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For the period ended
December 31, 2012

Corporate Information

Board of Directors
 Mr. Shafiuddin Ghani Khan (Chairman)
 Mr. Mohammad Aftab Alam
 Syed Anwer Ali
 Mr. Faisal Imran Hussain Malik
 Mr. Saleem Shahzada
 Mr. Cevdet Dal
 Mr. Javed Haider (NBP)
 Mr. Rafique Dawood (FDIB)
 Syed Mazher Iqbal (MD & CEO)

Audit Committee
 Mr. Rafique Dawood (FDIB) - Chairman
 Mr. Saleem Shahzada
 Mr. Mohammad Aftab Alam
 Mr. Javed Haider (NBP)
 Mr. Shafiuddin Ghani Khan

Human Resource Committee
 Mr. Shafiuddin Ghani Khan
 Mr. Mohammad Aftab Alam
 Syed Mazher Iqbal (MD & CEO)

**Company Secretary /
 Chief Financial Officer**
 Mr. Waqar Naeem

Chief Internal Auditor
 Mr. Jamal-ud-Din

Executive Director Operation
 Sh. Javed Elahi

Statutory Auditors
 Ernst & Young Ford Rhodes Sidat Hyder
 (Chartered Accountants)

Cost Auditors
 Javed Iqbal & Company

Legal Advisor
 Hassan & Hassan

Bankers
 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

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

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

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

Shares 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) 720832-3
 Fax: (0454) 720832
 Email: factory@pioneercement.com



Directors' Report to the Shareholders

for the half year ended December 31, 2012

The directors of your Company are pleased to present the half yearly performance and financial report for the six months ended December 31, 2012.

The Cement Sector:

During the first half under review, cement sector witnessed a modest volumetric growth of 3.9% over similar period last year. This constitutes an increase of 7.6% in domestic volumes and a decline of 5.3% in export volumes. The increase in the local demand is backed by the infrastructure spending before the forthcoming general elections. The domestic sales is expected to follow the trend for the remaining period of the financial year on account of ongoing projects. On the other hand, industry suffers continuous increase in input costs, particularly electricity tariff and the rising transportation cost.

Business Performance:

During the period under review, your Company produced 507,388 tons clinker compared to 530,875 tons produced in same period last year, a decline of 4.4%. The capacity utilization of 50.8% is slightly lower than 53.2% achieved during corresponding period last year. This was due to higher stocks of clinker produced at the end of last financial year to carry out a maintenance shutdown at the start of the current financial year.

The cement production during the period under review went up by 9.7% to stand at 602,221 tons against 548,972 tons in the corresponding period last year.

Half Year Production and Sales				
Particulars	December 2012	December 2011	Variance	
	Tons			%
Clinker Production	507,388	530,875	(23,487)	(4.4%)
Cement Production	602,221	548,972	53,249	9.7%
Cement Sales	600,031	549,987	50,044	9.1%
Domestic	487,293	461,862	25,431	5.5%
Exports	112,738	88,125	24,613	27.9%

Overall, volumetric sales during the first half of the year showed an increase of 9.1% to reach 600,031 tons compared to 549,987 tons dispatched during the corresponding period last year. The domestic dispatches were 487,293 tons whereas exports were 112,738 tons (Including 1,328 tons clinker) compared to 461,862 tons and 88,125 tons (Including 1,430 tons clinker) respectively in corresponding period last year.

Directors' Report to the Shareholders

for the half year ended December 31, 2012

Financial Performance:

The summary of key financial results for the six months ended December 31, 2012 is as follows:

Half Year Financial Performance				
Particulars	December 2012	December 2011	Variance	
	Rupees in million			%
Net Sales	3,592.4	2,851.8	740.6	26.0%
Cost of Sales	2,493.3	2,226.9	266.4	12.0%
Gross Profit	1,099.1	624.8	474.3	75.9%
Operating Profit	973.7	552.5	421.2	76.2%
Finance Costs	95.9	181.8	(85.9)	(47.3%)
Pretax Profit	928.9	252.7	676.2	267.6%
Earnings per Share (Rupees)	2.85	0.47	2.38	506.4%

The Company achieved net sales of Rs.3,592.4 million during the period under review against net sales of Rs.2,851.8 million in corresponding period last year. The net sales revenue increased by 26.0% on account of stable domestic prices, improved sales in high retention areas and increase in sales volume by 9.1%. The cost of sales was increased by 12.0% over same period last year. This comprises increase due to 9.7% increase in cement production and higher cost on account of fuel, power tariff and general inflation.

