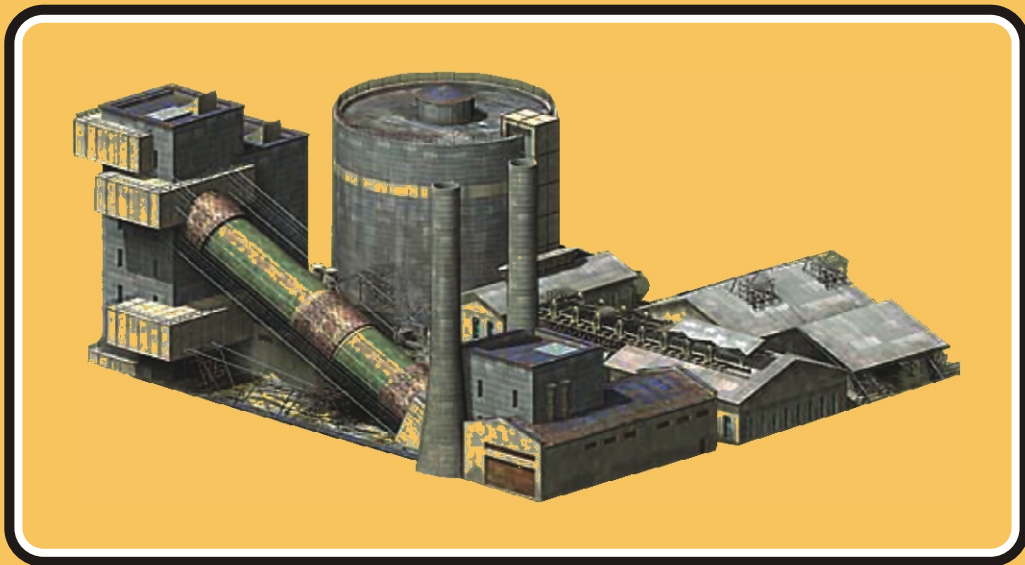




HALF YEARLY REPORT
December 31, 2014



DANDOT CEMENT COMPANY LIMITED

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COMPANY INFORMATION

Board of Directors

Mr. Muhammad Azhar Sher
Mr. Muhammad Sabir Sheikh
Mr. Imran Bashir
Mr. Muhammad Imran Iqbal
Mr. Muhammad Amjad Aziz
Syed Ansar Raza Shah
Mr. Gul Hussain

Chief Executive

Chairman

Audit Committee

Mr. Muhammad Sabir Sheikh
Syed Ansar Raza Shah
Mr. Gul Hussain

Member
Member / Chairman
Member

Human Resources & Remuneration Committee

Mr. Muhammad Azhar Sher
Syed Ansar Raza Shah
Mr. Gul Hussain

Member
Member
Member/Chairman

Chief Financial Officer

Mr. Muhammad Kamran

Company Secretary

Mr. Muhammad Kamran

Statutory Auditors

Amin, Mudassar & Co.
Chartered Accountants

Internal Auditors

Parker Randall - A.J.S.
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: +92-42-35911485, Fax: +92-42-35831846

Factory

DANDOT R.S., Distt. Jhelum.
Telephone: +92-544-211371, Fax: +92-544-211490

Share Registrar

Corplink (Pvt.) Limited.
Wings Arcade 1-K-Commercial, Model Town, Lahore.
Telephone: +92-42-35839182, Fax: +92-42-35869037

Website

www.dandotcement.com



DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors would like to present the reviewed condensed interim financial statements for the half year ended December 31, 2014.

Operational Performance

The comparative operational performance of the company for the period under review is as follows:

		Second Quarter ended		Half Year ended	
		Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013
-	Clinker production M.Ton	71,975	18,378	124,577	18,378
-	Cement production M.Ton	75,842	16,093	140,793	16,093
-	Sales M.Ton	76,493	13,712	142,967	13,712

Operating Results

The comparative financial results of the company are summarized as below:

		Second Quarter ended		Half Year ended	
		Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013
		(Rupees in thousand)			
-	Gross sales	690,377	119,551	1,285,722	119,551
-	Net sales	542,117	93,598	1,009,041	93,598
-	Gross Loss	227,487	239,141	272,935	313,071
-	Net loss	262,545	292,350	342,245	380,423

Future Prospects

Industry:

It is anticipated that local demand of cement may increase due to expected government spending on infrastructure projects. Proper and efficient utilization of allocated development funds by the provinces would help the sector to grow. Some control of terrorism and continuous positive pressure of opposition on the government may also prove to be trigger point of the revival of industry and may contribute positively towards overall consumption.

