



HALF YEARLY REPORT
December 31, 2013



DANDOT CEMENT COMPANY LIMITED

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COMPANY INFORMATION

Board of Directors

Mr. Muhammad Rasheed	
Mr. Mansoor Rasheed	Chief Executive
Mr. Saud Rasheed	
Mr. Muhammad Imran Iqbal	
Mr. Muhammad Amjad Aziz	Chairman
Syed Ansar Raza Shah	
Mr. Gul Hussain	

Audit Committee

Mr. Muhammad Rasheed	Member
Syed Ansar Raza Shah	Member/Chairman
Mr. Gul Hussain	Member

Human Resources & Remuneration Committee

Mr. Mansoor Rasheed	Member
Syed Ansar Raza Shah	Member
Mr. Gul Hussain	Member/Chairman

Chief Financial Officer

Mr. Muhammad Kamran

Company Secretary

Mr. Muhammad Kamran

Statutory Auditors

Amin, Mudassar & Co.
Chartered Accountants

Legal Advisor

International Legal Services

Bankers

The Bank of Punjab
United Bank Limited
National Bank of Pakistan
Habib Bank Limited
Bank Alfalah Limited
KASB Bank Limited
Bank Al-Habib Limited

Registered Office

30-Sher Shah Block, New Garden Town, Lahore
Telephone: 35869827, 35842316, Fax: 35831846

Factory

DANDOT R.S., Distt. Jhelum.
Telephone: (0544) 211371,211491 Fax: (0544) 211490

Share Registrar

Corplink (Pvt.) Ltd.
Wings Arcade 1-K-Commercial, Model Town, Lahore.
Telephone: 35839182, 35887262 Fax: 35869037

Website

www.dandotcement.com



DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors presents the reviewed condensed interim financial statements for the half year ended December 31, 2013.

Operational Performance

During the quarter under review, the operations of the company have been resumed as explained in note no. 1.2, which were suspended since October 2012.

Particulars	Second Quarter ended		Half Year ended	
	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
Clinker production	18,378	6,544	18,378	42,890
Cement production	16,093	3,564	16,093	42,507
Cement dispatch	13,712	1,648	13,712	25,814

Operating Results

The comparative financial results of the company for the period are summarized as follows and all the figures are in Rupees in thousand.

Particulars	Second Quarter ended		Half Year ended	
	Dec. 2013	Dec. 2012	Dec. 2013	Dec. 2012
Net sales	93,598	9,512	93,598	145,272
Gross loss	239,141	81,118	313,071	153,421
Operating loss	247,592	91,197	330,399	174,672
Net loss	292,350	99,905	380,423	188,053

Future Prospects

Industry:

It is expected that local demand of cement may increase due to expected government spending on infrastructure projects. Proper and efficient utilization of allocated development budget would help cement sector to grow. However increase in electricity tariff and uninterrupted power supply will be critical for the industry.

Company:

Energy efficiency, Labour efficiency & productivity and right financial modeling, smooth plant operations are key factors to success of any cement plant. The management is committed for a balanced delivery of long term values to all stake holders including financiers, creditors, employees and shareholders.

Future Plans & Decisions

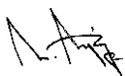
As mentioned in note no. 1.2 of these condensed interim financial statements, the management has arranged a loan from an investor for the necessary maintenance of the plant. However, the terms and conditions of such loan have not yet been finalized. Due to this fund injection, operations of the company have been resumed in December 2013.

Auditors' Observation

On the basis of facts mentioned in note 5.1 & 8.1 of these reviewed interim financial statements, mark-up on the loans from financial institutions have not been accounted for and current portion of KASB bank has also not been classified under current liabilities. Due to the severe financial crunch, the company was unable to pay some of its overdue obligations. The directors have reasonable expectations, especially after injection of loan as mentioned in note 8.3 of this reviewed interim financial statements, that the company would be able to generate adequate resources in future to continue the operations as a going concern.