Your Company achieved a Gross Profit of Rs.1,099.1 million in first half of the year as compared to Rs.624.8 million earned in the corresponding period last year. The Gross Profit margin stood at 30.6% compared to 21.9% achieved in corresponding period. The distribution expenses amounting Rs.53.3 million is an increase of 83.0% over corresponding period last year. The increase is mainly in export related freight and handling charges which has increased from Rs.1.7 million to Rs.29.8 million on account of exports to India. In last year comparative period most of the exports were to Afghanistan. The administration cost amounting Rs.28.9 million is an increase of 8.5% over corresponding period, mainly on account of amortization cost of newly constructed Lahore Office.

The Operating Profit for the period stood at Rs.973.7 million compared to Rs.552.5 million in same period last year, an increase of 75.9% achieved due to stability in cement prices and stringent monitoring and control over production and operating costs.

Finance cost of Rs.95.9 million is a decrease of 47.3% over corresponding period due to better management of funds with improved liquidity, timely repayments of financial obligations and reduction in discount rate by State Bank of Pakistan during the period under review.

Directors' Report to the Shareholders

for the half year ended December 31, 2012

There is an exchange gain of Rs.51.2 million on foreign currency loans, compared to an exchange loss of Rs.117.9 million in corresponding period last year which is a net impact of appreciation in Pak-rupee against Japanese Yen and devaluation against US Dollars.

The Company generated a pretax profit of Rs.928.9 million, compared to Rs.252.7 million in corresponding period, thus improving the profitability of the Company by Rs.676.2 million. Your Company earned a post-tax profit of Rs.647.5 million in contrast to Rs.107.0 million in the same period of last year, resulting in improvement of earning per share by Rs.2.38 over the corresponding period last year.

Acknowledgement:

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



Syed Mazher Iqbal
Chief Executive Officer

February 26, 2013
Lahore

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Pioneer Cement Limited (the Company) as at 31 December 2012 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 and notes to the accounts for the six-month period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this 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.

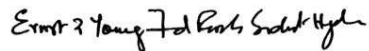
Scope of Review

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.

Conclusion

Based on our review, 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 for interim financial reporting.

PIONEER CEMENT LIMITED



Chartered Accountants
Engagement Partner: Naseem Akbar

Lahore: February 26, 2013

A member firm of Ernst & Young Global Limited


Condensed Interim Balance Sheet (Un-audited)

as at December 31, 2012

	Note	Un-audited December 31, 2012	Audited June 30, 2012
----- (Rs. in '000') -----			
ASSETS			
Non - current assets			
Property, plant and equipment	4	7,948,020	8,130,414
Investment property	5	62,595	-
Intangible assets		659	769
		8,011,274	8,131,183
Long term deposits		39,663	38,292
		8,050,937	8,169,475
Current assets			
Stores, spares and loose tools	6	1,063,170	1,050,927
Stock-in-trade	7	333,288	425,858
Trade debts - unsecured, considered good		23,620	28,236
Loans and advances		34,644	54,434
Deposits and prepayments		9,676	10,585
Other receivables		24,415	25,679
Taxation - net		77,250	76,418
Short term investments	8	502,920	-
Cash and bank balances	9	742,494	268,909
		2,811,477	1,941,046
TOTAL ASSETS		10,862,414	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		1,542,474	864,975
		3,813,963	3,136,464
Surplus on revaluation of fixed assets-net of deferred tax		1,751,572	1,781,541
Non - current liabilities			
Long term loans - secured	10	81,594	115,728
Liabilities against assets subject to finance lease	11	-	43,971
Deferred liabilities		798,967	536,039
Long term deposits		3,660	3,400
		884,221	699,138
Current liabilities			
Trade and other payables		622,381	816,168
Accrued interest / markup		532,325	489,632
Short term murabaha - secured		-	43,853
Short term borrowings - secured	12	494,439	223,707
Current portion of long term liabilities	13	2,743,696	2,903,658
Sales tax - net		19,817	16,360
		4,412,658	4,493,378
TOTAL EQUITY AND LIABILITIES		10,862,414	10,110,521
CONTINGENCIES AND COMMITMENTS	14	-	-