Company:

Energy efficiency, labour efficiency & productivity and right financial modelling, 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.

Company's Plans

Sponsors of the company are considering various options to arrange/inject some funds to support negative cashflows of the company especially for the repayment of past dues of the company and for replacement of old electric infrastructure to reduce the power and fuel cost which is the major cause of loss sustained by the company in past years.

Auditors' Observation

Letters for the balance confirmation have already been circulated and many of them have been received subsequently. Due to the facts mentioned in note 8.1, mark-up on the loan from KASB Bank Ltd have not been accounted for in these reviewed condensed interim financial statements. After the resumption of operations in December 2013, company is regularly paying its old monthly installments of old provident fund liability. On the basis of facts mentioned in note 1.2 of these condensed financial statements the company will continue its operations as a going concern.

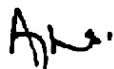
Change in management

During the period under review, following changes in CEO and board of directors have been occurred:

Mr. Muhammad Rasheed	(Retired in 30 October 2014)
Mr. Mansoor Rasheed (C.E.O)	(Retired in 30 October 2014)
Mr. Saud Rasheed	(Retired in 30 October 2014)
Mr. Muhammad Azhar Sher (C.E.O)	(Appointed in 30 October 2014)
Mr. Muhammad Sabir Sheikh	(Appointed in 30 October 2014)
Mr. Imran Bashir	(Appointed in 30 October 2014)

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 recent years.



MUHAMMAD AZHAR SHER

Chief Executive

Lahore: March 27, 2015.



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Dandot Cement Company Limited as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2013 and December 31, 2014 have not been reviewed and we do not express conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2014.

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 independently as referred to note nos. 8.1, 6, and 8.2 to the interim financial information.
- (ii) The company has not provided markup in the interim financial information on loan obtained from KASB Bank as referred to note no. 8.1 aggregate amount Rs. 276.282 million including Rs. 19.006 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. 19.006 million.
- (iii) The company has not paid dues of provident fund in full as explained in note no. 6.1 to the interim financial information resulting in non-compliance 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. 4,560.54 million, while its current liabilities exceed the current assets by Rs. 3,193.56 million and non-payment of some overdue contractual obligations. Due to these factors and equivocal disclosure in note 1.2 of these financial statements, a material uncertainty arises that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

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 condensed interim financial information as of and for the half year ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

AMIN, MUDASSAR & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Amin
Lahore: March 27, 2015

Condensed Interim Balance Sheet

	Note	(Un-Audited) Dec 31, 2014 (Rupees in thousand)	(Audited) June 30, 2014
EQUITY AND LIABILITIES			
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 100,000,000 (June 2014:100,000,000) 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		(4,560,541)	(4,235,124)
		(3,580,340)	(3,254,923)
SURPLUS ON REVALUATION OF FIXED ASSETS			
		1,013,282	1,030,110
		(2,567,058)	(2,224,813)
NON CURRENT LIABILITIES			
Loan from banking companies	5	1,349,528	1,343,118
Other loans and Liabilities	6	23,016	26,016
Deferred liabilities	7	-	-
Long term advances and deposits		1,882	1,882
		1,374,426	1,371,016
CURRENT LIABILITIES			
Trade and other payables		2,178,381	1,940,435
Mark up accrued		524,633	514,095
Short term borrowings	8	1,185,699	1,185,699
Current portion of long term loans and liabilities		82,497	81,359
Provision for taxation - income tax		-	-
		3,971,210	3,721,588
CONTINGENCIES AND COMMITMENTS			
	9	-	-
		2,778,578	2,867,791



MUHAMMAD AZHAR SHER
Chief Executive



As at December 31, 2014

	Note	(Un-Audited) Dec 31, 2014 (Rupees in thousand)	(Audited) June 30, 2014
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment Operating fixed assets	10	1,990,257	2,022,858
Long term loans		-	3
Long term security deposits		10,675	10,675
		2,000,932	2,033,536
CURRENT ASSETS			
Stores, spares and loose tools		131,294	149,040
Stock in trade	11	179,260	216,117
Trade debts		48,813	56,745
Loans and advances	12	302,292	292,219
Balances with statutory authorities		91,077	69,895
Interest accrued		9,389	9,389
Other receivables		387	387
Cash and bank balances		15,134	40,463
		777,646	834,255
		2,778,578	2,867,791

