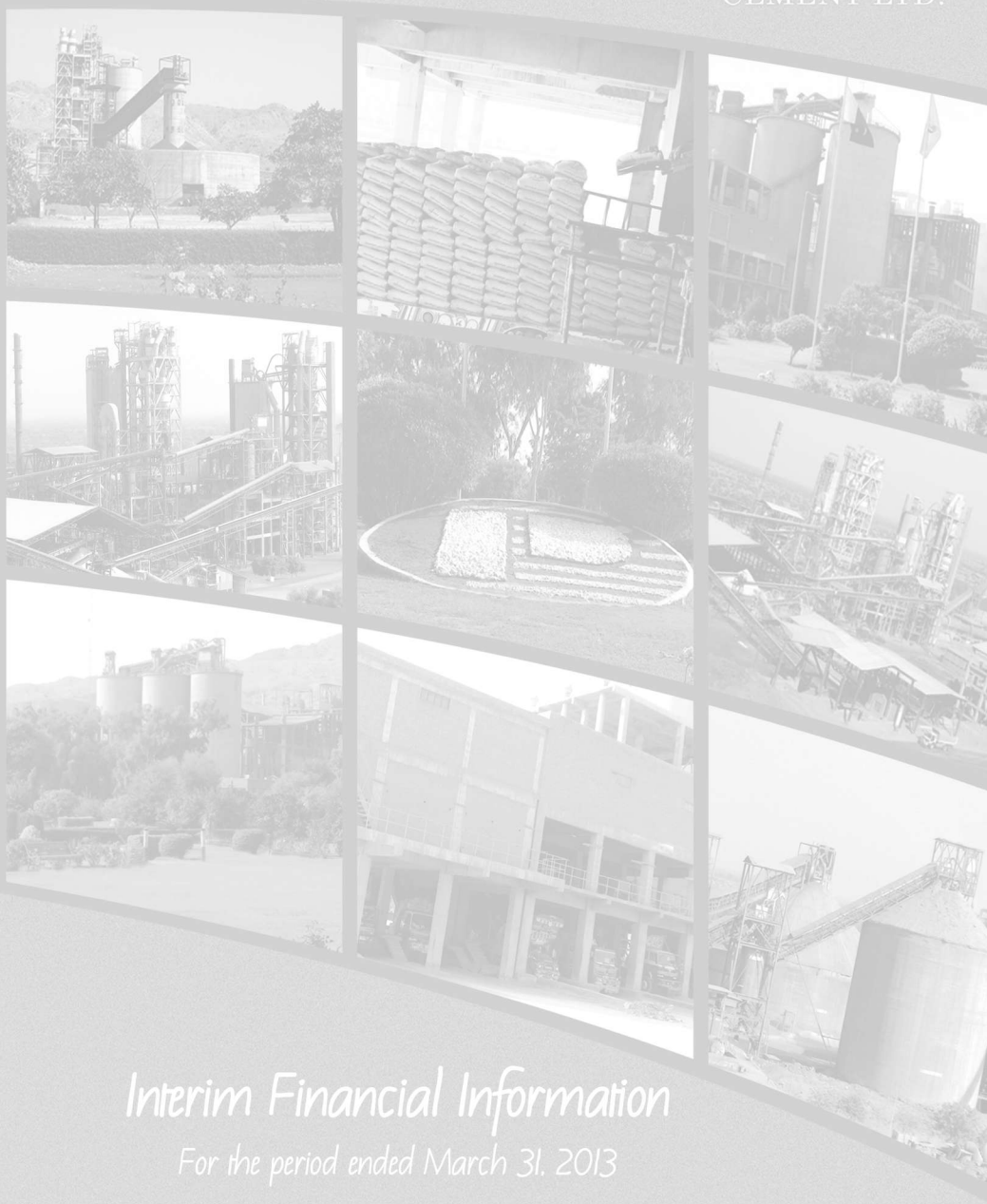


ENDURING STRENGTH



PIONEER
CEMENT LTD.