The annexed notes 1 to 21 form an integral part of the condensed interim financial information.

For the period ended
December 31, 2012


Syed Mazher Iqbal
Chief Executive Officer


Shafuddin Ghani Khan
Chairman / Director

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PIONEER CEMENT LIMITED

Condensed Interim Profit and Loss Account (Un-audited)

for the half year ended December 31, 2012

	Note	Half year ended December 31,		Quarter ended December 31,	
		2012	2011	2012	2011
----- (Rs. in '000') -----					
Gross turnover		4,338,071	3,560,643	2,370,247	1,880,118
Excise duty		194,917	230,936	105,435	118,862
Sales tax		520,979	448,915	284,737	240,844
Commission		29,754	29,022	6,408	16,648
		745,650	708,873	396,580	376,354
Net turnover		3,592,421	2,851,770	1,973,667	1,503,764
Cost of sales	15	2,493,309	2,226,927	1,282,935	1,120,601
Gross profit		1,099,112	624,843	690,732	383,163
Distribution cost		53,288	29,120	35,261	18,594
Administrative expenses		28,859	26,611	14,464	13,449
Other operating income		(15,673)	(2,087)	(11,820)	(897)
Other operating expenses		58,993	18,735	39,367	16,692
		125,467	72,379	77,272	47,838
Operating profit		973,645	552,464	613,460	335,325
Finance cost		95,913	181,780	40,109	87,613
Exchange (gain) / loss		(51,181)	117,942	(90,745)	33,712
		44,732	299,722	(50,636)	121,325
Profit before taxation		928,913	252,742	664,096	214,000
Taxation		281,384	145,783	258,882	120,983
Profit after taxation		647,529	106,959	405,214	93,017
----- (Rupees) -----					
Profit per share					
- Basic and diluted	16	2.85	0.47	1.78	0.41

The annexed notes 1 to 21 form an integral part of the condensed interim financial information.

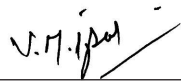

Syed Mazher Iqbal
Chief Executive Officer


Shafiquddin Ghani Khan
Chairman / Director

Condensed Interim Statement of Comprehensive Income (Un-audited)
for the half year ended December 31, 2012

	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
	----- (Rs. in '000') -----			
Profit for the period	647,529	106,959	405,214	93,017
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>647,529</u>	<u>106,959</u>	<u>405,214</u>	<u>93,017</u>

The annexed notes 1 to 21 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
December 31, 2012

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PIONEER CEMENT LIMITED

Condensed Interim Cash Flow Statement (Un-audited)

for the half year ended December 31, 2012

	Note	December 31, 2012	December 31, 2011
		----- (Rs. in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES	17	1,100,751	311,101
Income tax paid		(20,983)	(32,268)
Workers profit participation fund		(48,650)	(3,857)
Gratuity and compensated absences paid		(6,980)	(3,348)
Dividend paid		(2)	(4)
		(76,615)	(39,477)
Decrease in long term loans		-	42
(Increase) / decrease in long term deposits - net		(1,111)	5,123
		(1,111)	5,165
Net cash flows from operating activities		1,023,025	276,789
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(39,565)	(5,944)
Proceeds from sale of fixed assets		1,376	451
Investments made		(500,000)	-
Net cash used in investing activities		(538,189)	(5,493)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) / disbursement of murabaha finance		(43,853)	83,947
Repayment of long term loans		(132,428)	(110,879)
Repayments against leasing liabilities		(39,021)	(26,929)
Increase/ (decrease) in short term finances		270,732	(75,899)
Finance cost paid		(66,681)	(148,879)
Net cash used in financing activities		(11,251)	(278,639)
Net increase / (decrease) in cash and bank balances		473,585	(7,343)
Cash & bank balances at the beginning of the period		268,909	150,172
Cash & bank balances at the end of the period	9	742,494	142,829

The annexed notes 1 to 21 form an integral part of the condensed interim financial information.

