



HALF YEARLY REPORT
December 31, 2012

DANDOT CEMENT COMPANY LIMITED

CONTENTS

Company Information	2
Directors' Report to the Shareholders	3
Auditors' Reports to the Members on Review of Condensed Interim Financial Information	5
Condensed Interim Balance Sheet	6
Condensed Interim Profit and Loss Account	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Information	12

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, 2012.

Operational Performance

During the quarter under review, the operations of the company were suspended due to issues related to non-availability of working capital.

Particulars	Second Quarter ended		Half Year ended	
	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011
Clinker production	6,544	40,257	42,890	89,947
Cement production	3,564	44,865	42,507	95,837
Cement dispatch	1,648	45,394	25,814	98,742

Operating Results

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

Particulars	Second Quarter ended		Half Year ended	
	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011
Net sales	9,512	239,378	145,272	499,718
Gross loss	81,118	79,039	153,421	174,169
Loss before taxation	99,905	97,578	188,053	202,900
Net loss	99,905	97,578	188,053	202,900

Future Prospects

Industry:

Reduction in excise duty announced in budget 2012-2013 has positive impact on cement demand. A substantial increase in demand of the cement was also seen from last quarter of the year 2012 which is mainly attributable to upcoming general elections for which Government is spending more on development projects for public interest which would keep the momentum going till year 2013. Further, construction of dams is also inevitable in near future to overcome the tremendous electricity crises faced by the country. Decreasing trend of State Bank of Pakistan's discount rate will have definite positive implication on development works in the country.

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, employees and shareholders.

Future Plans & Decisions

To resume the suspended operations and to overcome the financial crunch, the management is working on various options to inject adequate funds and trying its level best to reschedule its statutory & financial obligations to optimize the production capacity of the plant by necessary maintenance.

Auditors' Observation

Due to the fact mentioned in note 5 of the reviewed condensed interim financial information, current portion of the loan has not been classified in current liabilities, accordingly mark-up has also not been provided in the financial statements. Due to severe financial crunch, the company was unable to pay dues of provident fund. Company will provide accrual of default surcharge on unpaid balance of sales tax and federal excise duty in the financial statements once the figure is finalized with the department. Letters for the balance confirmation have been sent. Further, the directors have reasonable expectations that the company would be able to generate adequate resources in future to continue as going concern. Due to closure of mill operations resulting non-availability of staff at factory site, underlying record related to stock valuation could not be provided to auditors, However, will be available for verification at the time of annual audit.

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.



MANSOOR RASHEED

Chief Executive

Lahore: March 16, 2013.

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED

INTERIM FINANCIAL INFORMATION

We have reviewed the accompanying condensed interim balance sheet of **Dandot Cement Co. Limited** as at December 31, 2012 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) As referred in note no. 5 to the interim financial information, current portion and overdue installments aggregating Rs.616.071 million and short term loan of Rs.270.00 million obtained from Bank of Punjab have not been classified under current liabilities.
- (ii) Loans from Bank of Punjab, 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.5, 8.1, 8.2, 6, and 11 to the interim financial information.
- (iii) In the absence of underlying record, we could not verify provision for obsolete stock of finished goods valuing Rs. 88.007 million made in the condensed interim financial information.
- (iv) The company has not provided markup in the interim financial information on loan obtained from Bank of Punjab and KASB Bank as referred to note nos. 5, 8.1, and 8.2 aggregate amount Rs.589.309 million including Rs. 100.77 million for the period and default surcharge on unpaid balance of sales tax and federal excise duty aggregate amounting Rs. 158.204 million including Rs. 6.728 million for the period as referred to note no. 9. Had there been provision made for markup and default surcharge in the interim financial information the loss for the half year would have been higher by an amount Rs. 107.5 million.
- (v) These interim financial information have been prepared on going concern basis despite the fact that the company has accumulated losses of Rs.3,516.475 million. Its current liabilities exceed the current assets by Rs.2,200 million resulting inability of the Company to pay its overdue statutory and contractual obligations amounting Rs.898.00 million including old and current dues of provident fund as explained in note no.6.2 to the interim financial information. Further the company stopped its operations since October 2012 due to liquidity crunch. 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: March 16, 2013