Interim Financial Information

For the period ended March 31, 2013

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For the period ended
March 31, 2013

PIONEER CEMENT LIMITED



Corporate Information

Board of Directors

Mr. Shafiuddin Ghani Khan (Chairman)
Mr. Muhammad Aftab Alam
Syed Anwar Ali
Mr. Faisal Imran Hussain Malik
Mr. Saleem Shahzada
Mr. Cevdet Dal
Shaikh Javed Elahi
Mr. Javaid Haider (NBP)
Mr. Rafique Dawood (FDIB)
Syed Mazher Iqbal (MD & CEO)

Audit Committee

Mr. Rafique Dawood (FDIB) - Chairman
Mr. Saleem Shahzada
Mr. Muhammad Aftab Alam
Mr. Javaid Haider (NBP)
Mr. Shafiuddin Ghani Khan

Human Resource Committee

Mr. Shafiuddin Ghani Khan
Mr. Muhammad Aftab Alam
Syed Mazher Iqbal (MD/CEO)

Company Secretary/
Chief Financial officer
Mr. Waqar Naeem

Statutory Auditors

Emst & Young Ford Rhodes Sidat Hyder
(Chartered Accountants)

Cost Auditors

Javed Iqbal & Company

Legal Advisor

Hassan & Hassan

Bankers

Allied Bank Limited
Askari Commercial Bank Limited
Bank Al Habib Limited
Habib Bank Limited
JS Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
The Bank of Punjab
United Bank Limited

Registered / Head Office

135 Ferozepur Road
Lahore, Pakistan.
Telephone: (042) 37503570-72
Fax: (042) 37503573-74
Email: pioneer@pioneercement.com

Website: www.pioneercement.com

Karachi Office

4th floor, KDLB Building,
58 West Wharf Road, Karachi
Telephone: (021) 32201232-3
Fax: (021) 32201234
Email: pckarachi@pioneercement.com

Sales Offices

10-Officers Colony, Bosan Road,
Opp. Jinnah High School, Multan.
Telephone: (061) 6510404
Fax: (061) 6510405

Office No. 3, 2nd floor, Sitara Tower,
Bilal Chowk, New Civil Lines, Faisalabad.
Telephone: (041) 2630030, 2640406-7
Fax: (041) 2630923

Share Registrar

Corplink (Pvt) Ltd, Wings Arcade,
1-K Commercial, Model Town, Lahore
Telephone: (042) 35839182, 35916714
Fax: (042) 35869037
Email: corplink786@yahoo.com
shares@pioneercement.com

Factory

Chenki, District Khushab,
Punjab, Pakistan.
Telephone: (0454) 898101-3
Fax: (0454) 898104
Email: factory@pioneercement.com



Directors' Report to the Members

for the period ended March 31, 2013

The directors of your Company are pleased to present the third quarter report for the nine months ended March 31, 2013.

The Industry Overview:

The period under review was a challenging one for the economy as well as for the industry, as overall economic fundamentals remained under stress mainly due to power crisis, devaluation of Pak Rupee, adverse law and order situation and upcoming general elections.

Despite all these factors, cement industry maintained a positive trend and achieved a modest growth of 4% in volumetric sales during the nine months period ended March 31, 2013. The total volume achieved during this period was 24.54 million tons compared to 23.57 million tons dispatched during the corresponding period. Domestic sales volume improved by 6%, however, export volumes remained under stress, declining 1% compared to corresponding period.

The Business Overview:

Operational Performance:

During the period under review, your Company produced 829,312 tons clinker which is 4% higher than 794,881 tons produced in comparative period last year. The cement production of 915,136 tons was an 8% increase over 847,672 tons produced in similar period last year.

The total sales volume registered a growth of 8% at 916,463 tons, compared to 852,199 tons achieved in the corresponding period. This comprises 758,873 tons domestic dispatches and 157,590 tons exports compared to 719,823 tons and 132,376 tons respectively in the similar period last year. The domestic sales volume registered a growth of 5% while the exports were 19% higher compared to corresponding period.

