



**HALF
YEARLY
REPORT**
December 31,
2015



Dandot Cement Company Limited

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COMPANY INFORMATION

Board of Directors

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

Audit Committee

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

Human Resources & Remuneration Committee

Mr. Muhammad Azhar Sher	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, Lahore.

Internal Auditors

Parker Randall - A.J.S.
Chartered Accountants, Faisalabad.

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 presents the reviewed condensed interim financial statements for the half year ended December 31, 2015.

Operational Performance

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

		Second Quarter ended		Half Year ended	
		Dec. 2015	Dec. 2014	Dec. 2015	Dec. 2014
- Clinker production	M.Ton	82,986	71,975	158,378	124,577
- Cement production	M.Ton	82,852	75,842	161,828	140,793
- Sales	M.Ton	82,511	76,493	162,200	142,967

Operating Results

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

	Second Quarter ended		Half Year ended	
	Dec. 2015	Dec. 2014	Dec. 2015	Dec. 2014
	(Rupees in thousand)			
- Gross sales	740,676	690,377	1,457,877	1,285,722
- Net sales	584,513	542,117	1,151,642	1,009,041
- Gross Loss	30,114	227,487	39,483	272,935
- Net loss	96,018	262,545	157,749	342,245
- Earnings / (loss) per share	1.01	2.77	1.66	3.61

Future Prospects

Industry:

Demand of cement in local market has been improved for last three years and it is expected that this trend will continue in the current financial year, considering the fact that substantial budget is allocated for public sector development projects by the Government, improved law and order situation, controlled inflation and low interest rates, stable economic outlook and reduced coal price will benefit the industry. The Government, however, has to overcome energy crises, hampering overall industrial growth. Proper and efficient utilization of allocated development budget and initiation of projects Pak China Economic Corridor would help cement sector to grow.

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.

Company's Plans

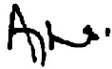
Sponsors of the company are also considering various options to arrange / inject further funds to make the machinery efficient especially by replacement of old electric installations / equipments to reduce the power and fuel cost which is the major cause of loss sustained by the company in the past years.

Auditors' Observation

On the basis of the facts mentioned in note 1.2 of these financial statements, the management of the company is fully confident that the company will continue its operations as going concern. Un-confirmed balances have been confirmed by external auditors' through alternative procedures. Since December 2013, company is regularly paying its old monthly installments of old provident fund liability. Markup on all dues of interest bearing liabilities has been accounted for in the books of accounts except of KASB Bank Ltd. due to the litigation mentioned in note 8.1

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 29, 2016.



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, 2015 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, 2014 and December 31, 2015 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, 2015.

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) These interim financial information have been prepared on going concern basis despite the fact that the company has accumulated losses of Rs. 4,379.029 million, while its current liabilities exceed the current assets by Rs. 3,358.636 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.
- (ii) 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, 8.2, 12 and 13 to the interim financial information respectively.
- (iii) The company did not pay current dues of provident fund in full resulting in non-compliance of section 227 of the Companies Ordinance, 1984.
- (iv) 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. 47.967 million including Rs. 13.983 million for the period. Had there been provision made for markup in the interim financial information the accumulated loss and loss for the half year would have been higher by Rs. 47.967 million and Rs. 13.983 million respectively.

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, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

CHARTERED ACCOUNTANTS

Engagement Partner: MUHAMMAD AMIN

Lahore: March 29, 2016.

Condensed Interim Balance Sheet

		(Un-Audited) Dec 31, 2015 (Rupees in thousand)	(Audited) June 30, 2015
EQUITY AND LIABILITIES			
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 100,000,000 (June 2015:100,000,000) 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		(4,379,029)	(4,237,940)
		(3,398,828)	(3,257,739)
SURPLUS ON REVALUATION OF FIXED ASSETS			
		979,295	995,952
		(2,419,533)	(2,261,787)
NON CURRENT LIABILITIES			
Loan from banking companies	5	988,450	945,770
Other loans and Liabilities	6	12,542	15,543
Deferred liabilities	7	-	-
Long term advances and deposits		1,882	1,882
		1,002,874	963,195
CURRENT LIABILITIES			
Trade and other payables		2,137,884	2,007,217
Mark up accrued		540,553	534,598
Short term borrowings	8	1,427,909	1,427,909
Current portion of long term loans and liabilities		86,628	87,515
Provision for taxation - income tax		-	-
		4,192,974	4,057,239
CONTINGENCIES AND COMMITMENTS			
	9	-	-
		2,776,315	2,758,647

