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Company Information

BOARD OF DIRECTORS

Mr. Muhammad Arif Habib
 Mr. Muhammad Fazlullah Shariff
 Mr. Nasim Beg
 Mr. Shahid Aziz Siddiqui
 Mr. Khawaja Mohammad Salman Younis
 Mr. Wazir Ali Khoja
 Mr. Naveed Rabbani

Chairman
 Chief Executive Officer
 Director
 Director
 Director
 Director
 Director

AUDIT COMMITTEE

Mr. Shahid Aziz Siddiqui
 Mr. Nasim Beg
 Mr. Khawaja Mohammad Salman Younis
 Mr. Naveed Rabbani

Chairman
 Member
 Member
 Member

HUMAN RESOURCE COMMITTEE

Mr. Khawaja Mohammad Salman Younis
 Mr. Nasim Beg
 Mr. Muhammad Fazlullah Shariff

Chairman
 Member
 Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Muhammad Taha Hamdani

STATUTORY AUDITOR

KPMG Taseer Hadi & Co., Chartered Accountants

COST AUDITOR

Siddiqi & Co., Cost & Management Accountants

INTERNAL AUDITOR

M. Yousuf Adil Saleem & Co., Chartered Accountants

LEGAL ADVISOR

Usmani & Iqbal

CORPORATE ADVISOR

Shekha & Mufti, Chartered Accountants

BANKERS

MCB Bank Limited
 National Bank of Pakistan
 Sindh Bank Limited
 Summit Bank Limited
 Bank Al-Falah Limited
 Habib Bank Limited

REGISTERED OFFICE

Pardesi House, Survey No. 2/I, R.Y. 16
 Old Queens Road, Karachi-74000
 UAN: 111-842-882
 Fax: 35303074-75
 E-mail: info@thattacement.com
 Website: www.thattacement.com

FACTORY

Ghulamullah Road, Makli
 District Thatta, Sindh 73160

SHARE REGISTRAR

THK Associates (Private) Limited
 Ground Floor, State Life Building No. 3,
 Dr. Ziauddin Ahmed Road,
 Karachi-75530
 UAN:111-000-322
 Fax: 35655595
 Website: www.thk.com.pk.

Directors' Review

The Board of Directors of Thatta Cement Company Limited present herewith the Directors' Review together with the unaudited financial statements duly reviewed by external auditors for the half year ended December 31, 2012.

BUSINESS OVERVIEW

The period under review was beset with challenges of inflation, devaluation of rupee, energy crisis, adverse law and order situation leading to recessionary trends. However, the overall cement sales of the country posted an increase of 3.9% in volume. Local sales increased by a significant 7.61 % as compared to the corresponding period of previous year despite disturbed political situation, strikes on regular basis particularly in rural Sindh.

Energy crisis is looming large in the face of the industry on account of circular debt. Hence government bridge these gaps through power subsidies which led to resources being diverted to subsidies which resulted in curtailment of public sector spending, that affected the cement industry as well. However, cement dispatches are expected to improve due to the fact that the federal government is expected to release most of the PSDP allocations before the general elections likely to be held in June this year.

During the period under review, local sales of your company registered a growth of 25.21% compared to that of the previous year whereas exports shrank significantly by 74.16% as the sales mix was altered in favor of local sales to improve margins.

Frequent load shedding as usual from WAPDA adversely impacted plant operations. It is expected that the impact on production due to interrupted supply of electricity will be mitigated in the remaining period of the financial year as the company is expected to receive uninterrupted power supply from its subsidiary, which has commenced its commercial operation with effect from December 12, 2012.

BUSINESS PERFORMANCE

(a) Production and Sales Volume Performance

The capacity utilization of the Company during the half year under review stood at 76% as compared to 58% for the same period of last year. Overall clinker production was higher by 31% as compared to the same period of last year.