Summarized production and sales data is as under:

	March 2013	March 2012	Variance	
	Quantity in tons			%
Production				
Clinker	829,312	794,881	34,431	4%
Cement	915,136	847,672	67,464	8%
Cement Dispatches				
Domestic	758,873	719,823	39,050	5%
Exports	157,590	132,376	25,214	19%
Total	916,463	852,199	64,264	8%

Financial Performance:

A summary of financial results for the nine months ended March 31, 2013 is as follows:

	March 2013	March 2012	Variance	
	Rupees in million			%
Net turnover	5,569	4,573	996	22%
Cost of sales	3,796	3,564	232	7%
Gross profit	1,773	1,009	764	76%
Operating profit	1,595	872	723	83%
Pretax profit	1,610	538	1,072	199%
Profit after tax	1,065	282	783	278%
Earnings per share (Rs.)	4.69	1.24	3.45	278%

For the period ended
March 31, 2013

03

PIONEER CEMENT LIMITED

Directors' Report to the Members

for the period ended March 31, 2013

Overall net turnover increased by 22% over similar period last year. It comprises 14% price stability and growth and 8% volume increase. The net turnover was higher by almost a billion rupees compared to corresponding period.

The increase in cost of sales mainly comprises volume variances, reflecting increase in sales volume. The reduction and stability in international coal prices helped maintaining the per ton cost of production despite increase in power tariffs and general inflation.

Total operating expenses, net of other income, have increased by 29% compared to corresponding period, mainly on account of increased provisions for WWF and WPPF. The charge for WWF and WPPF is linked to pretax profit which has increased from Rs.537.9 million to Rs.1,610.5 million, an increase of 83% over corresponding period.

Finance cost amounting Rs.126.3 million was a reduction of Rs.144.3 million over corresponding period last year. This was achieved due to on time discharge of financial obligations, reduction in discount rate by State Bank of Pakistan and non-utilization of short term finances as the Company is generating working capital to cater for its operations. In addition, the net exchange loss of Rs.63.2 million in corresponding period turned into an exchange gain of Rs.141.6 million as at March 31, 2013, mainly due to continued devaluation of Japanese Yen.

The Company earned a net profit after tax of Rs.1,064.8 million compared to a net profit of Rs.282.3 million earned in corresponding period last year. This translated into earnings per share of Rs.4.69, an increase of about 4 times over corresponding period earnings per share of Rs.1.24.

Appropriation:

The directors are pleased to announce an interim dividend of 12.5% at par value i.e. Rs.1.25 per share.

Future Outlook:

We are optimistic that the current local cement demand will continue to improve on the back of ongoing housing, commercial and infrastructure projects. The upcoming general elections shall also play vital role as the new government would like to present a balanced budget with necessary spending on PSDP (Public Sector Development Programme), particularly in power sector that may include construction of new dams.

Your Company is focusing on investing the available resources in improving the Plant run-factor and reducing cost of production. The management is also considering certain investment plans to remove production bottlenecks. This includes acquiring a new cement mill and solutions for power breakdowns.

We are committed to bring further improvements and stability in the operations and financial health of the Company in coming years.

Acknowledgement:

The Board is thankful to all the stakeholders including shareholders, bankers, suppliers, distributors, employees and regulators for their continued support, trust and cooperation.