Condensed Interim Balance Sheet

	Note	(Un-Audited) Dec 31, 2012	(Audited) June 30, 2012
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 100,000,000 (June 2012:100,000,000) ordinary shares of Rs.10 each		1,000,000	1,000,000
Issued, subscribed and paid-up capital		948,400	948,400
Share premium reserve		31,801	31,801
Accumulated loss		(3,516,475)	(3,346,260)
		(2,536,274)	(2,366,059)
SURPLUS ON REVALUATION OF FIXED ASSETS			
		1,083,640	1,101,478
		(1,452,634)	(1,264,581)
NON CURRENT LIABILITIES			
Loan from banking companies	5	1,020,000	1,020,000
Other loans	6	292,770	299,966
Deferred liabilities	7	-	-
Long term advances and deposits		1,532	1,708
		1,314,302	1,321,674
CURRENT LIABILITIES			
Trade and other payables		1,502,513	1,417,185
Mark up accrued		703,032	693,998
Short term borrowings	8	609,504	526,646
Current portion of long term loans and liabilities		69,790	64,876
Provision for taxation - income tax		-	-
		2,884,839	2,702,705
CONTINGENCIES AND COMMITMENTS			
	9	-	-
		2,746,507	2,759,798



MANSOOR RASHEED
Chief Executive



As at December 31, 2012

	Note	(Un-Audited) Dec 31, 2012 (Rupees in thousand)	(Audited) June 30, 2012
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment Operating fixed assets	10	2,051,402	2,085,626
Long term loans		12	19
Long term security deposits		10,375	10,435
		<u>2,061,789</u>	<u>2,096,080</u>
CURRENT ASSETS			
Stores, spares and loose tools		124,732	162,507
Stock in trade	11	178,679	104,949
Trade debts		4,070	9,899
Loans and advances	12	303,175	317,208
Balances with statutory authorities		59,619	55,688
Interest accrued		9,389	9,389
Other receivables		451	531
Cash and bank balances		4,603	3,547
		<u>684,718</u>	<u>663,718</u>
		<u><u>2,746,507</u></u>	<u><u>2,759,798</u></u>

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, 2012

	Note	Half Year ended		Second Quarter ended	
		December 2012	December 2011	December 2012	December 2011
		(Rupees in thousand)		(Rupees in thousand)	
Sales (Net)		145,272	499,718	9,512	239,378
Cost of sales	13	298,693	673,887	90,630	318,417
Gross loss		(153,421)	(174,169)	(81,118)	(79,039)
Operating expenses					
Distribution costs		2,070	1,708	915	888
Administrative expenses		19,181	18,689	9,164	10,799
		21,251	20,397	10,079	11,687
Operating loss		(174,672)	(194,566)	(91,197)	(90,726)
Finance costs	14	(9,436)	(8,440)	(4,760)	(6,941)
Other operating income		100	106	97	89
Other operating expenses		(4,045)	-	(4,045)	-
		(13,381)	(8,334)	(8,708)	(6,852)
Loss before taxation		(188,053)	(202,900)	(99,905)	(97,578)
Taxation :					
Current	15	-	-	-	-
Deferred		-	-	-	-
		-	-	-	-
Net Profit / (Loss) after taxation		(188,053)	(202,900)	(99,905)	(97,578)
Profit / (Loss) per weighted average shares- Basic (Rupees)		(1.98)	(2.14)	(1.05)	(1.03)

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


MANSOOR RASHEED
 Chief Executive


MUHAMMAD IMRAN IQBAL
 Director



Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Half Year ended December 31, 2012

	Quarter ended		Six months ended	
	October to December 2012	2011	July to December 2012	2011
Loss for the period	(99,905)	(97,578)	(188,053)	202,900
Other comprehensive income	-	-	-	-
Total comprehensive profit/ (loss) for the period	<u>(99,905)</u>	<u>(97,578)</u>	<u>(188,053)</u>	<u>202,900</u>

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



MANSOOR RASHEED
Chief Executive



MUHAMMAD IMRAN IQBAL
Director


Condensed Interim Cash Flow Statement (Un-Audited)

For the Half Year ended December 31, 2012

	Dec 31, 2012	Dec. 31, 2011
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(188,053)	(202,900)
Adjustments of items not involving movement of cash:		
Depreciation	34,507	36,061
Provision for gratuity	12,610	12,321
Profit on deposit and PLS accounts	(100)	-
Finance cost	9,436	8,440
	56,453	56,822
Operating cash flows before working capital changes	(131,600)	(146,078)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	37,775	5,188
Stock in trade	(73,730)	2,598
Trade debts	5,829	3,056
Loans and advances	14,033	63,015
Other receivables	80	261
Increase/(Decrease) in trade and other payables	72,718	103,554
	56,705	177,672
	(74,895)	31,594
Bank charges paid	(402)	(673)
Interest received	100	-
Income tax paid	(3,931)	(5,994)
Net Cash Flows From Operating Activities	(79,128)	24,927
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(283)	(1,461)
Long term security deposits	60	(2,000)
Long term loans	7	20
Net Cash Flows From Investing Activities	(216)	(3,441)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	(2,282)	(6,657)
Long term advances and deposits	(176)	-
Short term borrowings	82,858	(15,118)
Net Cash Flows From Financing Activities	80,400	(21,775)
Net Increase in Cash and Cash Equivalents	1,056	(289)
Cash and Cash Equivalents at Beginning of the Period	3,547	3,723
Cash and Cash Equivalents at End of the Period	4,603	3,434