Particulars	December	December	Variation	
	2012	2011	%	
	Metric Tons			
Plant capacity - Clinker	225,000	225,000		
Production				
Clinker	170,637	129,797	40,840	31.46
Cement	167,885	164,539	3,346	2.03
GBFS	10,386	4,803	5,583	116.23
Dispatches				
Cement				
- Local	159,999	131,015	28,984	22.12
- Export	9001	34,837	(25,836)	(74.16)
	169,000	165,852	3,148	1.89
GBFS - Local	10,063	4,803	5,260	109.50
	179,063	170,655	8,408	4.92

During the half year under review, the overall cement dispatches (including GBFS) were higher by 8,408 tons (4.92%) as compared to same period of last year. The Company was able to increase local dispatches of cement during the half year ended December 31, 2012 which stood at 170,062 (local cement dispatch and GBFS) metric tons as compared to 135,818 metric tons during the corresponding period showing an increase of 25.21 %. Cement exports declined to 9,001 metric tons as compared to 34,837 metric tons during the corresponding period depicting a decline of 74.16%. Decline in exports was due to strategic shift in Company's sales mix.

A comparative analysis of sales volume of the industry vis-à-vis the Company is as under:

Particulars	December	December	Variation	
	2012	2011		
	-----Million Metric Tons-----			%
Cement Industry				
Local sales	11.728	10.898	0.830	7.61
Export sales	4.223	4.458	(0.235)	(5.27)
	15.951	15.356	0.595	3.87

----- Metric Tons -----

Thatta Cement Company Limited				
Local sales	170,062	135,818	34,244	25.21
Export sales	9,001	34,837	(25,836)	(74.16)
	179,063	170,655	8,408	4.92

The above analysis provides a glimpse on the Company's performance as against the industry. The industry grew by 7.61% in respect of local sales whereas local sales of the Company increased by 25.21 %. The Company's overall sales increased by 4.92% compared to corresponding period of the previous year.

(b) Financial Performance

A comparison of the key financial results of the Company for the half year ended December 31, 2012 with the same period last year is as under:

Particulars	December	December
	2012	2011
	----- Rupees in thousand -----	
Turnover - net	1,091,091	893,219
Gross profit	201,966	61,524
Profit / (Loss) before taxation	81,943	(72,652)
Profit / (Loss) after taxation	24,172	(88,489)
Earning / (Loss) per share (Rupee)	0.24	(0.89)

Cement prices in local market remained stable during the half year ended December 31, 2012 and also the cost of inputs. Turnover of the Company has increased by 22.15%, which positively impacted gross profit margin growth to 18.51% as compared to 6.89% in the corresponding period. The Company earned a profit before tax of Rs. 81.943 million after providing depreciation of Rs. 25.275 million.

FUTURE OUTLOOK

The GOP has plans to implement infrastructure development work ahead of general elections which is likely to have a positive impact during the remaining quarters of the financial year. Domestic cement sales are expected to increase during the remaining period due to upside in construction activity resulting from increase in PSDP allocations by the government and seasonal upsurge. Lowering of discount rates by SBP will enable availability

of cheaper credit facilities to the industrial sector and cement industry as well. This will facilitate cement industry to undertake its expansion plans by way of optimization /BMR to increase production capacities.

With the resumption of electricity supply to the plant from its subsidiary TPPL, run factor of the plant is expected to improve which shall result in enhancement of efficiencies and productivity.

The management is fully aware of the challenges ahead and is continuously evolving strategies to penetrate the market and increase its market share. The company is also focusing its attention to maintain its exports to Attbara Dam project in Sudan where Thatta cement has been prequalified. Efforts are also being made to promote use of slag cement as a cheaper cement to reduce construction cost.

The measures being adopted by the Company shall enable it to mitigate market risks, meet future challenges and maintain business growth.