PIONEER CEMENT LIMITED



Syed Mazher Iqbal
Chief Executive Officer




Shafiquddin Ghani Khan
Chairman / Director

Condensed Interim Statement of Changes in Equity (un-audited)
for the half year ended December 31, 2012

	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	-	-	106,959	106,959	106,959
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	106,959	106,959	106,959
Surplus on revaluation of fixed assets realized -net of tax	-	-	28,124	28,124	28,124
Balance as at 31 December 2011	<u>2,271,489</u>	<u>197,517</u>	<u>132,702</u>	<u>330,219</u>	<u>2,601,708</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	-	-	647,529	647,529	647,529
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	647,529	647,529	647,529
Surplus on revaluation of fixed assets realized -net of tax	-	-	29,970	29,970	29,970
Balance as at 31 December 2012	<u>2,271,489</u>	<u>197,517</u>	<u>1,344,957</u>	<u>1,542,474</u>	<u>3,813,963</u>

The annexed notes 1 to 21 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
December 31, 2012

Selected Notes to the Condensed Interim Financial Information (un-audited)
for the half year ended December 31, 2012

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 30 June 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 financial statements of the Company for the year ended 30 June 2012.

3 BASIS OF PREPARATION

- 3.1 The accounting policies adopted for the preparation of this interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 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.

Selected Notes to the Condensed Interim Financial Information (un-audited)
for the half year ended December 31, 2012

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 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 the financial statement for the year ended 30 June 2012.

	Note	Un-audited December 31, 2012	Audited June 30, 2012
----- (Rs. in '000') -----			
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	7,935,098	8,121,214
Capital work in progress	4.3	12,922	9,200
		<u>7,948,020</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	4.2	35,843	(108,956)
Deletions during the period / year		(15)	(439)
Depreciation during the period / year		(157,544)	(365,175)
Transferred to investment property	5	(62,595)	-
Amortized during the period / year		(1,805)	(1,505)
		<u>(221,959)</u>	<u>(367,119)</u>
		<u>7,935,098</u>	<u>8,121,214</u>

Selected Notes to the Condensed Interim Financial Information (un-audited)
for the half year ended December 31, 2012

	Un-audited December 31, 2012	Audited June 30, 2012
	----- (Rs. in '000') -----	
4.2 Additions / revaluation surplus / (deficit) for the period / year - net		
Freehold land	-	7,592
Factory building on freehold land	-	128,956
Leasehold improvements	-	10,833
Office building	-	61,985
Plant and machinery - line I	11,099	(983,692)
Plant and machinery - line II	20,771	732,490
Coal firing system	-	(82,145)
Furniture and fixture	42	1,058
Vehicles	3,823	10,581
Computer and accessories	86	306
Office equipment	22	3,080
	35,843	(108,956)
4.3 Capital Work in Progress		
Opening balance	9,200	15,685
Additions to plant and machinery during the period / year	3,722	10,618
Transferred to operating fixed assets	-	(17,103)
	12,922	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	461,620	502,201
Spare parts	387,381	375,255
Loose tools	7,300	6,214
	856,301	883,670
In transit:		
Spares	21,770	12,262
Coal	234,316	204,389
	256,086	216,651
Provision for slow moving stores, spare parts and loose tools	(49,217)	(49,394)
	1,063,170	1,050,927

Selected Notes to the Condensed Interim Financial Information (un-audited)
for the half year ended December 31, 2012