Acknowledgement

The board of directors is thankful to all stakeholders including but not limited to bankers, employees, suppliers, distributors as well as regulators and shareholders for their continued support, cooperation and trust especially in crises tenure faced by the company in the period under review.



MUHAMMAD AMJAD AZIZ
Chairman Board of Directors
Lahore: May 13, 2014.

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED

INTERIM FINANCIAL INFORMATION

We have reviewed the accompanying condensed interim balance sheet of **Dandot Cement Company Limited** as at December 31, 2013 and the related condensed interim profit and loss account, interim condensed cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (hereinafter referred to as "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- (i) Loans from KASB Bank Limited, Economic Affairs Division (EAD), ex-sponsors, amount receivable from ex-associates, and accrued interest from ex-associate remained unconfirmed as referred to note nos. 8.1, 6, and 8.4 to the interim financial information.
- (ii) The company has not provided markup in the interim financial information on loans obtained from Bank Of Punjab, KASB Bank as referred to note nos. 5.1, 8.1 and 8.2 aggregate amount Rs. 313.608 million including Rs. 68.120 million for the period. Had there been provision made for markup in the interim financial information the loss for the half year would have been higher by an amount Rs. 68.120 million.
- (iii) The company did not pay old and current dues of provident fund as explained in note no. 6.1 to the interim financial information. Consequently, the company did not comply the requirements of section 227 of the Companies Ordinance, 1984.
- (iv) These interim financial information have been prepared on going concern basis despite the fact that the company has accumulated losses of Rs.4,112 million. Its current liabilities exceed the current assets by Rs.2,888 million resulting inability of the Company to pay its overdue statutory and contractual obligations. Consequently, note no.1.2 to the interim financial information lacks proper cognizance of these factors.

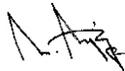
Qualified Conclusion

Based on our review, with the exception of the matters described in preceding paragraphs, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

AMIN, MUDASSAR & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Amin
Lahore: May 13, 2014

Condensed Interim Balance Sheet

		(Un-Audited) Dec 31, 2013	(Audited) June 30, 2013
	Note	(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 100,000,000 (June 2013:100,000,000) ordinary shares of Rs.10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		948,400	948,400
Share premium reserve		31,801	31,801
Accumulated loss		<u>(4,111,838)</u>	<u>(3,748,791)</u>
		(3,131,637)	(2,768,590)
SURPLUS ON REVALUATION OF FIXED ASSETS			
		<u>1,047,877</u>	<u>1,065,253</u>
		(2,083,760)	(1,703,337)
NON CURRENT LIABILITIES			
Loan from banking companies	5	1,156,342	1,020,000
Other loans	6	31,811	37,995
Deferred liabilities	7	-	-
Long term advances and deposits		1,882	1,532
		<u>1,190,035</u>	<u>1,059,527</u>
CURRENT LIABILITIES			
Trade and other payables		1,660,610	1,647,879
Mark up accrued		722,966	712,598
Short term borrowings	8	1,161,209	899,551
Current portion of long term loans and liabilities		83,195	74,611
Provision for taxation - income tax		-	-
		<u>3,627,980</u>	<u>3,334,639</u>
CONTINGENCIES AND COMMITMENTS			
	9	-	-
		<u>2,734,255</u>	<u>2,690,829</u>



MUHAMMAD AMJAD AZIZ
Director



Statement u/s 241(2) of the Companies Ordinance, 1984

These financial statements have been signed by two Directors instead of Chief Executive and one Director as the Chief Executive is not in Pakistan for the time being.

As at December 31, 2013

	Note	(Un-Audited) Dec 31, 2013 (Rupees in thousand)	(Audited) June 30, 2013
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment Operating fixed assets	10	1,983,906	2,016,895
Long term loans		6	4
Long term security deposits		10,600	10,375
		1,994,512	2,027,274
CURRENT ASSETS			
Stores, spares and loose tools		124,098	118,749
Stock in trade	11	239,046	217,026
Trade debts		11,106	3,038
Loans and advances	12	293,602	274,279
Balances with statutory authorities		41,579	37,485
Interest accrued		9,389	9,389
Other receivables		387	387
Cash and bank balances		20,536	3,202
		739,743	663,555
		2,734,255	2,690,829

The annexed notes form an integral part of this condensed interim financial information.