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


MUHAMMAD AMJAD AZIZ
 Director

Condensed Interim Profit And Loss Account (Un-Audited)

For the Half Year ended December 31, 2014

	Note	Half Year ended		Second Quarter ended	
		December 2014 (Rupees in thousand)	December 2013	December 2014 (Rupees in thousand)	December 2013
Sales (Net)		1,009,041	93,598	542,117	93,598
Cost of sales	13	1,281,976	406,669	769,604	332,739
Gross loss		(272,935)	(313,071)	(227,487)	(239,141)
Operating expenses					
Distribution cost		1,861	803	850	346
Administrative expenses		18,751	16,525	9,719	8,105
		20,612	17,328	10,569	8,451
Operating loss		(293,547)	(330,399)	(238,056)	(247,592)
Finance cost	14	(48,881)	(10,787)	(24,535)	(5,503)
Other operating income		183	208	46	190
Other operating expenses	15	-	(39,445)	-	(39,445)
		(48,698)	(50,024)	(24,489)	(44,758)
Loss before taxation		(342,245)	(380,423)	(262,545)	(292,350)
Taxation:					
Current	16	-	-	-	-
Deferred		-	-	-	-
		-	-	-	-
Net Loss after taxation		(342,245)	(380,423)	(262,545)	(292,350)
Loss per weighted average shares- Basic and Diluted (Rupees)		(3.61)	(4.01)	(2.77)	(3.08)

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


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director



Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Half Year ended December 31, 2014

	Six months ended		Quarter ended	
	July to December		October to December	
	2014	2013	2014	2013
	(Rupees in thousand)		(Rupees in thousand)	
Loss for the period	(342,245)	(380,423)	(262,545)	(292,350)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(342,245)	(380,423)	(262,545)	(292,350)

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


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director

Condensed Interim Cash Flow Statement (Un-Audited)

For the Half Year ended December 31, 2014

	Dec 31, 2014	Dec. 31, 2013
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(342,245)	(380,423)
Adjustments of items not involving movement of cash:		
Depreciation	32,732	32,943
Gain on disposal of fixed assets	-	(111)
Provision for gratuity	8,246	12,061
Profit on deposit and PLS accounts	(183)	(97)
Finance cost	48,881	10,787
	89,676	55,583
Operating cash flows before working capital changes	(252,569)	(324,840)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	17,746	(5,349)
Stock in trade	36,858	(22,019)
Trade debts	7,932	(8,068)
Loans and advances	(10,073)	(19,324)
Increase/(Decrease) in trade and other payables	229,895	437
	282,358	(54,323)
	29,789	(379,163)
Long term security deposits	-	(225)
Gratuity paid	(431)	-
Finance Cost Paid	(38,107)	(185)
Interest received	183	97
Income tax paid	(21,182)	(4,094)
Net Cash Flows From Operating Activities	(29,748)	(383,570)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(131)	(11)
Sale proceed of fixed assets	-	168
Long term loans	2	(2)
Net Cash Flows From Investing Activities	(129)	155
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	4,548	130,158
Long term advances and deposits	-	350
Short term borrowings	-	270,242
Net Cash Flows From Financing Activities	4,548	400,750
Net Increase in Cash and Cash Equivalents	(25,329)	17,335
Cash and Cash Equivalents at Beginning of the Period	40,463	3,202
Cash and Cash Equivalents at End of the Period	15,134	20,536

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


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director

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

For the Half Year ended December 31, 2014

	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, 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)
Balance as at July 01, 2014	948,400	31,801	(4,235,124)	(3,254,923)	1,030,110	(2,224,813)
Total comprehensive loss for the half year ended December 31, 2014	-	-	(342,245)	(342,245)	-	(342,245)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	16,828	16,828	(16,828)	-
Balance as at December 31, 2014	948,400	31,801	(4,560,541)	(3,580,340)	1,013,282	(2,567,058)

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


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director

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

For the Half Year ended December 31, 2014

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 Company had effectively done comprehensive plant's maintenance in 2014 and also managed to reschedule the liability of The Bank of Punjab (BOP) amounting Rs. 1,857 million. Furthermore, outstanding dues of Large Taxpayer Unit (LTU) amounting Rs. 459.50 million and IESCO of Rs. 166.70 million had also been rescheduled. Up to the date of signing of these condensed interim financial statements, company has not defaulted even in a single installment of its rescheduled dues.