	Un-audited December 31, 2012	Audited June 30, 2012
	----- (Rs. in '000') -----	
7. STOCK-IN-TRADE		
Raw material	49,147	8,538
Packing material	30,331	35,281
Work in process	191,170	333,691
Finished goods	62,640	48,348
	<u>333,288</u>	<u>425,858</u>
8. SHORT TERM INVESTMENTS		
Financial assets at fair value through profit or loss:		
Al Meezan Sovereign Fund (units 5,017,623.9263 (30 June 2012: Nil))	250,000	-
UBL Liquidity Plus Fund (units 2,497,038.2117 (30 June 2012: Nil))	250,000	-
	<u>500,000</u>	<u>-</u>
Unrealized gain on revaluation of investment	2,920	-
	<u>502,920</u>	<u>-</u>
9. CASH AND BANK BALANCES		
Includes cheques in hand amounting to Rs. 165.949 million (30 June 2012: Rs.149.347 million).		
10. LONG TERM LOANS - secured		
From banking companies and other financial institutions		
Foreign Currency Loans		
Asian Development Bank (Japanese Yen)	967,852	1,016,947
Asian Finance and Investment Corporation Limited (US Dollar)	315,363	305,944
	<u>1,283,215</u>	<u>1,322,891</u>
Local currency loans		
Bankers Equity Limited - (LMM)	19,091	38,182
National Bank of Pakistan	127,200	159,001
National Bank of Pakistan	312,500	312,500
National Bank of Pakistan (former NDFC)	145,971	174,737
Industrial Development Bank of Pakistan	15,823	15,823
The Bank of Punjab	155,554	190,500
	<u>776,139</u>	<u>890,743</u>
	<u>2,059,354</u>	<u>2,213,634</u>
Current portion of long term loans	<u>(1,977,760)</u>	<u>(2,097,906)</u>
	<u>81,594</u>	<u>115,728</u>
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 30 June 2012.		

For the period ended
December 31, 2012

Selected Notes to the Condensed Interim Financial Information (un-audited)
for the half year ended December 31, 2012

	Note	Un-audited December 31, 2012	Audited June 30, 2012
----- (Rs. in '000') -----			
11. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Opening balance		76,035	142,780
Payment made		(39,021)	(66,745)
		37,014	76,035
Current portion of the liability		(37,014)	(32,064)
		-	43,971
12. SHORT TERM BORROWINGS - secured			
National Bank of Pakistan			
- Cash Finance Account	12.1	494,439	20,776
JS Bank Limited			
- Finance against Imported Merchandise	12.1	-	101,599
United Bank Limited			
- Running Finance Account	12.2	-	101,332
		494,439	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 30 June 2012.		
12.2	The running finance facility with United Bank Limited was fully settled during the period under review and the securities as stated in financial statement for the year ended 30 June 2012 were duly released.		
13. CURRENT PORTION OF LONG TERM LIABILITIES			
Long term loans	10	1,977,760	2,097,906
Long term financing		17,824	35,648
Liabilities against assets subject to finance lease	11	37,014	32,064
Deferred liabilities		711,098	738,040
		2,743,696	2,903,658
14. CONTINGENCIES AND COMMITMENTS			
14.1	There has been no significant change in the contingencies as given in the financial statements for the year ended 30 June 2012.		
14.2	Commitments in respect of outstanding letters of credit inclusive of capital commitments amounting to Rs.38.873 million (30 June 2012: Rs.18.399 million) and in respect of bank guarantee issued in favour of Faisalabad Electric Supply Corporation amounting to Rs. NIL (30 June 2012: Rs.26.702 million).		

Selected Notes to the Condensed Interim Financial Information (un-audited)
for the half year ended December 31, 2012