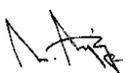

MUHAMMAD IMRAN IQBAL
 Director

Condensed Interim Profit And Loss Account (Un-Audited)

For the Half Year ended December 31, 2013

	Note	Half Year ended		Second Quarter ended	
		December 2013 (Rupees in thousand)	December 2012	December 2013 (Rupees in thousand)	December 2012
Sales (Net)		93,598	145,272	93,598	9,512
Cost of sales	13	406,669	298,693	332,739	90,630
Gross loss		(313,071)	(153,421)	(239,141)	(81,118)
Operating expenses					
Distribution costs		803	2,070	346	915
Administrative expenses		16,525	19,181	8,105	9,164
		17,328	21,251	8,451	10,079
Operating loss		(330,399)	(174,672)	(247,592)	(91,197)
Finance costs	14	(10,787)	(9,436)	(5,503)	(4,760)
Other operating income		208	100	190	97
Other operating expenses	15	(39,445)	(4,045)	(39,445)	(4,045)
		(50,024)	(13,381)	(44,758)	(8,708)
Loss before taxation		(380,423)	(188,053)	(292,350)	(99,905)
Taxation:					
Current	16	-	-	-	-
Deferred		-	-	-	-
Net Profit / (Loss) after taxation		(380,423)	(188,053)	(292,350)	(99,905)
Profit / (Loss) per weighted average shares- Basic (Rupees)		(4.01)	(1.98)	(3.08)	(1.05)

The annexed notes form an integral part of this condensed interim financial information.


MUHAMMAD AMJAD AZIZ
 Director


MUHAMMAD IMRAN IQBAL
 Director



Statement u/s 241(2) of the Companies Ordinance, 1984

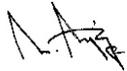
These financial statements have been signed by two Directors instead of Chief Executive and one Director as the Chief Executive is not in Pakistan for the time being.

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Half Year ended December 31, 2013

	Quarter ended		Six months ended	
	October to December 2013	2012	July to December 2013	2012
Loss for the period	(292,350)	(99,905)	(380,423)	(188,053)
Other comprehensive income	-	-	-	-
Total comprehensive profit/ (loss) for the period	<u>(292,350)</u>	<u>(99,905)</u>	<u>(380,423)</u>	<u>(188,053)</u>

The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD AMJAD AZIZ
Director



MUHAMMAD IMRAN IQBAL
Director

Statement u/s 241(2) of the Companies Ordinance, 1984

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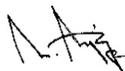


Condensed Interim Cash Flow Statement (Un-Audited)

For the Half Year ended December 31, 2013

	Dec 31, 2013	Dec. 31, 2012
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(380,423)	(188,053)
Adjustments of items not involving movement of cash:		
Depreciation	32,943	34,507
Gain on disposal of fixed assets	(111)	-
Provision for gratuity	12,061	12,610
Profit on deposit and PLS accounts	(97)	(100)
Finance cost	10,787	9,436
	55,583	56,453
Operating cash flows before working capital changes	(324,840)	(131,600)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	(5,349)	37,775
Stock in trade	(22,019)	(73,730)
Trade debts	(8,068)	5,829
Loans and advances	(19,324)	14,033
Other receivables	0	80
Increase/(Decrease) in trade and other payables	437	72,718
	(54,323)	56,705
	(379,163)	(74,895)
Long term security deposits	(225)	60
Bank charges paid	(185)	(402)
Interest received	97	100
Income tax paid	(4,094)	(3,931)
Net Cash Flows From Operating Activities	(383,570)	(79,068)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(11)	(283)
Sale proceed of fixed assets	168	-
Long term loans	(2)	7
Net Cash Flows From Investing Activities	155	(276)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	130,158	(2,282)
Long term advances and deposits	350	(176)
Short term borrowings	270,242	82,858
Net Cash Flows From Financing Activities	400,750	80,400
Net Increase in Cash and Cash Equivalents	17,335	1,056
Cash and Cash Equivalents at Beginning of the Period	3,202	3,547
Cash and Cash Equivalents at End of the Period	20,536	4,603