For and behalf of the Board



Syed Mazher Iqbal
Chief Executive Officer

April 25, 2013
Lahore


Condensed Interim Balance Sheet

As at March 31, 2013

	Note	Un-audited March 31, 2013	Audited June 30, 2012
ASSETS			
----- (Rs. in '000') -----			
Non - current assets			
Property, plant and equipment	4	7,865,245	8,130,414
Investment property	5	62,595	-
Intangible assets		605	769
		7,928,445	8,131,183
Long term deposits		39,663	38,292
		7,968,108	8,169,475
Current assets			
Stores, spares and loose tools	6	993,493	1,050,927
Stock in trade	7	383,173	425,858
Trade debts - unsecured, considered good		48,074	28,236
Loans and advances		29,175	54,434
Deposits and prepayments		7,579	10,585
Other receivables		19,424	25,679
Taxation - net		73,583	76,418
Short term investments	8	512,362	-
Cash and bank balances	9	969,034	268,909
		3,035,897	1,941,046
TOTAL ASSETS		11,004,005	10,110,521
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		3,500,000	3,500,000
Issued, subscribed and paid-up capital		2,271,489	2,271,489
Reserves		1,974,442	864,975
		4,245,931	3,136,464
Surplus on revaluation of fixed assets-net of deferred tax		1,736,912	1,781,541
Non - current liabilities			
Long term loans - secured	10	64,526	115,728
Liabilities against assets subject to finance lease	11	-	43,971
Deferred liabilities		1,053,282	536,039
Long term deposits		3,410	3,400
		1,121,218	699,138
Current liabilities			
Trade and other payables		787,624	816,168
Accrued interest / markup		274,085	489,632
Short term murabaha - secured		-	43,853
Short term borrowings - secured	12	921,995	223,707
Current portion of long term liabilities	13	1,837,512	2,903,658
Sales tax - net		78,728	16,360
		3,899,944	4,493,378
Contingencies and Commitments	14		
TOTAL EQUITY AND LIABILITIES		11,004,005	10,110,521

The annexed notes from 1 to 20 form an integral part of the condensed interim financial information.

For the period ended
March 31, 2013


Syed Mazher Iqbal
Chief Executive Officer


Shafuddin Ghani Khan
Chairman / Director

05

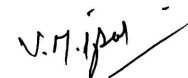
PIONEER CEMENT LIMITED

Condensed Interim Profit and Loss Account

for the period ended March 31, 2013 (Un-audited)

		Nine months ended March 31,		Quarter ended March 31,	
	Note	2013	2012	2013	2012
		----- (Rs. in '000') -----			
Gross turnover		6,737,371	5,695,597	2,399,300	2,134,954
Excise duty		303,549	359,911	108,632	128,975
Sales tax		820,144	717,364	299,165	268,449
Commission		44,291	45,044	14,537	16,022
		1,167,984	1,122,319	422,334	413,446
Net turnover		5,569,387	4,573,278	1,976,966	1,721,508
Cost of sales	15	3,795,725	3,563,674	1,302,416	1,336,747
Gross profit		1,773,662	1,009,604	674,550	384,761
Distribution cost		71,306	59,842	18,018	30,722
Administrative expenses		42,800	45,967	13,941	19,356
Other operating income		(70,422)	(7,665)	(54,749)	(5,578)
Other operating expenses		134,776	39,863	75,783	21,128
		178,460	138,007	52,993	65,628
Operating profit		1,595,202	871,597	621,557	319,133
Finance cost		126,293	270,556	30,380	88,776
Exchange (gain) / loss		(141,552)	63,179	(90,371)	(54,763)
		(15,259)	333,735	(59,991)	34,013
Profit before taxation		1,610,461	537,862	681,548	285,120
Taxation		(545,626)	(255,591)	(264,242)	(109,805)
Profit after taxation		1,064,835	282,271	417,306	175,315
		----- (Rupees) -----			
Earnings per share					
- basic & diluted	16	4.69	1.24	1.84	0.77

The annexed notes from 1 to 20 form an integral part of the condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer

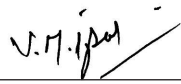

Shafiquddin Ghani Khan
Chairman / Director

Condensed Interim Statement of Comprehensive Income

for the period ended March 31, 2013 (Un-audited)

	Nine months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	----- (Rs. in '000') -----			
Profit for the period	1,064,835	282,271	417,306	175,315
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,064,835</u>	<u>282,271</u>	<u>417,306</u>	<u>175,315</u>

The annexed notes from 1 to 20 form an integral part of the condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer


Shafiquddin Ghani Khan
Chairman / Director

For the period ended
March 31, 2013

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PIONEER CEMENT LIMITED

Condensed Interim Cash Flow Statement

for the period ended March 31, 2013 (Un-audited)