Azhar

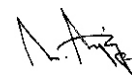
MUHAMMAD AZHAR SHER
Chief Executive



As at December 31, 2015

	Note	(Un-Audited) Dec 31, 2015 (Rupees in thousand)	(Audited) June 30, 2015
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	10	1,931,310	1,958,251
Long term security deposits		10,667	10,675
		1,941,977	1,968,926
CURRENT ASSETS			
Stores, spares and loose tools		147,901	130,655
Stock in trade	11	99,728	84,998
Trade debts		104,942	137,402
Loans and advances	12	303,531	294,240
Balances with statutory authorities		137,590	111,575
Interest accrued	13	9,389	9,389
Other receivables		360	360
Cash and bank balances		30,897	21,102
		834,338	789,721
		2,776,315	2,758,647

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, 2015

	Note	Half Year ended		Second Quarter ended	
		December 2015 (Rupees in thousand)	December 2014	December 2015 (Rupees in thousand)	December 2014
Sales (Net)		1,151,642	1,009,041	584,513	542,117
Cost of sales	14	1,191,121	1,281,976	614,623	769,604
Gross loss		(39,479)	(272,935)	(30,110)	(227,487)
Operating expenses					
Distribution costs		11,088	1,861	10,182	850
Administrative expenses		22,915	18,751	14,184	9,719
		34,003	20,612	24,366	10,569
Operating loss		(73,482)	(293,547)	(54,476)	(238,056)
Finance costs	15	(85,034)	(48,881)	(42,216)	(24,535)
Other operating income		770	183	676	46
		(84,264)	(48,698)	(41,540)	(24,489)
Loss before taxation		(157,746)	(342,245)	(96,016)	(262,545)
Taxation :					
Current	16	-	-	-	-
Deferred		-	-	-	-
		-	-	-	-
Net Loss after taxation		(157,746)	(342,245)	(96,016)	(262,545)
Loss per weighted average shares- Basic and diluted (Rupees)		(1.66)	(3.61)	(1.01)	(2.77)

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, 2015

	Six months ended		Quarter ended	
	July to December		October to December	
	2015	2014	2015	2014
	(Rupees in thousand)		(Rupees in thousand)	
Loss for the period	(157,746)	(342,245)	(96,016)	(262,545)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(157,746)	(342,245)	(96,016)	(262,545)

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, 2015

	Dec 31, 2015	Dec. 31, 2014
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(157,746)	(342,245)
Adjustments of items not involving movement of cash:		
Depreciation	31,352	32,732
Gain on disposal of fixed assets	(645)	-
Provision for gratuity	11,495	8,246
Profit on deposit and PLS accounts	(126)	(183)
Finance cost	85,034	48,881
	127,110	89,676
Operating cash flows before working capital changes	(30,636)	(252,569)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	(17,245)	17,746
Stock in trade	(14,729)	36,858
Trade debts	32,459	7,932
Loans and advances	(9,291)	(10,073)
Increase/(Decrease) in trade and other payables	125,930	229,895
	117,124	282,358
	86,488	29,789
Long term security deposits	8	-
Gratuity paid	(6,930)	(431)
Finance Cost Paid	(27,592)	(38,107)
Interest received	126	183
Income tax paid	(26,014)	(21,182)
Net Cash Flows From Operating Activities	26,086	(29,748)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(4,966)	(131)
Sale proceed of fixed assets	1,200	-
Long term loans	-	2
Net Cash Flows From Investing Activities	(3,766)	(129)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	(12,525)	4,548
Net Cash Flows From Financing Activities	(12,525)	4,548
Net Increase/(decrease) in Cash and Cash Equivalents	9,795	(25,329)
Cash and Cash Equivalents at Beginning of the Period	21,102	40,463
Cash and Cash Equivalents at End of the Period	30,897	15,134