The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD AMJAD AZIZ
Director



MUHAMMAD IMRAN IQBAL
Director

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the Half Year ended December 31, 2013

	SHARE CAPITAL	SHARE PREMIUM RESERVE	ACCUMULATED LOSS	TOTAL SHARE CAPITAL AND RESERVES	SURPLUS ON REVALUATION OF FIXED ASSETS	TOTAL
(Rupees in thousand)						
Balance as at July 01, 2012	948,400	31,801	(3,346,260)	(2,366,059)	1,101,478	(1,264,581)
Total comprehensive loss for the half year ended December 31, 2012	-	-	(188,053)	(188,053)	-	(188,053)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	17,838	17,838	(17,838)	-
Balance as at December 31, 2012	948,400	31,801	(3,516,475)	(2,536,274)	1,083,640	(1,452,634)
Balance as at July 01, 2013	948,400	31,801	(3,748,791)	(2,768,590)	1,065,253	(1,703,337)
Total comprehensive loss for the half year ended December 31, 2013	-	-	(380,423)	(380,423)	-	(380,423)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	17,376	17,376	(17,376)	-
Balance as at December 31, 2013	948,400	31,801	(4,111,838)	(3,131,637)	1,047,877	(2,083,760)

The annexed notes form an integral part of this condensed interim financial information.


MUHAMMAD AMJAD AZIZ
 Director


MUHAMMAD IMRAN IQBAL
 Director

Statement u/s 241(2) of the Companies Ordinance, 1984

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Notes to the Condensed Interim Financial Information (Un-Audited)

For the Half Year ended December 31, 2013

1 THE COMPANY AND ITS OPERATIONS

- 1.1 The Company is a public limited Company incorporated in Pakistan and is listed on Karachi and Lahore Stock Exchanges. The Company started its production on March 01, 1983 and has been engaged in production and marketing of cement. The company is a subsidiary of Three Stars Cement (Pvt) Ltd. The registered office of the company is situated at 30-Sher Shah Block, New Garden Town, Lahore.
- 1.2 The company has accumulated loss of Rs.4,112 million and its current liabilities exceed its current assets by Rs.2,888 million as at December 31, 2013. Due to non availability of financial support from any source, the company was unable to manage the working capital requirement resulting the temporary closure of the mill operation in October 2012. However, to resume the operations of the company, the management has arranged a loan from an investor for the necessary maintenance of the plant and operations of the company were resumed in December 2013. Further, The Bank of Punjab has also rescheduled / restructured its loans subsequent to condensed interim balance sheet date as referred in note no. 5.1. This would also be helpful to the company to come out from the financial crunch. On the basis of these facts the management of the company is fully confident that the company will continue its operations as going concern and they are fully committed to promote the company's objectives in the long run.

Accordingly, these condensed interim financial information have been prepared on going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the company not be able to continue as a going concern.

2 STATEMENT OF COMPLIANCE

These condensed interim financial information have been reviewed by Auditors of the company and is prepared in accordance with International Financial Reporting Standard 'IAS-34 - Interim Financial Reporting' and provisions of and directives issued under the companies Ordinance, 1984. In case where the requirement differ, the provisions of or directives issued under the companies Ordinance, 1984 have been followed .

The figures of the condensed interim profit and loss account for the quarter ended December 31, 2013 and 2012 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half year ended Dec 31, 2013 and 2012 . These condensed interim financial information should be read in conjunction with the Annual Audited Financial Statements for the year ended June 30, 2013. These condensed interim financial information are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi and Lahore Stock Exchange.

