	(32,020)
		(10,592,487)	(9,788,954)	(3,319,856)	(3,353,397)
Revenue from contracts with customers - net		27,374,927	27,796,065	8,550,084	9,149,861
Cost of sales	14	(18,492,334)	(20,614,269)	(5,810,102)	(6,689,217)
Gross profit		8,882,593	7,181,796	2,739,982	2,460,644
Distribution cost		(144,350)	(93,685)	(33,963)	(32,088)
Administrative expenses		(215,947)	(118,470)	(54,005)	(38,676)
Other expenses		(352,825)	(358,480)	(98,461)	(117,128)
		(713,122)	(570,635)	(186,429)	(187,892)
Operating profit		8,169,471	6,611,161	2,553,553	2,272,752
Other income		171,387	37,866	54,286	20,943
Gain / (loss) on assets held at fair value		190,659	(17,600)	(4)	(8,511)
Finance costs		(2,255,945)	(2,634,991)	(680,212)	(867,329)
		(1,893,899)	(2,614,725)	(625,930)	(854,897)
Profit before taxation		6,275,572	3,996,436	1,927,623	1,417,855
Taxation		(2,447,473)	(1,285,206)	(725,279)	(467,892)
Profit after taxation		3,828,099	2,711,230	1,202,344	949,963
Earnings per share - basic and diluted (Rs.)		16.85	11.94	5.29	4.18

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 (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2024**

Rupees in thousands		Nine Months Ended March 31,		Quarter Ended March 31,	
	Note	2024	2023	2024	2023
<b>Profit after taxation</b>		3,828,099	2,711,230	1,202,344	949,963
Items that may be reclassified to statement of profit or loss subsequently		-	-	-	-
Items that will not be reclassified to statement of profit or loss subsequently:					
Surplus on revaluation of Property, Plant & Equipment					
- adjustment	6.1.2	1,822,578	-	-	-
Related deferred tax		(710,806)	-	-	-
		1,111,772	-	-	-
<b>Total comprehensive income for the period</b>		4,939,871	2,711,230	1,202,344	949,963

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 NINE MONTHS ENDED MARCH 31, 2024**

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	-	-	-	2,711,230	2,711,230	2,711,230	
Other comprehensive income for the period	-	-	-	-	-	-	
	-	-	-	2,711,230	2,711,230	2,711,230	
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(580,678)	580,678	-	-	
Balance as at March 31, 2023 (un-audited)	2,271,489	197,517	15,597,593	14,415,972	30,211,082	32,482,571	
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	-	-	-	3,828,099	3,828,099	3,828,099	
Other comprehensive income for the period	-	-	1,111,772	-	1,111,772	1,111,772	
Interim dividend for the year ended June 30, 2024 @ Rs. 5 per share	-	-	-	(1,135,744)	(1,135,744)	(1,135,744)	
	-	-	1,111,772	2,692,355	3,804,127	3,804,127	
Revaluation surplus realized through incremental depreciation - net of tax	-	-	(1,094,756)	1,094,756	-	-	
Balance as at March 31, 2024 (unaudited)	2,271,489	197,517	23,617,006	18,239,558	42,054,081	44,325,570	

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 (UN-AUDITED)**  
FOR THE NINE MONTHS ENDED MARCH 31, 2024