	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
	----- (Rs. in '000') -----			
15. COST OF SALES				
Raw material consumed	156,842	134,144	88,669	69,155
Packing material consumed	211,561	203,922	113,780	101,862
Fuel and power	1,589,322	1,549,880	876,463	801,549
Stores and spares consumed	83,580	95,507	40,136	50,025
Salaries, wages and benefits	122,383	109,577	61,617	58,651
Travelling and conveyance	11,076	11,138	5,785	5,091
Insurance	3,667	4,307	1,837	2,138
Repairs and maintenance	26,112	15,282	4,240	8,321
Depreciation	155,102	169,013	90,834	90,208
Other manufacturing expenses	5,435	5,107	2,959	2,439
	2,208,238	2,163,733	1,197,651	1,120,284
	2,365,080	2,297,877	1,286,320	1,189,439
Work in process				
Opening balance	333,691	76,138	178,017	60,557
Closing balance	(191,170)	(141,580)	(191,170)	(141,580)
	142,521	(65,442)	(13,153)	(81,023)
Cost of goods manufactured	2,507,601	2,232,435	1,273,167	1,108,416
Finished goods				
Opening balance	48,348	47,197	72,408	64,890
Closing balance	(62,640)	(52,705)	(62,640)	(52,705)
	(14,292)	(5,508)	9,768	12,185
	2,493,309	2,226,927	1,282,935	1,120,601

16. EARNING 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:

	Half Yearly Ended December 31,	
	2012	2011
Profit after taxation (Rs. in '000')	647,529	106,959
Weighted average number of ordinary shares in issue (in '000')	227,149	227,149
Earning per share - basic and diluted - (Rs.)	2.85	0.47

For the period ended
December 31, 2012

Selected Notes to the Condensed Interim Financial Information (un-audited)
for the half year ended December 31, 2012

	Half Yearly Ended December 31,	
	2012	2011
	----- (Rs. in '000') -----	
17. CASH GENERATED FROM OPERATIONS		
Profit before taxation	928,913	252,742
Adjustment for:		
Depreciation	157,544	171,218
Amortization	1,915	110
Provision for gratuity and compensated absences	9,600	5,219
Finance cost	95,913	181,780
Gain on disposal of property, plant and equipment	(1,361)	(99)
Workers profit participation fund	48,724	13,385
Workers welfare fund	-	5,346
Unrealized gain on investment	(2,920)	-
Provision for doubtful debts	10,221	-
Exchange (gain) / loss	(53,158)	117,475
	266,478	494,434
Cash flow before working capital changes	1,195,391	747,176
Working capital changes		
Decrease / (increase) in current assets:		
Stores, spares and loose tools	(12,243)	(309,262)
Stock-in-trade	92,570	(78,806)
Trade debts	(1,858)	(49,588)
Loans, advances, trade deposits and short term prepayments	16,952	(632)
Other receivables	1,264	2,674
	96,685	(435,614)
Decrease in current liabilities:		
Trade and other payables	(194,782)	(19,001)
Sales tax payable	3,457	18,540
	(191,325)	(461)
Cash generated from operations	1,100,751	311,101

Selected Notes to the Condensed Interim Financial Information (un-audited)
for the half year ended December 31, 2012

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:

		Un-audited December 31,	
		2012	2011
		----- (Rs. in '000') -----	
<u>Relationship with the Company</u>	<u>Nature of transaction</u>		
Nominee director	Repayment of long term loan	60,567	-
	Finance cost paid	24,254	-
Common directorship	Repayment against lease financing	2,000	-
Staff retirement contribution plan	Contribution to staff provident fund	2,959	1,287
Key management personnel		29,289	20,683

18.2 The outstanding balances of such parties are as under:

		Un-audited December 31, 2012	Audited June 30, 2012
		----- (Rs. in '000') -----	
<u>Relationship with the Company</u>	<u>Nature of balance</u>		
Nominee director	Long term loan	585,671	646,238
Common directorship	Finance lease	5,480	7,480

19. EVENTS AFTER THE REPORTING DATE

Subsequent to the balance sheet date, 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 financial statement for the year ended 30 June 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 favour of MBL. The Company has issued a counter guarantee in favour of NBP against aforementioned Financial Guarantee in addition to the existing securities with NBP.


Selected Notes to the Condensed Interim Financial Information (un-audited)
for the half year ended December 31, 2012

20. DATE OF AUTHORIZATION

This interim financial information was authorized for issue by the Board of Directors of the Company on February 26, 2013.

21. GENERAL

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


Syed Mazher Iqbal
Chief Executive Officer


Shafiquddin Ghani Khan
Chairman / Director