3 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial information are the same as those adopted in preparation of financial statements for the year ended June 30, 2013, except as follow:

IAS 19 (as revised in June 2011) "Employees Benefits" became effective during the period. The amendments to IAS 19 change accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. The amendments require the recognition of changes in defined benefit obligation and fair value of plan assets when they occur, and hence eliminate 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. Now, all actuarial gains and losses are recognized immediately through other comprehensive income. Further more, the interest cost and expected return on plan assets used in previous version of IAS 19 are replaced with a "net-interest" amount under IAS 19 (as revised in June 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. IAS 19 (as revised in June 2011) introduces certain changes in the presentation of the defined cost including more extensive disclosure.

The Company has applied IAS 19 (as revised in June 2011) retrospectively in accordance with requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Accordingly, opening balance sheet of the earliest comparative period presented (01 July 2012) has been restated. This change has resulted in decrease in the balance of due to gratuity fund trust by amounts mentioned below with corresponding effect on equity. The effect on the condensed interim statement of comprehensive income for the six months period ended 31 December 2013 has not been disclosed separately since the actuarial valuation is carried out on annual basis. However, there is no impact of this change in accounting policy on condensed interim profit and loss account and condensed interim cash flow statement.

	June 30, 2013	July 01, 2012
	(Rupees in thousand)	
Effect due to change in accounting policy is given below:		
Present value of defined benefit obligation - as previously reported	197,383	173,286
Effect of change in accounting policy	(28,052)	-
Present value of defined benefit obligation - as restated	<u>169,331</u>	<u>173,286</u>
Net effect of change in accounting policy on equity recognized in accumulated loss	<u>28,052</u>	<u>-</u>

3.1 Standards, Interpretations and Amendments to Approved Accounting Standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards, as applicable in Pakistan will be effective from the dates mentioned below against the respective standard or interpretation:

Standard of Interpretation	Effective date (Accounting periods beginning on or after)
- IFRIC 21 'Levies'	01 January 2014
- IAS 32 'Financial Instruments: Presentation'	01 January 2014
- IAS 36 'Impairment of Assets'	01 January 2014
- IAS 39 'Financial Instruments: Recognition and Measurement'	01 January 2014
- IAS 19 'Employee Benefits'	01 July 2014
- IAS 27 'Consolidated and Separate Financial Statements'	01 January 2014

The company expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect the company's financial statements in the period of initial application.

4 SIGNIFICANT ESTIMATES

The preparation of these condensed interim financial information requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and related disclosures at the date of financial information. Actual results may differ from these estimates. In preparing these financial information, the significant judgments made by the management in applying accounting policies. Key estimates and uncertainty includes, but not limited to:

- Depreciation methods, residual values and useful life of depreciable assets
- Taxation
- Provisions and Contingencies

	Note	Dec. 31, 2013	June 30, 2013
		(Rupees in thousand)	
5 LOAN FROM BANKING COMPANIES			
The Bank of Punjab Limited			
- Demand finance facility	5.1	1,160,856	750,000
- Bridge finance facility		-	270,000
		<u>1,160,856</u>	<u>1,020,000</u>
Less: Current maturity		4,514	-
		<u>1,156,342</u>	<u>1,020,000</u>

- 5.1 This represents restructured/rescheduled of entire outstanding principal amount of demand finance, bridge finance, forced demand finance and paid against documents (PADs). It is secured against ranking of Rs.1,443.75 million on fixed assets, joint pari passu charge of Rs. 268.00 million on current assets, debt subordination agreement of directors, corporate guarantee of Three Star Hosiery Mills (Pvt) Limited and personal guarantee of the sponsor directors.

All repayments shall be made in 62 step-up monthly/quarterly payments starting from March 31, 2014 in a period of 9.25 years. Mark-up is payable @ 4% per annum. The bank has also created demand finance of mark-up payable on aforesaid loans. However, the company has not accounted for above as stated in note no. 14 to the condensed interim financial information.