BALANCING, MODERNISATION AND REHABILITATION

The company has plans to improve production and operational capabilities of the existing plant through a Balancing, Modernization and Rehabilitation (BMR) programme and bring improvement in its production efficiencies. The Company has signed a contract with an European supplier for the supply of equipment and engineering for the BMR project. The company is in the process of arranging financial resources through negotiating financing arrangements with number of banks for the project. The project is expected to commence soon.

CAPTIVE POWER PLANT

Thatta Power (Private) Limited (TPPL), subsidiary of Thatta Cement Company Limited (TCCL) has successfully started its commercial operation (COD) on December 12, 2012. The principal business of the subsidiary is generation, supply and transmission of electrical power. This will bring benefits to TCCL in terms of cost efficiencies reducing the substantial incremental power costs of re-starting the TCCL's plant due to frequent power breakdowns which in turn ensure uninterrupted power supply to the cement plant of TCCL. TPPL started supplying power to HESCO on 12th December, 2012 and subsequently to the cement plant on 7th Feb, 2013. The operation of the power plant has generally remained satisfactory except for issues related to low gas pressure.

NEPRA's order on electricity tariff formula of Thatta Power (Private) Limited

Thatta Power (Private) Limited (TPPL), a 62.43% owned subsidiary company was established under N-CPP Policy of 2009 approved by the Ministry of Water and Power, at a cost of over Rs. 1.4 Billion. The plant and machinery was imported from GE Jenbacher, Austria. The electricity tariff formula, as advanced by the said policy, for selling surplus power to Hyderabad Electric Supply Company Limited (HESCO) was agreed upon between TPPL and HESCO via Power Purchase Agreement (PPA) dated May 14, 2011 executed between the two parties.

Subsequently, NEPRA advanced its approval to HESCO for the power purchase from TPPL at revised electricity tariff formula which is lower than what was agreed in the above said PPA. Several N-CPP's set up under this regime with huge investments are being meted out this treatment. As a result, a situation has arisen where the N-CPP's are not being paid for the electricity supplied to HESCO which will result in default of N-CPPs to clear the gas bills, payment of markup and long term loans.

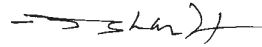
TPPL is trying to convince NEPRA to review its decision and give its approval for the tariff as decided in the PPA. A review request to NEPRA for its order has also been filed by HESCO.

In view of HESCO's refusal to make the payment of TPPL's invoices, the management has initiated legal proceedings against HESCO for not fulfilling its obligations under the PPA. Stay order on NEPRA's order has been granted by the Honorable High Court of Sindh calling upon HESCO to fulfill its obligations under the PPA. We are taking appropriate measures to address the situation.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage. The Directors acknowledge the dedicated services, loyalty and hard work of all the employees of the Company and hope their continued dedication shall further consolidate the Company and its standing.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Fazlullah Shariff'.

Muhammad Fazlullah Shariff
Chief Executive Officer

Karachi: February 20, 2013



**AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION***Introduction*

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Thatta Cement Company Limited** ("the Company") as at 31 December 2012 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow Statement, condensed interim unconsolidated statement of changes in equity and notes to the accounts for the half year ended (here-in-after referred to as the "interim unconsolidated financial information"). Management is responsible for the preparation and presentation of this interim unconsolidated financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim unconsolidated 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 unconsolidated 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.

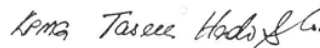
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim unconsolidated financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the quarter ended 31 December 2012 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed by us and we do not express a conclusion on them.

The interim financial information and financial statements of the Company for the half year ended 31 December 2011 and for the year ended 30 June 2012, respectively were reviewed and audited by another firm of chartered accountants whose reports dated 17 February 2012 and 18 September 2012, expressed an unqualified conclusion and opinion thereon.



KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

Karachi Date: February 20, 2013

Condensed Interim Unconsolidated Balance Sheet


As at December 31, 2012

	Note	(Un -audited) December 31, 2012	(Audited) June 30, 2012
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	779,055	793,874
Intangible assets		1,758	3,366
Long term investment in associate	7	127,847	127,847
Long term investment in subsidiary	8	299,158	299,158
Long term deposits		792	792
		<u>1,208,610</u>	<u>1,225,037</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	9	533,716	330,306
Stock-in-trade	10	286,926	229,279
Trade debts	11	48,437	138,782
Loans and advances		21,537	36,558
Trade deposits and short term prepayments		8,074	9,118
Accrued interest		58	63
Other receivable	12	37,285	5,471
Sales tax refundable		7,019	-
Taxes refundable due from government		5,458	56,897
Income tax refundable net of provision		35,138	7,241
Cash and bank balances		5,154	3,235
		<u>988,802</u>	<u>816,950</u>
		<u>2,197,412</u>	<u>2,041,987</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
200,000,000 (June 2012: 100,000,000) Ordinary shares of Rs. 10/- each		2,000,000	1,000,000
Issued, subscribed and paid-up capital	13	997,181	997,181
Share premium		99,718	99,718
Accumulated losses		(114,487)	(138,659)
		<u>982,412</u>	<u>958,240</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		102,824	131,785
Long term deposits		6,071	3,581
Deferred taxation	14	103,040	48,058
		<u>211,935</u>	<u>183,424</u>
CURRENT LIABILITIES			
Trade and other payables		483,423	414,242
Accrued mark-up		16,083	11,816
Current maturity of long term financing		57,919	57,919
Short term borrowings		445,640	416,346
		<u>1,003,065</u>	<u>900,323</u>
CONTINGENCIES AND COMMITMENTS			
	15		
		<u>2,197,412</u>	<u>2,041,987</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

Condensed Interim Unconsolidated Profit & 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
.....(Rupees in thousand).....					
Sales - net	16	1,091,091	893,219	582,254	464,725
Cost of sales		(889,125)	(831,695)	(463,484)	(457,135)
Gross profit		201,966	61,524	118,770	7,590
Selling and distribution cost	17	(33,119)	(55,526)	(23,238)	(21,731)
Administrative expenses		(39,043)	(31,599)	(20,042)	(16,784)
		(72,162)	(87,125)	(43,280)	(38,515)
Operating profit / (loss)		129,804	(25,601)	75,490	(30,925)
Other operating expenses		(11,320)	(86)	(10,136)	-
Finance cost		(42,656)	(54,706)	(22,028)	(28,752)
		(53,976)	(54,792)	(32,164)	(28,752)
Other operating income		6,115	7,741	2,337	4,454
Profit / (loss) before taxation		81,943	(72,652)	45,663	(55,223)
Taxation	18	(57,771)	(15,837)	(45,343)	(18,087)
Profit / (loss) after taxation		24,172	(88,489)	320	(73,310)
----- (Rupee) -----					
Earning / (loss) per share	19	0.24	(0.89)	0.0032	(0.73)
- basic and diluted					

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

Condensed Interim Unconsolidated 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
	(Rupees in thousand)			
Profit / (loss) after taxation	24,172	(88,489)	320	(73,310)
Other comprehensive income				
Other comprehensive income for the period	-	-	-	-
Total comprehensive profit / (loss) for the period	24,172	(88,489)	320	(73,310)

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

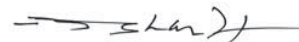
Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the half year ended December 31, 2012