Rupees in thousands	Note	March 31, 2024	2023
<b>Cash Flows From Operating Activities</b>			
Cash generated from operations	15	11,427,533	7,045,466
Income tax paid - net		(1,106,675)	(402,755)
Workers' profit participation fund paid		(90,000)	(1,850)
Workers' welfare fund paid		-	(5,000)
Employees' compensated absences paid		(23,147)	(3,303)
Gratuity paid		(15,942)	(15,884)
Decrease / (Increase) in long-term deposits		261,690	(8,748)
<b>Net cash generated from operating activities</b>	<b>A</b>	<b>10,453,459</b>	<b>6,607,926</b>
<b>Cash Flows From Investing Activities</b>			
Capital expenditure incurred		(1,393,541)	(1,231,675)
Short term investments made		(100,000)	-
Proceeds from redemption of Short term investments		652,161	-
Proceeds from disposal of property, plant and equipment		143,283	9,029
<b>Net cash used in investing activities</b>	<b>B</b>	<b>(698,097)</b>	<b>(1,222,646)</b>
<b>Cash Flows From Financing Activities</b>			
Proceeds from long-term financing		1,000,000	-
Repayment of long-term financing		(5,187,668)	(2,680,288)
Decrease in short-term borrowings		(1,408,356)	(87,084)
Finance cost paid		(2,892,227)	(2,614,186)
Dividend paid		(949,405)	(55)
<b>Net cash used in financing activities</b>	<b>C</b>	<b>(9,437,656)</b>	<b>(5,381,613)</b>
<b>Net increase in cash and cash equivalents</b>	<b>A+B+C</b>	<b>317,706</b>	<b>3,667</b>
Cash and cash equivalents - at the beginning of the period		343,596	588,896
Cash and cash equivalents - at the end of the period		661,302	592,563

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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2024**

**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 Company's registered office is located 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 March 31, 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, 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 period ended March 31, 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, 2023.

### 4 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

#### 4.1 The Company adopted Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 01 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments required the disclosure of 'material', rather than significant, accounting policies. The amendment also provides guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and is of the view that Material accounting policies (2023: Significant accounting policies) are in line with the requirement and does not need any material changes.

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2023.

#### 4.1.1 The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

##### Amendments and interpretations of approved accounting standards

- Amendments to IAS 1 - Classification of liabilities as current or non-current	01 January 2024
- Amendments to IFRS 17 - Insurance Contracts	01 January 2023
- Amendments to IAS 1 - Non-current liabilities with covenants	01 January 2024
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	01 January 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	01 January 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
- Amendment to IFRS 16 - Lease Liability in a Sale and Leaseback	01 January 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 thousands	Note	March 31, 2024 Un-audited	June 30, 2023 Audited
<b>6</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	6.1	73,653,002	73,326,002
Capital work in progress	6.2	2,923,487	4,416,961
Capital spares		59,639	59,639
		<b>76,636,128</b>	<b>77,802,602</b>

#### 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	473,393	155,610
Disposals during the period / year		(60,317)	-
Depreciation for the period / year		(2,207,947)	(2,658,416)
Transferred from CWIP		2,728,120	-
Transferred to investment property		(606,249)	-
Closing book value	6.1.2	73,653,002	73,326,002

#### 6.1.1 Additions during the period / year

Plant and machinery	82,360	149,960
Furniture and fixtures	7,061	260
Office equipment	81	87
Computers and accessories	5,911	1,272
Vehicles	377,980	4,031
	<b>473,393</b>	<b>155,610</b>

6.1.2 Pursuant to reconciliations with contractors/suppliers, the company has made an adjustment to the amount payable and assets capitalized in prior years. As the assets are measured under the revaluation model and the latest revaluation was carried out on June 30, 2023, the net book value remains unaffected. To reflect this change, a corresponding adjustment of Rs. 1.82 billion has been made to the revaluation surplus during the period.

Rupees in thousands	March 31, 2024 Un-audited	June 30, 2023 Audited
---------------------	---------------------------------	-----------------------------

#### 6.2 Capital work in progress

Opening balance	4,416,961	2,958,225
Additions during the period / year	1,234,646	1,458,736
Transferred to operating fixed assets	(2,728,120)	-
Closing balance	<b>2,923,487</b>	<b>4,416,961</b>

#### 7 STOCK-IN-TRADE

Raw materials	111,255	73,514
Packing materials	106,274	248,751
Work in process	1,178,606	722,507
Finished goods	409,789	586,802
	<b>1,805,924</b>	<b>1,631,574</b>