Further, litigation with BOP in respect of recovery of loan and finance cost has been adjourned temporarily and finally withdrawn after completion of necessary formalities and fulfillment of settlement terms for one year.

	Note	Dec. 31, 2013 (Rupees in thousand)	June 30, 2013
6 OTHER LOANS			
Economic Affairs Division, Government of Pakistan (EAD)		35,232	35,232
Provident Fund Trust	6.1	58,530	58,530
Peace agreement arrears		16,730	18,843
		<u>110,492</u>	<u>112,605</u>
Less: Current maturity		78,681	74,611
		<u>31,811</u>	<u>37,994</u>

6.1 The Securities & Exchange Commission of Pakistan (SECP) had passed an order on August 13, 2009 that the company should provide mark-up on old dues till June 30, 2008 and an overdue current provident fund contributions till September 30, 2009 and repay all the principal portion of old dues and overdue current provident fund contributions along with mark-up there on in installments of Rs. 0.5 million per month from October 2009. The markup has been accounted for in the books of accounts in accordance with the SECP order. However, due to financial crunch, the company was unable to pay current and old dues of provident fund. After resumption of operations as discussed in note no 1.2 to the condensed interim financial information, the company has started to pay its regular monthly provident fund contribution to the provident fund trust and an amount of Rs. 5.370 million has been paid to the provident fund trust subsequent to the condensed interim balance sheet date.

	Note	Dec. 31, 2013 (Rupees in thousand)	June 30, 2013
7 DEFERRED LIABILITIES			
Deferred taxation	7.1	-	-
		<u>-</u>	<u>-</u>
7.1 Deferred taxation			
This is composed of the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Accelerated tax depreciation		622,666	631,896
		<u>622,666</u>	<u>631,896</u>
Deferred tax asset on deductible temporary differences arising in respect of:			
Unused tax losses carried forward		(896,644)	(916,783)
Provision for doubtful balances		(772)	(772)
		<u>(897,416)</u>	<u>(917,555)</u>
Deferred tax (asset) as at Dec. 31, / June 30,		<u>(274,750)</u>	<u>(285,659)</u>

Deferred tax amounting to 274.75 million (June 30, 2013: Rs. 285.659 million) on unused tax losses, has not been recognized in these financial statements being prudent. Management is of the view that recognition of deferred tax asset shall be re-assessed as at June 30, 2014.

	Note	Dec. 31, 2013 (Rupees in thousand)	June 30, 2013
8 SHORT TERM BORROWINGS			
Running finances - secured			
KASB Bank Limited	8.1	290,000	290,000
Others - Secured			
The Bank of Punjab		-	57,256
The Bank of Punjab		-	83,600
	8.2	-	140,856
Others - Unsecured	8.3	520,823	118,309
Ex-Sponsors' Loan	8.4	250,000	250,000
Loan from Related Parties - unsecured			
Holding Company		37,804	37,804
Director		37,066	37,066
Others		25,516	25,516
		<u>100,386</u>	<u>100,386</u>
		<u>1,161,209</u>	<u>899,551</u>

- 8.1 KASB has instituted a suit against the company for recovery of Rs.351.732 million along with markup / cost of funds in the Lahore High Court, Lahore. Petition for Leave to Appeal (PLA) on behalf of the company has been filed in the same and the matter is pending adjudication.

The facility is secured by 1st pari passu charge on plant and machinery of the company amounting Rs.400 million and lien over deposit of Rs.176.5 million in saving account of Mr. Tauseef Peracha and Mr.A. Rafique Khan (Ex-Management).