	Note	March 31, 2013	March 31, 2012
		----- (Rs. in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES	17	2,026,796	493,392
Income tax paid		(28,533)	(49,126)
Workers profit participation fund paid		(48,650)	(3,857)
Gratuity and Compensated absences paid		(8,961)	(6,593)
Dividend paid		(2)	(5)
		(86,146)	(59,581)
Decrease in long term loans		-	201
(Increase) / decrease in long term deposits - net		(1,361)	5,001
		(1,361)	5,202
Net cash flows from operating activities		1,939,289	439,013
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures incurred		(65,361)	(37,210)
Proceeds from sale of fixed assets		1,397	1,646
Investments made		(500,000)	-
Net cash used in investing activities		(563,964)	(35,564)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) / disbursement of murabaha finance		(43,853)	106,505
Repayment of long term loans		(769,447)	(174,166)
Repayments against leasing liabilities		(54,461)	(33,971)
Increase/ (decrease) in short term finances		698,287	(41,041)
Finance cost paid		(505,726)	(200,316)
Net cash used in financing activities		(675,200)	(342,989)
Net increase in cash and bank balances		700,125	60,460
Cash & bank balances at the beginning of the period		268,909	150,172
Cash & bank balances at the end of the period	9	969,034	210,632

The annexed notes from 1 to 20 form an integral part of the condensed interim financial information.

PIONEER CEMENT LIMITED

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Syed Mazher Iqbal
Chief Executive Officer



Shafiquddin Ghani Khan
Chairman / Director


Nine Months Report

Condensed Interim Statement of Changes in Equity

for the period ended March 31, 2013 (Un-audited)

	Issued, subscribed and paid - up capital	Capital reserve Share premium	Revenue reserve Accumulated profit / (loss)	Total reserves	Total equity
----- (Rupees in '000') -----					
Balance as at 01 July 2011	2,271,489	197,517	(2,381)	195,136	2,466,625
Profit for the period after taxation	-	-	282,271	282,271	282,271
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	282,271	282,271	282,271
Surplus on revaluation of fixed assets realized - net of tax	-	-	42,330	42,330	42,330
Balance as at 31 March 2012	<u>2,271,489</u>	<u>197,517</u>	<u>322,220</u>	<u>519,737</u>	<u>2,791,226</u>
Balance as at 01 July 2012	2,271,489	197,517	667,458	864,975	3,136,464
Profit for the period after taxation	-	-	1,064,835	1,064,835	1,064,835
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	1,064,835	1,064,835	1,064,835
Surplus on revaluation of fixed assets realized - net of tax	-	-	44,632	44,632	44,632
Balance as at 31 March 2013	<u>2,271,489</u>	<u>197,517</u>	<u>1,776,925</u>	<u>1,974,442</u>	<u>4,245,931</u>

The annexed notes from 1 to 20 form an integral part of the condensed interim financial information.


Syed Mazher Iqbal
Chief Executive Officer


Shafiquddin Ghani Khan
Chairman / Director

For the period ended
March 31, 2013

09

PIONEER CEMENT LIMITED

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2013 (Un-audited)

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pioneer Cement Limited (the Company) was incorporated in Pakistan as a public company, limited by shares on February 09, 1986. Its shares are quoted on all stock exchanges in Pakistan. The registered office of the Company is situated at 135 Ferozepur Road, Lahore. The Company's production facility is situated at Chenki, District Khushab. The principal activity of the Company is manufacturing and sale of cement.
- 1.2 The Company commenced its operations with an installed clinker production capacity of 2,000 tons per day. During 2005, the capacity was optimized to 2,350 tons per day. During the year ended June 30, 2006, another production line of 4,300 tons per day clinker capacity was completed which started commercial operations from April 2006.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information is un-audited and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan. This financial information should be read in conjunction with the published annual financial statements of the Company for the year ended June 30, 2012.