Rupees in thousands		March 31, 2024	June 30, 2023
	Note	Un-audited	Audited
<b>8</b>	<b>SHORT-TERM INVESTMENTS</b>		
Meezan Islamic Fund		-	219,522
Units Nil (June 30, 2023: 4,004,681)			
NBP Islamic Stock Fund		-	241,176
Units Nil (June 30, 2023: 23,222,138)			
Meezan Islamic Income Fund		-	804
Units Nil (June 30, 2023: 13,879)			
		-	461,502
<b>Investments in Term Deposit Receipts</b>			
Term deposit with Bank Al Habib		100,000	-
		100,000	461,502
<b>9</b>	<b>LONG-TERM FINANCING</b>		
<b>Islamic long-term financing arrangements</b>			
Meezan Bank Limited - Syndicate		1,296,431	1,814,997
National Bank of Pakistan - Syndicate I		720,036	959,266
Meezan Bank Limited - III	9.1	-	291,667
Meezan Bank Limited - IV		475,000	950,000
		2,491,467	4,015,930
<b>Conventional long-term financing arrangements</b>			
National Bank of Pakistan - Syndicate I		4,029,745	6,240,449
National Bank of Pakistan - Syndicate II	9.1	-	440,000
National Bank of Pakistan - Bilateral facility	9.1	-	825,000
National Bank of Pakistan - Term loan	9.2	1,000,000	-
Allied Bank Limited - facility I		1,000,000	1,000,000
Allied Bank Limited - facility II		812,500	1,000,000
		6,842,245	9,505,449
Total long-term financing	9.3	9,333,712	13,521,379
Less: current portion		(4,033,415)	(5,488,369)
Non-current portion		5,300,297	8,033,010

9.1 During the period, the Company has early settled remaining outstanding amounts against Meezan Bank Limited III, Syndicate finance facility II and Bilateral finance facility of National Bank of Pakistan.

9.2 On 17th July 2023, 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.

9.3 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		March 31, 2024	June 30, 2023
	Note	Un-audited	Audited
<b>10</b>	<b>TRADE AND OTHER PAYABLES</b>		
Creditors		4,201,933	5,442,808
Payable to statutory authorities	10.1	1,123,650	658,050
Accrued expenses		747,523	609,035
Worker related funds		451,054	218,117
Employees' compensated absences		87,226	83,028
Deposits		7,416	8,430
Others		12	92
		<b>6,618,814</b>	<b>7,019,560</b>
<b>10.1</b>	<b>Payable to statutory authorities</b>		
Excise duty on cement		441,933	445,248
Royalty and excise duty		227,635	18,130
Taxes deducted at source		454,082	194,672
		<b>1,123,650</b>	<b>658,050</b>
<b>11</b>	<b>ACCURED MARKUP / PROFIT ON FINANCING</b>		
Accrued profit on financing from islamic banks			
Long-term financing		75,376	212,611
Short-term borrowing		-	57,305
		<b>75,376</b>	<b>269,916</b>
Accrued mark-up on financing from conventional banks			
Long-term financing		407,108	554,606
Short-term borrowing		148,264	128,010
		<b>555,372</b>	<b>682,616</b>
		<b>630,748</b>	<b>952,532</b>
<b>12</b>	<b>SHORT-TERM BORROWINGS</b>		
Islamic Banks			
Meezan Bank Limited - Running Musharaka	12.1	-	999,617
Conventional Banks			
Allied Bank Limited		349,552	467,811
National Bank of Pakistan		990,355	999,355
MCB Bank Limited		413,628	429,756
Bank Al Habib Limited		16,781	175,069
Habib Bank Limited		583,509	690,273
United Bank Limited		-	199,964
The Bank of Punjab	12.2	199,664	-
		<b>2,553,489</b>	<b>2,962,228</b>
	12.3	<b>2,553,489</b>	<b>3,961,845</b>
<b>12.1</b>	During the period, the Company has fully settled and surrendered Running Musharaka facility from Meezan Bank Limited.		
<b>12.2</b>	During the period, the Company has obtained running finance facility of Rs. 200 million from the The Bank of Punjab. This facility carries markup at 3 months KIBOR plus 0.50% per annum payable quarterly. The facility is secured against ranking charge upgradeable to joint pari passu mortgage charge over the current assets with 25% margin.		



12.3 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.