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


MANSOOR RASHEED
 Chief Executive


MUHAMMAD IMRAN IQBAL
 Director

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

For the Half Year ended December 31, 2012

	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, 2011	948,400	31,801	(2,876,726)	(1,896,525)	1,138,718	(757,807)
Total comprehensive loss for the half year ended December 31, 2011	-	-	(202,900)	(202,900)	-	(202,900)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	18,616	18,616	(18,616)	-
Balance as at December 31, 2011	948,400	31,801	(3,061,010)	(2,080,809)	1,120,102	(960,707)
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)

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


MANSOOR RASHEED
 Chief Executive


MUHAMMAD IMRAN IQBAL
 Director

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

For the Half Year ended December 31, 2012

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. 3,516 million and its current liabilities exceed its current assets by Rs. 2,200 million as at December 31, 2012. In spite of the adverse current ratio and large accumulated loss, the company has continued financial support from its sponsoring directors. Due to non availability of financial support from any financial institutions, the company was unable to manage its working capital requirement resulting the temporary closure of the mill operations in October 2012. However, to resume the operations of the company, the management is working on various options to inject adequate funds for the necessary maintenance of the plant and to make the operations smooth and profitable. The management of the company is fully confident that the operations of the company will be resumed in near future and 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, 2012 and 2011 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half year ended Dec 31, 2012 and 2011. These condensed interim financial information should be read in conjunction with the Annual Audited Financial Statements for the year ended June 30, 2012. 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, 2012, except as follow:

The company has adopted the following amended IFRS which became effective during the period:

- IAS 1 - Presentation of financial statements
- IAS 12 - Income Taxes

The adoption of the above amendments did not have any effect on these condensed interim financial information.

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)
IAS 19 - Employee Benefits	01 January 2013
IFRS 7 - Financial Instruments: Disclosures	01 January 2013
Annual improvements to IFRSs 2011	01 January 2013
IAS 32 - Financial Instruments: Presentation	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 judgements 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, 2012 (Rupees in thousand)	June 30, 2012
5 LOAN FROM BANKING COMPANIES			
The Bank of Punjab Limited			
- Demand finance facility		750,000	750,000
- Bridge finance facility		270,000	270,000
	5.1	<u>1,020,000</u>	<u>1,020,000</u>

5.1 The company has filed a suit in the Lahore High Court, Lahore against BOP for declaration, permanent injunction, discharge, cancellation of documents, redemption of property and damages to the tune of Rs.1,926 million on account of various breaches of its obligation committed by BOP. BOP has also filed its Petition for Leave to Appeal (PLA)in the same and the matter is pending adjudication before the honorable court. BOP has instituted a suit against the company for recovery of Rs.1,626.625 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.

6 OTHER LOANS

Economic Affairs Division, Government of Pakistan (EAD)		35,232	35,232
Ex-Sponsors' Loan	6.1	250,000	250,000
Provident Fund Trust	6.2	59,251	59,251
Peace agreement arrears		18,077	20,359
		<u>362,560</u>	<u>364,842</u>
Less: Current maturity		69,790	64,876
		<u>292,770</u>	<u>299,966</u>

6.1 This represents loan received from Ex-management Mr.A.Rafique Khan and Mr.Tousif Peracha as subordinated to Bank of Punjab loan facility. It is interest free, unsecured and is repayable after repayment of loan of Bank of Punjab.

6.2 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.