3 BASIS OF PREPARATION

- 3.1 The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2012 except for as disclosed in note 3.2, 3.3 & 3.4 below.
- 3.2 The Company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:
- IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)
 - IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

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

3.3 Financial assets at fair value through profit or loss

Financial assets are classified as held for trading are included in the category financial assets at fair value through profit or loss and are acquired for the purpose of selling and purchasing in near term. These investments are initially recognized at cost being the fair value of the consideration given. Subsequent to initial recognition these are recognized at fair value unless fair value cannot be reliably measured. Any surplus and deficit on revaluation of investments is recognized in profit and loss account.

All purchases and sales of investments are recognized on trade date, which is the date that the Company commits to purchase or sell the investments.

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2013 (Un-audited)

3.4 Investment property

Property not held for own use or leased out under operating lease is classified as investment property. The investment property of the Company comprises an office building in Karachi leased out under operating lease.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflect market conditions at reporting date. Gains or losses arising from change in fair value of properties are included in profit or loss in the period in which they arise. Fair values are determined based on an annual evaluation performed by an independent valuer.

Till the property is not classified as an investment property, the classification of such property remains in accordance with the Note 4.2 to annual financial statements for the year ended June 30, 2012.

	Note	Un-audited March 31, 2013	Audited June 30, 2012
		----- (Rs. in '000') -----	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	7,848,751	8,121,214
Capital work in progress	4.2	16,494	9,200
		<u>7,865,245</u>	<u>8,130,414</u>
4.1 Operating fixed assets			
Opening book value		8,121,214	8,597,289
Additions/ revaluation surplus / (deficit) for the period / year - net	4.1.1	58,067	(108,956)
Deletions during the period / year		(36)	(439)
Depreciation for the period / year		(265,191)	(365,175)
Transferred to investment property	5	(62,595)	-
Amortized for the period / year		(2,708)	(1,505)
		<u>(330,530)</u>	<u>(367,119)</u>
		<u>7,848,751</u>	<u>8,121,214</u>
4.1.1 Additions / revaluation surplus / (deficit) for the period / year - net			
Freehold land		-	7,592
Factory building on freehold land		1,055	128,956
Leasehold improvements		-	10,833
Office building		-	61,985
Plant and machinery - line I		15,539	(983,692)
Plant and machinery - line II		33,609	732,490
Coal firing system		-	(82,145)
Furniture and fixture		78	1,058
Vehicles		6,419	10,581
Computer and accessories		507	306
Office equipment		860	3,080
		<u>58,067</u>	<u>(108,956)</u>

For the period ended
March 31, 2013

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2013 (Un-audited)

	Un-audited March 31, 2013	Audited June 30, 2012
	----- (Rs. in '000') -----	
4.2 Capital Work in Progress		
Opening balance	9,200	15,685
Additions to plant and machinery during the period / year	11,201	10,618
Transferred to operating fixed assets	(3,907)	(17,103)
	16,494	9,200
5 INVESTMENT PROPERTY		
Transferred from operating fixed assets		
Cost	15,164	-
Accumulated depreciation	(14,554)	-
	610	-
Surplus on revaluation	61,985	-
	62,595	-
6 STORES, SPARES AND LOOSE TOOLS		
Stores	572,944	502,201
Spare parts	398,838	375,255
Loose tools	7,574	6,214
	979,356	883,670
In transit:		
Spares	61,939	12,262
Coal	-	204,389
	61,939	216,651
Provision for slow moving stores, spare parts and loose tools	(47,802)	(49,394)
	993,493	1,050,927
7 STOCK IN TRADE		
Raw material	26,837	8,538
Packing material	39,103	35,281
Work in process	269,508	333,691
Finished goods	47,725	48,348
	383,173	425,858

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2013 (Un-audited)

	Un-audited March 31, 2013	Audited June 30, 2012
	----- (Rs. in '000') -----	
8 SHORT TERM INVESTMENTS		
Financial assets at fair value through profit or loss:		
Al Meezan Sovereign Fund (units 5,017,623.9263 (June 30, 2012: Nil))	250,000	-
UBL Government Securities Fund (units 2,497,038.2117 (June 30, 2012: Nil))	250,000	-
	500,000	-
Unrealized gain on revaluation of investment	12,362	-
	512,362	-

9 CASH AND BANK BALANCES

Includes cheques in hand amounting to Rs. 145.688 million (June 30, 2012: Rs.149.347 million).