Furthermore, sponsors of the company are also considering various options to arrange/inject further funds to support negative cash flows of the company especially for repayment of past dues of the company and for replacement of old electric infrastructure to reduce the power and fuel cost which is the major cause of loss sustained by the company in past years. The management of the company is confident that the company will continue its operations as a going concern, inspite of the fact of accumulated loss of Rs. 4,560.54 million and current liabilities exceed its current assets by Rs. 3,193.56 million as at December 31, 2014.

Accordingly, these condensed interim financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary if 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, 2014 and 2013 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half year ended Dec 31, 2014 and 2013. These condensed interim financial information should be read in conjunction with the Annual Audited Financial Statements for the year ended June 30, 2014. 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 Exchanges.

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, 2014.

There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on company's operations and, therefore, not disclosed.

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 01, 2015:

Standard of Interpretation	Effective date (Accounting periods beginning on or after)
- IAS 38 - Intangible Assets	01 January 2016
- IAS 16 - Property, Plant and Equipment	01 January 2016
- IAS 41 - Agriculture	01 January 2016
- IFRS 10 - Consolidated Financial Statements	01 January 2015
- IFRS 11 - Joint Arrangements	01 January 2015
- IFRS 12 - Disclosure of Interest in Other Entities	01 January 2015
- IFRS 13 - Fair Value Measurement	01 January 2015
- IAS 27 - Separate Financial Statements	01 January 2016
- Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycles	01 July 2015
- Annual Improvements to IFRSs 2012-2014 Cycles	01 January 2016

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	December 31, 2014 (Rupees in thousand)	June 30, 2014
5 LOAN FROM BANKING COMPANIES			
The Bank of Punjab Limited			
- Demand finance facility - 1	5.1	1,156,661	1,157,094
- Demand finance facility - 2	5.2	203,172	188,465
		<u>1,359,833</u>	<u>1,345,559</u>
Less: Current Portion		<u>(10,305)</u>	<u>(2,441)</u>
Payable within next 12 months		<u>1,349,528</u>	<u>1,343,118</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.

Payments of restructured loan shall be made in 62 step-up monthly / quarterly installments started from March 31, 2014 in a period of 9.25 years. Mark up is payable @ 4% Per anum.

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.

- 5.2** This represents cost of funds (COF) amounting Rs. 695.883 million upto March 31, 2014 in respect of demand finance, bridge finance, forced demand finance, paid against documents (PAD's) and finance against imported merchandise (FIM) facilities. The finance has been initially presented at fair value by using effective rate of markup. It does not carry markup. Repayments of this facility shall be made in 4 quarterly installments, starting from September, 2022.

	Note	December 31, 2014 (Rupees in thousand)	June 30, 2014
6 OTHER LOANS AND LIABILITIES - Unsecured			
Economic Affairs Division, Government of Pakistan (EAD)		35,232	35,232
Provident Fund Trust	6.1	52,030	55,030
Peace agreement arrears		7,946	14,674
		<u>95,208</u>	<u>104,936</u>
Less: Current maturity		<u>72,192</u>	<u>78,918</u>
		<u>23,016</u>	<u>26,016</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 all outstanding principal amount to that date and will pay an installment of Rs. 0.5 million per month to clear these dues from October, 2009. Since that order, company is providing markup in the books of accounts without any default. Due to continuity of the financial crunch in past years, company had paid only Rs. 1.7 million. However, after resumption of operations in December, 2013 and stability of cash flows, the company has started the compliance of SECP order and regularly paying its monthly installments. Upto the signing of these financial statements company has regularly paid monthly installments of Rs. 0.5 million each.