- 8.2 The Bank Of Punjab has rescheduled/restructured the entire outstanding principal amount as explained in note no.5.1 to the condensed interim financial information.
- 8.3 This includes a loan of Rs. 402.514 million from an investor which is arranged by the management for necessary maintenance of the plant. Total amount of this loan would be approximately Rs.430.00 million upto year ending on June 30, 2014. However, the terms and conditions of aforesaid loan have not yet been finalized.
- 8.4 This represents loan received from Ex-management Mr. A. Rafique Khan and Mr. Tausif Peracha . It is interest free and unsecured . Terms and conditions related to the loan have not been reduced in writing.

9 CONTINGENCIES AND COMMITMENTS

- The company has not accounted for Rs.344.375 Million (June 30, 2013: Rs. 316.825 Million) additional profit/ liquidated damages on the loan payable to KASB Bank Limited as the matter is subjudice with the honourable Lahore High Court as referred to note no. 8.1 to the financial information.
- Except the above there has been no significant change in contingencies and commitments since the date of preceding published annual financial statements.

	Dec. 31, 2013	June 30, 2013
	(Rupees in thousand)	
10 OPERATING FIXED ASSETS		
Opening fixed assets at WDV	2,016,895	2,085,626
Additions	11	283
(Deletions)	(280)	-
	<u>2,016,626</u>	<u>2,085,909</u>
Less: depreciation:		
For the period/year	32,943	69,014
On disposal	(223)	-
	<u>32,720</u>	<u>69,014</u>
	<u>1,983,906</u>	<u>2,016,895</u>
11 STOCK IN TRADE		
Raw material	5,903	1,783
Work in process	196,210	201,892
Finished goods	36,933	13,351
	<u>239,046</u>	<u>217,026</u>
12 LOAN AND ADVANCES		

These include amount Rs. 250 million (June 30, 2013: Rs. 250 million) receivable from Gharibwal Cement Limited (GCL), the past associated company.

13 COST OF SALES

	Second Quarter ended		Half Year ended	
	Dec. 2013 (Rupees in thousand)	Dec. 2012	Dec. 2013 (Rupees in thousand)	Dec. 2012
Raw materials consumed	21,483	10,970	27,819	26,628
Salaries, wages and benefits	44,263	38,801	84,325	82,423
Fuel, gas and electricity	108,253	20,141	117,761	178,305
Stores and spares	125,077	5,761	125,077	19,054
Rent, rates and taxes	15	-	75	4
Vehicle running and maintenance	7,765	1,865	7,765	5,166
Packing material	5,625	5,089	5,625	17,464
Depreciation	15,501	16,427	31,465	32,854
Others	22,657	4,390	24,657	11,721
	350,639	103,444	424,569	373,619
Adjustment of work in process	5,682	(37,953)	5,682	(23,979)
Cost of goods manufactured	356,321	65,491	430,251	349,640
Adjustment of finished goods	(23,582)	25,139	(23,582)	(50,947)
	332,739	90,630	406,669	298,693

14 FINANCE COST

The company has not accounted for markup aggregating Rs. 313.608 million on long term loans as referred in note nos. 5.1, 8.1 and 8.2 to the condensed interim financial information.

	Note	Dec. 31, 2013 (Rupees in thousand)	Dec. 31, 2012
15 OTHER OPERATING EXPENSES			
Default surcharge	15.1	39,445	-
Other		-	4,045
		39,445	4,045

15.1 It represents default surcharge payable on unpaid amount of Sales Tax and Federal Excise Duty.

16 TAXATION

Minimum tax u/s 113 of Income Tax Ordinance, 2001 has not been made as the company suffered gross loss before depreciation charge.

17 TRANSACTIONS WITH RELATED PARTIES

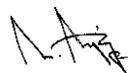
There is no significant transaction with related parties during the period.

18 CORRESPONDING FIGURES

- Corresponding figures, wherever necessary, have been rearranged. However, there was no material reclassifications to report.
- Figures have been rounded off to the nearest thousand rupees.

19 DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on May 13, 2014 by the Board of Directors of the company.



MUHAMMAD AMJAD AZIZ
Director



MUHAMMAD IMRAN IQBAL
Director