	Un-audited March 31, 2013	Audited June 30, 2012
	----- (Rs. in '000') -----	
10 LONG TERM LOANS - secured		
From banking companies & other financial institutions		
Foreign currency loans		
Asian Development Bank		
- Japanese Yens	895,023	1,016,947
Asian Finance and Investment Corporation Limited		
- US Dollars	319,261	305,944
	1,214,284	1,322,891
Local currency loans		
Bankers Equity Limited - LMM	9,545	38,182
National Bank of Pakistan	-	159,001
National Bank of Pakistan	-	312,500
National Bank of Pakistan (former NDFC)	-	174,737
Industrial Development Bank of Pakistan	-	15,823
The Bank of Punjab	138,486	190,500
	148,031	890,743
	1,362,315	2,213,634
Current portion of long term loans	(1,297,789)	(2,097,906)
	64,526	115,728

10.1 There has been no change in terms and conditions of these loans as reported in the annual financial statements of the Company for the year ended June 30, 2012.

For the period ended
March 31, 2013

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2013 (Un-audited)

	Note	Un-audited March 31, 2013	Audited June 30, 2012
----- (Rs. in '000') -----			
11 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Opening balance		76,035	142,780
Payment made		(54,461)	(66,745)
		21,574	76,035
Current portion of the liability		(21,574)	(32,064)
		-	43,971
12 SHORT TERM BORROWINGS - secured			
National Bank of Pakistan			
- Cash Finance Account	12.1	22,087	20,776
JS Bank Ltd - Finance against Imported	12.1	-	101,599
United Bank Limited - RF Account	12.2	-	101,332
Meezan Bank Ltd - Bai Muajjal Finance	12.3	899,908	-
		921,995	223,707

12.1 There has been no change in terms and conditions of these loans as reported in the annual financial statements of the Company for the year ended June 30, 2012.

12.2 The running finance facility with United Bank Limited (UBL) was fully settled during the period under review and the securities as stated in financial statement for the year ended June 30, 2012 were duly released.

12.3 During the period the Company obtained a Sukuk Bai Muajjal facility of Rs.900 million from Meezan Bank Limited (MBL) for settlement of various loans of National Bank of Pakistan (NBP), as stated in Note 19 and 22 to the annual financial statement for the year ended June 30, 2012, at a pricing of 3 months KIBOR plus 0.25% for a tenure of 5 months. This facility is secured against irrevocable Financial Guarantee of Rs.900 million issued by NBP in favor of MBL. The Company has issued a counter guarantee in favor of NBP against aforementioned Financial Guarantee, in addition to the existing securities with NBP.

	Note	Un-audited March 31, 2013	Audited June 30, 2012
----- (Rs. in '000') -----			
13 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term loans	10	1,297,789	2,097,906
Long term financing		8,911	35,648
Liabilities against assets subject to finance lease	11	21,574	32,064
Deferred liabilities		509,238	738,040
		1,837,512	2,903,658

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2013 (Un-audited)

14 CONTINGENCIES AND COMMITMENTS

- 14.1 There has been no significant change in the contingencies as given in the annual financial statements for the year ended June 30, 2012.
- 14.2 Commitments in respect of outstanding letters of credit inclusive of capital commitments amounting to Rs.10.85 million (June 30, 2012: Rs.18.399) and in respect of bank guarantee issued in favor of Faisalabad Electric Supply Corporation amounting to Rs. NIL (June 30, 2012: Rs.26.702 million) and Meezan Bank Ltd amounting to Rs.900.00 million (June 30, 2012: NIL).