### 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, 2023.

#### 13.2 Commitments

Commitments in respect of outstanding letters of credit amount to Rs. 315.78 million (June 30, 2023: Rs.85.31 million). In addition, commitments in respect of contracts registered with banks amount to Rs. 3.23 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	Nine Months Ended March 31,		Quarter Ended March 31,	
	2024	2023	2024	2023
<b>14 COST OF SALES</b>				
Raw material consumed	1,586,813	1,340,185	510,527	427,420
Packing material consumed	1,463,080	1,542,517	463,672	482,666
Fuel and power	12,479,299	16,037,839	3,956,243	4,717,300
Stores and spare parts consumed	243,968	292,940	76,916	104,237
Salaries, wages and benefits	718,956	623,560	234,521	211,252
Insurance	47,803	34,621	17,026	12,973
Repairs and maintenance	175,211	111,906	89,448	42,074
Depreciation	1,829,427	1,638,050	611,187	545,349
Other manufacturing expenses	226,863	219,145	72,567	80,785
<b>Total manufacturing cost</b>	<b>18,771,420</b>	<b>21,840,763</b>	<b>6,032,107</b>	<b>6,624,056</b>
<b>Work in process</b>				
Opening balance	722,507	152,126	1,021,266	1,203,631
Closing balance	(1,178,606)	(1,139,514)	(1,178,606)	(1,139,514)
	(456,099)	(987,388)	(157,340)	64,117
<b>Cost of goods manufactured</b>	<b>18,315,321</b>	<b>20,853,375</b>	<b>5,874,767</b>	<b>6,688,173</b>
<b>Finished goods</b>				
Opening balance	586,802	182,990	345,124	423,140
Closing balance	(409,789)	(422,096)	(409,789)	(422,096)
	177,013	(239,106)	(64,665)	1,044
	<b>18,492,334</b>	<b>20,614,269</b>	<b>5,810,102</b>	<b>6,689,217</b>

Rupees in thousands	Nine Months Ended March 31, 2024                      2023 Un-audited	
<b>15 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	6,275,572	3,996,436
Adjustment for		
Depreciation	2,207,947	1,999,018
Provision for gratuity and compensated absences	71,360	60,910
Finance cost	2,255,945	2,634,991
Provision for expected credit losses	21,936	62,000
Gain on disposal of property, plant and equipment	(82,966)	(9,029)
Provision for Workers' Profit Participation Fund	197,426	214,631
Provision for Workers' Welfare Fund	125,511	81,560
Remeasurement (gain)/ loss on assets held at fair value - net	(190,659)	17,600
<b>Cash flow before working capital changes</b>	<b>10,882,072</b>	<b>9,058,117</b>
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	455,949	1,250,969
Stock in trade	(174,350)	(1,416,815)
Trade receivables	(315,190)	(428,017)
Loans and advances	(49,257)	(3,889)
Trade deposits and short term prepayments	(8,339)	(21,787)
Other receivables	(5,520)	106
	(96,707)	(619,433)
<b>Increase/ (decrease) in current liabilities</b>		
Trade and other payables	1,184,699	(1,078,115)
Contract liabilities	(3,400)	(37,964)
Sales tax payable	228,144	(298,388)
Retention money	(767,275)	21,249
	642,168	(1,393,218)
<b>Cash generated from operations</b>	<b>11,427,533</b>	<b>7,045,466</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:

	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
	100,000	100,000	100,000	100,000	100,000
<i>Note</i>					
<i>On-Balance sheet financial instruments</i>					
<i>March 31, 2024 (Un-Audited)</i>					
<i>Financial assets measured at fair value</i>					
<i>Investments</i>					
<i>Financial assets at amortised cost</i>					
Long term deposits	-	-	85,049	-	85,049
Trade debts - unsecured, considered good	-	-	2,118,902	-	2,118,902
Loans to employees	-	-	4,109	-	4,109
Other receivables	-	-	15,472	-	15,472
Cash and bank balances	-	-	661,302	-	661,302
	-	-	2,884,834	-	2,884,834
<i>16.1</i>					
<i>Financial liabilities measured at fair value</i>					
<i>Financial liabilities measured at amortised cost</i>					
Long term financing	-	-	-	9,333,712	9,333,712
Long term deposits	-	-	-	43,859	43,859
Unclaimed dividend	-	-	-	246,923	246,923
Retention money	-	-	-	76,669	76,669
Trade and other payables	-	-	-	4,956,884	4,956,884
Accrued mark-up/ profit on financing	-	-	-	630,748	630,748
Short term borrowings	-	-	-	2,553,489	2,553,489
	-	-	-	17,842,284	17,842,284
<i>16.1</i>					