	Note	December 31, 2014 (Rupees in thousand)	June 30, 2014
7 DEFERRED LIABILITIES			
Deferred taxation	7.1	-	-
		<u>-</u>	<u>-</u>

	December 31, 2014	June 30, 2014
	(Rupees in thousand)	
7.1 Deferred taxation		
This is composed of the following:		
Deferred tax liability on taxable temporary differences arising in respect of:		
Accelerated tax depreciation	609,146	618,222
	<u>609,146</u>	<u>618,222</u>
Deferred tax asset on deductible temporary differences arising in respect of:		
Unused tax losses carried forward	(1,183,188)	(1,079,334)
Provision for doubtful balances	(749)	(749)
	<u>(1,183,937)</u>	<u>(1,080,083)</u>
Deferred tax asset as at Dec. 31, / June 30,	<u>(574,791)</u>	<u>(461,861)</u>

Deferred tax asset amounting Rs. 574.79 million (June 30, 2014: Rs. 461.861 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, 2015.

	Note	December 31, 2014	June 30, 2014
		(Rupees in thousand)	
8 SHORT TERM BORROWINGS			
Running finances - secured			
KASB Bank Limited	8.1	290,000	290,000
Ex-Sponsors' Loan	8.2	250,000	250,000
Others - Unsecured	8.3	545,313	545,313
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>1,185,699</u>	<u>1,185,699</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 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.

8.3 This is interest free amount injected from time to time to meet the working capital requirements of the company and maintenance of plant and machinery. This includes a loan of Rs. 427 million arranged by the management for necessary maintenance of the plant during the year 2014. The terms and conditions of repayment of such loan have not yet been finalized and not reduced in writing.

9 CONTINGENCIES AND COMMITMENTS

- The company has not accounted for Rs. 387.692 million (2014:Rs.368.686 million) additional profit/liquidated damages on the loan payable to KASB Bank Limited as the matter is subjudice with the Honorable Lahore High Court as referred to note no. 8.1 in the financial statements.
- Except the above there has been no significant change in contingencies and commitments since the date of preceding published annual financial statements.

	December 31, 2014	June 30, 2014
	(Rupees in thousand)	
10 OPERATING FIXED ASSETS		
Opening fixed assets at WDV	2,022,858	2,016,895
Additions	131	94,492
(Deletions)	-	(32,050)
	2,022,989	2,079,337
Less: depreciation:		
For the period/year	32,732	67,148
On disposal	-	(10,669)
	32,732	56,479
	1,990,257	2,022,858
11 STOCK IN TRADE		
Raw material	20,436	8,630
Work in process	128,711	164,261
Finished goods	30,113	43,226
	179,260	216,117

12 LOAN AND ADVANCES

These include amount Rs. 250 million (June 30, 2014: Rs. 250 million) receivable from Gharibwal Cement Limited (GCL), the past associated company.

13 COST OF SALES

	Second Quarter ended		Half Year ended	
	Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013
	(Rupees in thousand)		(Rupees in thousand)	
Raw materials consumed	42,539	21,483	77,944	27,819
Salaries, wages and benefits	51,421	44,263	97,925	84,325
Fuel, gas and electricity	516,027	108,253	847,717	117,761
Stores and spares	49,844	125,077	66,304	125,077
Rent, rates and taxes	100	15	211	75
Vehicle running and maintenance	9,491	7,765	12,456	7,765
Packing material	33,866	5,625	62,725	5,625
Depreciation	15,684	15,501	31,368	31,465
Others	33,485	22,657	36,662	24,657
	752,457	350,639	1,233,312	424,569
Adjustment of work in process	11,028	5,682	35,550	5,682
Cost of goods manufactured	763,485	356,321	1,268,862	430,251
Adjustment of finished goods	6,119	(23,582)	13,114	(23,582)
	769,604	332,739	1,281,976	406,669

14 FINANCE COST

The company has not accounted for markup aggregating Rs. 19.006 million on long term loan as referred in note no. 8.1 to the condensed interim financial information.

	Note	Dec. 31, 2014 (Rupees in thousand)	Dec. 31, 2013
15 OTHER OPERATING EXPENSES			
Default surcharge	15.1	-	39,445
		-	39,445

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 year.

18 CORRESPONDING FIGURES

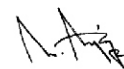
- Corresponding figures, wherever necessary, have been rearranged. However, there was no material reclassifications to report.
- Figures have been rounded off to the nearest thousand rupees.

19 DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on March 27, 2015 by the Board of Directors of the company.



MUHAMMAD AZHAR SHER
Chief Executive



MUHAMMAD AMJAD AZIZ
Director