	Period ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	----- (Rs. in '000') -----			
15 COST OF SALES				
Raw material consumed	259,036	205,990	102,194	71,846
Packing material consumed	328,990	313,083	117,429	109,161
Fuel & power	2,503,289	2,404,769	913,967	854,889
Stores & spares consumed	120,456	144,380	36,876	48,873
Salaries, wages & benefits	182,531	163,093	60,148	53,516
Travelling & conveyance	17,945	16,471	6,869	5,333
Insurance	5,505	6,444	1,838	2,137
Repairs & maintenance	43,103	25,070	16,991	9,788
Depreciation	261,378	250,982	106,276	81,969
Provision for slow moving stores, spares & loose tools	-	50,000	-	50,000
Other manufacturing expenses	8,686	7,585	3,251	2,478
	3,471,883	3,381,877	1,263,645	1,218,144
	3,730,919	3,587,867	1,365,839	1,289,990
Work in process				
Opening balance	333,691	76,138	191,170	141,580
Closing balance	(269,508)	(95,297)	(269,508)	(95,297)
	64,183	(19,159)	(78,338)	46,283
Cost of goods manufactured	3,795,102	3,568,708	1,287,501	1,336,273
Finished goods				
Opening balance	48,348	47,197	62,640	52,705
Closing balance	(47,725)	(52,231)	(47,725)	(52,231)
	623	(5,034)	14,915	474
	3,795,725	3,563,674	1,302,416	1,336,747

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2013 (Un-audited)

16 EARNINGS PER SHARE - BASIC AND DILUTED

Earnings per share are calculated by dividing the net profit for the period by weighted average number of shares outstanding during the period as follows:

	Period ended March 31,	
	2013	2012
Profit after taxation (Rs. in '000')	1,064,835	282,271
Weighted average number of ordinary shares in issue (in '000')	227,149	227,149
Earnings per share - basic and diluted - (Rs.)	4.69	1.24

	Period ended March 31,	
	2013	2012
	----- (Rs. in '000') -----	

17 CASH GENERATED FROM OPERATIONS

Profit before taxation	1,610,461	537,862
Adjustment for:		
Depreciation & Amortization	268,064	255,131
Provision for gratuity & compensated absences	13,705	9,596
Finance cost	126,293	270,556
Gain on disposal of property, plant & equipment	(1,361)	(1,257)
WPPF & WWF	119,412	39,860
Unrealized gain on investment	(12,362)	-
Provision for doubtful debts	10,221	-
Reversal of provisions	(29,994)	-
Exchange (gain) / loss	(143,529)	62,711
	350,449	636,597
Cash flow before working capital changes	1,960,910	1,174,459
Working capital changes		
Decrease / (increase) in current assets:		
Stores, spares and loose tools	57,434	(461,023)
Stock in trade	42,684	(35,407)
Trade debts	(26,311)	(61,583)
Loans, advances, trade deposits and short term prepayments	24,518	29,779
Other receivables	6,255	2,751
	104,580	(525,483)
Decrease in current liabilities:		
Trade and other payables	(101,063)	(171,843)
Sales tax payable	62,369	16,259
	(38,694)	(155,584)
Cash generated from operations	2,026,796	493,392

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2013 (Un-audited)

18 Transactions with Related Parties

- 18.1 The related parties comprise companies in which directors are interested, staff retirement funds, directors and key management personnel. Significant transactions with related parties are as under:


		Period ended March 31,	
		2013	2012
		----- (Rs. in '000') -----	
Relationship with the Company	Nature of transaction		
Nominee director	Repayment of long term loan	646,238	86,905
	Finance cost paid	292,763	102,799
Common directorship	Repayment against lease financing	2,000	-
Staff retirement contribution plan	Contribution to staff provident fund	4,206	1,287
Key management personnel	Remuneration	44,178	37,535
18.2 The outstanding balances of such parties are as under:			
Relationship with the Company	Nature of balance		
Nominee director	Long term loan	-	646,238
Common directorship	Finance lease	5,480	7,480

19 DATE OF AUTHORIZATION

This interim condensed financial information was authorized for issue by the Board of Directors of the Company on April 25, 2013.

20 GENERAL

- 20.1 Corresponding figures have been rearranged and / or restated, wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.
- 20.2 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.


Syed Mazher Iqbal
Chief Executive Officer


Shaftuddin Ghani Khan
Chairman / Director

For the period ended
March 31, 2013

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