	Note	Dec. 31, 2012 (Rupees in thousand)	June 30, 2012
7 DEFERRED LIABILITIES			
Deferred taxation	7.1	-	-
7.1 Deferred taxation			
This is composed of the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Accelerated tax depreciation		660,200	669,850
		660,200	669,850
Deferred tax asset on deductible temporary differences arising in respect of:			
Unused tax losses carried forward		(659,053)	(668,703)
Provision for doubtful balances		(1,147)	(1,147)
		(660,200)	(669,850)
Opening balance		-	-
Add: Charged / (Reversal) to profit and loss account		-	-
Deferred tax asset / liability as at December 31, 2012		-	-
Deferred tax on surplus on revaluation of fixed assets arising during the period		-	-
Deferred tax liability as at Dec. 31, / June 30,		-	-

Deferred tax amounting to December 31, 2012: Rs.128.426 million (June 30, 2012: Rs. 251.067 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, 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	57,256
The Bank of Punjab		83,600	83,600
	8.2	140,856	140,856
Bank Overdraft - unsecured		782	620
Loan from Related Parties - unsecured			
Holding Company		37,804	37,804
Director		118,232	37,065
Others		21,830	20,300
		177,866	95,169
		609,504	526,645

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 company is in litigation with the bank as explained in note no. 5.1 to the condensed interim financial information.

9 CONTINGENCIES AND COMMITMENTS

- The company has not accounted for Rs.289.275 Million (June 30, 2012: Rs. 261.725 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. Further, provision of default surcharge payable on unpaid amount of sales tax and federal excise duty Rs. 158.204 million has also not been accounted for in the condensed interim financial information as aforesaid amount is under reconciliation with the department.
- Except the above there has been no significant change in contingencies and commitments since the date of preceding published annual financial statements.

	Dec. 31, 2012	June 30, 2012
	(Rupees in thousand)	
10 OPERATING FIXED ASSETS		
Opening fixed assets at WDV	2,085,626	2,155,354
Additions	283	2,503
(Deletions)	-	(522)
	<u>2,085,909</u>	<u>2,157,335</u>
Less: depreciation:		
For the period/year	34,507	72,164
On disposal	-	(455)
	<u>34,507</u>	<u>71,709</u>
	<u>2,051,402</u>	<u>2,085,626</u>
11 STOCK IN TRADE		
Raw material	1,048	2,244
Work in process	105,492	81,513
Finished goods	72,139	21,192
	<u>178,679</u>	<u>104,949</u>

12 LOAN AND ADVANCES

These include amount Rs. 250 million (June 30, 2012: Rs. 250 million) receivable from Gharibwal Cement Limited (GCL), the past associated company.

13 COST OF SALES

	Second Quarter ended		Half Year ended	
	Dec. 2012	Dec. 2011	Dec. 2012	Dec. 2011
	(Rupees in thousand)		(Rupees in thousand)	
Raw materials consumed	10,970	22,024	26,628	42,711
Salaries, wages and benefits	38,801	46,082	82,423	88,503
Fuel, gas and electricity	20,141	191,758	178,305	429,968
Stores and spares	5,761	7,630	19,054	16,235
Rent, rates and taxes	-	155	4	158
Vehicle running and maintenance	1,865	3,421	5,166	6,555
Packing material	5,089	17,359	17,464	37,891
Depreciation	16,427	17,073	32,854	34,259
Others	4,390	5,989	11,721	13,490
	<u>103,444</u>	<u>311,491</u>	<u>373,619</u>	<u>669,770</u>
Adjustment of work in process	(37,953)	3,708	(23,979)	(12,748)
Cost of goods manufactured	<u>65,491</u>	<u>315,199</u>	<u>349,640</u>	<u>657,022</u>
Adjustment of finished goods	<u>25,139</u>	<u>3,218</u>	<u>(50,947)</u>	<u>16,865</u>
	<u>90,630</u>	<u>318,417</u>	<u>298,693</u>	<u>673,887</u>

14 FINANCE COST

The company has not accounted for markup aggregating Rs.589.309 million on long term loans as referred in note nos. 5.1, 8.1 and 8.2 to the condensed interim financial information .

15 TAXATION

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

Half Year ended	
Dec. 31, 2012	Dec. 31, 2011
(Rupees in thousand)	

16 TRANSACTIONS WITH RELATED PARTIES**Three Stars Hosiery Mills (Pvt) Ltd.**

(Associated company due to common directorship)

Expenses paid on behalf	1,018	8,525
Funds received	2,547	3,640

Active Apparel International (Pvt) Ltd

(Associated company due to common directorship)

Expenses paid on behalf	-	6,470
Funds received	-	550

Director

Funds received	81,166	-
Expenses paid on behalf	-	2,250

The Forwarder (Pvt) Ltd

(Associated company due to common directorship)

Adjustment	-	12,570
------------	---	--------

Three Stars Cement (Pvt) Limited

(Associated company due to common directorship)

Adjustment	-	12,570
Expenses paid on behalf	-	2,800

17 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.

18 DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on March 16, 2013 by the Board of Directors of the company.



MANSOOR RASHEED
Chief Executive



MUHAMMAD IMRAN IQBAL
Director