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, 2015

	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, 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)
Balance as at July 01, 2015	948,400	31,801	(4,237,940)	(3,257,739)	995,952	(2,261,787)
Total comprehensive loss for the half year ended December 31, 2015	-	-	(157,746)	(157,746)	-	(157,746)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	16,657	16,657	(16,657)	-
Balance as at December 31, 2015	948,400	31,801	(4,379,029)	(3,398,828)	979,295	(2,419,533)

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, 2015

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 (now, "Pakistan Stock Exchange Limited"). 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 Last year company has managed to reschedule the liability of The Bank of Punjab (BOP) amounting Rs. 1,857 million while dues of Large Taxpayer Units (LTU) amounting Rs. 460 million and Islamabad Electric Supply Company (IESCO) amounting Rs. 167 million had also been rescheduled. Upto the date of signing of these condensed interim financial statements, company has not defaulted even in a single installment of its rescheduled dues. Further, after resumption of operations in 2013-14, the company is also complying the order passed in 2009 by Securities and Exchange Commission of Pakistan (SECP) related to old dues of provident fund.

Furthermore, sponsors of the company are also considering various options to arrange / inject further funds to make the machinery efficient especially by replacement of old electric installations/ equipments to reduce the power and fuel cost which is the major cause of loss sustained by the company in past years. On the basis of these facts the management of the company is fully confident that the company will continue its operations as a going concern, inspite of the fact of accumulated loss of Rs. 4,379.029 million and current liabilities exceed its current assets by Rs. 3,358.636 million as at December 31, 2015.

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

2 STATEMENT OF COMPLIANCE

This condensed interim financial information comprises the condensed interim balance sheet of the Company, as at 31 December 2015 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.

This condensed interim financial information of the Company for the six months period ended 31 December 2015 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June 2015.

Comparative balance sheet numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2015, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information of the Company for the six months period ended 31 December 2014.

This condensed interim financial information is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi Stock Exchange Limited.

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, 2015.

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, 2016 :

Standard or Interpretation	Effective date (Accounting periods beginning on or after)
- IAS 19 - Employee Benefits	01 January 2016
- 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 2016
- IAS 28 - Investments in Associates and Joint Ventures	01 January 2016
- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	01 January 2016
- IFRS 7 - Financial Instruments - Disclosures	01 January 2016
- IAS 27 - Separate Financial Statements	01 January 2016
- IAS 34 - Interim Financial Reporting	01 January 2016

4 SIGNIFICANT ESTIMATES

The preparation of these condensed interim financial information requires management to make judgement, 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	December 31, 2015 (Rupees in thousand)	June 30, 2015
5 LOAN FROM BANKING COMPANIES			
The Bank of Punjab Limited			
- Demand finance facility - 1 (DF-1)	5.1	769,966	744,012
- Demand finance facility - 2 (DF-2)	5.2	235,833	218,761
		<u>1,005,799</u>	<u>962,773</u>
Less: Current Portion			
Payable within next 12 months		<u>(17,349)</u>	<u>(17,003)</u>
		<u>988,450</u>	<u>945,770</u>

5.1 This represents restructured / rescheduled of entire outstanding principal amount of demand finance, bridge finance, forced demand finance and paid against documents (PAD's) amounting Rs. 750.292 million, Rs. 270 million, Rs. 83.626 million and Rs. 57.256 million respectively. It is secured against ranking of Rs. 1,443.75 million on fixed assets, joint pari passu charge of Rs. 268 million on current assets, debt subordination agreement of directors, corporate guarantee of Three Star Hosiery Mills (Pvt) Limited and personal guarantee of the Ex-sponsoring directors.

Repayments 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 annum. The loan has been shown at amortised cost as required by IAS-39 "Financial Instruments".