	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 -----				
<b>On-Balance sheet financial instruments</b>					
<u>June 30, 2023</u>					
Financial assets measured at fair value		461,502			461,502
Investments					461,502
<u>Financial assets at amortised cost</u>					
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
<b>16.1</b>	-	-	<b>2,527,320</b>	-	<b>2,527,320</b>
<b>Financial liabilities measured at fair value</b>					
<u>Financial liabilities measured at amortised cost</u>					
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
<b>16.1</b>	-	-	-	<b>25,442,033</b>	<b>25,442,033</b>

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.

	For the nine months ended March 31, 2024				Total
	Liabilities				
	Long term finances	Short term borrowings	Accrued mark-up / profit on financing	Dividend	
----- Rupees in thousand -----					
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	(5,187,668)	-	-	-	(5,187,668)
Repayment of short term borrowings - net	-	(1,408,356)	-	-	(1,408,356)
Finance cost paid	-	-	(2,892,227)	-	(2,892,227)
Dividend paid	-	-	-	(949,405)	(949,405)
Total changes from financing cash flows	(4,187,668)	(1,408,356)	(2,892,227)	(949,405)	(9,437,656)
<b>Other changes</b>					
Amortization of government grant	-	-	-	-	-
Dividend for the period	-	-	-	1,135,744	1,135,744
Finance cost	-	-	2,570,443	-	2,570,443
Total liability related other changes	-	-	2,570,443	1,135,744	3,706,187
Closing as at March 31, 2024	9,333,712	2,553,489	630,748	246,923	12,764,871
-----					
	For the nine months ended March 31, 2023				Total
	Liabilities				
	Long term finances	Short term borrowings	Accrued mark-up / profit on financing	Dividend	
----- Rupees in thousand -----					
Balance as at July 01, 2022	18,030,031	4,285,143	780,233	60,663	23,156,070
<b>Changes from financing activities</b>					
Repayment of long term finances - secured	(2,680,288)	-	-	-	(2,680,288)
Repayment of short term borrowings - net	-	(87,084)	-	-	(87,084)
Finance cost paid	-	-	(2,614,186)	-	(2,614,186)
Dividend paid	-	-	-	(55)	(55)
Total changes from financing cash flows	(2,680,288)	(87,084)	(2,614,186)	(55)	(5,381,613)
<b>Other changes</b>					
Amortization of government grant	785	-	-	-	785
Dividend for the period	-	-	-	-	-
Finance cost	-	-	2,634,991	-	2,634,991
	785	-	2,634,991	-	2,635,776
Closing as at March 31, 2023	15,350,528	4,198,059	801,038	60,608	20,410,233

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 are as follows:

Rupees in thousands		Nine Months Ended March 31, Un-audited	
Relationship with the Company	Nature of Transaction	2024	2023
Key management personnel	Remuneration	213,607	183,240
Imperial Developers and Builders (Private) Limited - Common Directorship	Project supervision / consultancy fee & building O&M charges	263,204	250,000
Haleeb Foods Limited - Common Directorship	Common facilities	105,352	-
Staff retirement contribution plan	Contribution to staff provident fund	21,207	16,274



Rupees in thousands	Note	March 31, 2024 Un-audited	June 30, 2023 Audited
<b>Period end balances</b>			
Advance to Imperial Developers and Builders (Private) Limited		-	259,759

**19 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on April 26 , 2024.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman



**Head Office:**

64-B/I, Gulberg-III, Lahore, Pakistan.

Phone (+92-42) 3750 3570 - 72

Email: [pioneer@pioneercement.com](mailto:pioneer@pioneercement.com)

**Factory:**

P.B. No. 50, Jauharabad, District Khushab, Pakistan.

Email: [factory@pioneercement.com](mailto:factory@pioneercement.com)