5.2 This represents amortization cost of DF - 2 against payable amount Rs. 695.883 million calculated upto March 31, 2014 at cost of funds in respect of demand finance, bridge finance, forced demand finance, paid against documents (PADs) and finance against imported merchandise (FIM) facilities. The finance has been presented at amortized cost 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, 2015 (Rupees in thousand)	June 30, 2015
6 OTHER LOANS AND LIABILITIES - Unsecured			
Economic Affairs Division, Government of Pakistan (EAD)		35,232	35,232
Provident Fund Trust	6.1	46,030	49,030
Peace agreement arrears		559	1,793
		<u>81,821</u>	<u>86,055</u>
Less: Current maturity		<u>69,279</u>	<u>70,512</u>
		<u>12,542</u>	<u>15,543</u>

6.1 The Securities & Exchange Commission of Pakistan (SECP) had passed an order in 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. As mentioned in the note 1.2 of these Financial Statements, the company has made payments in compliance of SECP order.

	Note	December 31, 2015 (Rupees in thousand)	June 30, 2015
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		555,741	581,965
		<u>555,741</u>	<u>581,965</u>
Deferred tax asset on deductible temporary differences arising in respect of:			
Unused tax losses carried forward		(1,087,563)	(1,188,205)
Provision for doubtful balances		(704)	(726)
		<u>(1,088,267)</u>	<u>(1,188,931)</u>
Deferred tax asset as at Dec. 31, / June 30,		<u>(532,526)</u>	<u>(606,966)</u>

At period end net deductible temporary differences amounting Rs. 1,717,825.25 million (2015:Rs.1,896.770 million) which results in a net deferred tax asset of Rs. 532.53 million (2015:Rs.606.966 million). However, deferred tax asset has not been recognized in these financial statements being prudent. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2016.

	Note	December 31, 2015 (Rupees in thousand)	June 30, 2015
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	787,523	787,523
Loan from Related Parties - unsecured			
Holding Company		37,804	37,804
Ex - Director		37,065	37,065
Others		25,516	25,516
		<u>100,386</u>	<u>100,386</u>
		<u>1,427,909</u>	<u>1,427,909</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 represent amounts arranged by the management from time to time to meet the working capital requirements of the company and necessary maintenance of the plant and machinery. The terms and conditions of these loans have not yet been finalized and not been reduced in writing.

9 CONTINGENCIES AND COMMITMENTS

- The company has not accounted for Rs. 340.153 Million (2015:Rs.312.376 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, 2015	June 30, 2015
	(Rupees in thousand)	
10 OPERATING FIXED ASSETS		
Opening fixed assets at WDV	1,958,251	2,022,859
Additions	4,966	900
(Deletions)	(564)	(260)
	1,962,653	2,023,499
Less: depreciation:		
For the period / year	31,352	65,484
On disposal	(9)	(236)
	31,343	65,248
	1,931,310	1,958,251
11 STOCK IN TRADE		
Raw material	10,399	10,330
Work in process	55,882	36,858
Finished goods	33,447	37,810
	99,728	84,998
12 LOAN AND ADVANCES		
These include amount Rs. 250 million (June 30, 2015: Rs. 250 million) receivable from Gharibwal Cement Limited (GCL), the past associated company.		
13 INTEREST ACCRUED		
This represents the interest accrued on loan to Gharibwal Cement Limited.		

14 COST OF SALES

	Second Quarter ended		Half Year ended	
	Dec. 2015	Dec. 2014	Dec. 2015	Dec. 2014
	(Rupees in thousand)		(Rupees in thousand)	
Raw materials consumed	31,187	42,539	72,084	77,944
Salaries, wages and benefits	57,334	51,421	115,042	97,925
Fuel, gas and electricity	466,894	516,027	869,585	847,717
Stores and spares	9,802	49,844	29,026	66,304
Rent, rates and taxes	126	100	142	211
Vehicle running and maintenance	4,711	9,491	5,889	12,456
Packing material	35,653	33,866	70,543	62,725
Depreciation	14,602	15,684	30,109	31,368
Others	9,770	33,485	13,363	36,662
	630,079	752,457	1,205,783	1,233,312
Adjustment of work in process	(14,575)	11,028	(19,024)	35,550
Cost of goods manufactured	615,504	763,485	1,186,759	1,268,862
Adjustment of finished goods	(881)	6,119	4,363	13,114
	614,623	769,604	1,191,121	1,281,976

15 FINANCE COST

The company has not accounted for markup aggregating Rs. 13.983 million on loan as referred in note no. 8.1 to the condensed interim financial information .

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 March 29, 2016 by the Board of Directors of the company.


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director