	Half year ended	
	December 31 2012	December 31 2011
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	81,943	(72,652)
Adjustment for:		
Depreciation	25,275	25,658
Impairment of intangibles	1,608	-
Finance cost	42,656	54,706
Employee benefits - gratuity	3,293	3,116
Profit on disposal of property plant and equipment	-	(3)
	<u>72,832</u>	<u>83,477</u>
Operating cash flows before working capital changes	154,775	10,825
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(203,410)	(28,163)
Stock-in-trade	(57,647)	(11,290)
Trade debts	90,345	20,114
Loans and advances and accrued interest	15,026	(3,963)
Trade deposits and short term prepayments	1,044	2,566
Other receivable and sales tax refundable	(6,873)	51,306
	<u>(161,515)</u>	<u>30,570</u>
Increase / (decrease) in current liabilities		
Trade and other payables excluding gratuity payable	73,133	(29,869)
Net cash generated from operating activities	<u>66,393</u>	<u>11,526</u>
Finance cost paid	(38,389)	(53,039)
Gratuity paid	(7,245)	(1,600)
Tax refund / (paid) - net	20,753	(13,879)
	<u>(24,881)</u>	<u>(68,518)</u>
Cash generated from / (used in) operating activities	<u>41,512</u>	<u>(56,992)</u>

	Half year ended	
	December 31 2012	December 31 2011
(Rupees in thousand)		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(42,574)	(16,389)
Proceeds from disposal of property, plant and equipment	158	455
Long term investment in subsidiary	-	(299,158)
Net cash used in investing activities	(42,416)	(315,092)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(28,961)	(34,167)
Long term finance obtained	-	120,000
Proceeds from issuance of right shares	-	22,504
Long term deposits - liabilities	2,490	1,215
Net cash (used in) / generated from financing activities	(26,471)	109,552
Net decrease in cash and cash equivalents	(27,375)	(262,532)
Cash and cash equivalents at beginning of the period	(413,111)	(211,976)
Cash and cash equivalents at end of the period	(440,486)	(474,508)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,154	6,404
Short term borrowings	(445,640)	(480,912)
	(440,486)	(474,508)

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)
For the half year ended December 31, 2012

	Share capital	Share Premium	Accumulated loss	Total
.....(Rupees in thousand).....				
Balance as at 1 July 2011	797,745	-	(94,777)	702,968
Ordinary Shares Issued at a premium of Rs. 5 per Share	199,436	99,718	-	299,154
<i>Total comprehensive loss for the half year ended 31 December 2011</i>				
Loss for the period	-	-	(88,489)	(88,489)
Balance as at 31 December 2011	997,181	99,718	(183,266)	913,633
<i>Total comprehensive income for six months period ended 30 June 2012</i>				
Profit for the period	-	-	44,607	44,607
Balance as at 30 June 2012	997,181	99,718	(138,659)	958,240
<i>Total comprehensive income for the half year ended 31 December 2012</i>				
Profit for the period	-	-	24,172	24,172
Balance as at 31 December 2012	997,181	99,718	(114,487)	982,412

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the half year ended December 31, 2012

1. STATUS AND NATURE OF BUSINESS

Thatta Cement Company Limited was incorporated in Pakistan in 1980 as a public limited Company. The shares of the Company are quoted at the Karachi Stock Exchange. The Company's main business activity is manufacturing and marketing of cement. The registered office of the Company is situated at Pardesi House, Survey No. 2/I, Old Queens Road, Karachi. The production facility of the Company is located at Ghulamullah Road, Makli, District Thatta, Sindh.

2. BASIS OF PREPARATION

These condensed interim unconsolidated financial statements of the Company for the half year ended 31 December 2012 have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting, provisions of and directives issued under the Companies Ordinance, 1984. In case where requirement differs, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in the condensed interim unconsolidated financial statements do not include all of the information required in the annual audited financial statements, and should therefore be read in conjunction with the annual audited financial statements of the Company as at and for the year ended 30 June 2012.

These condensed interim unconsolidated financial statements are unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulation of Karachi Stock Exchange. However, a limited scope review has been carried out by the auditors. Further, the figures in the condensed interim unconsolidated financial statements for the quarter ended 31 December 2012 have not been reviewed by the auditors.

These condensed interim unconsolidated financial statements comprise of the balance sheet as at 31 December 2012 and profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the half year ended 31 December 2012.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in preparation of the annual audited financial statements as at and for the year ended 30 June 2012.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim unconsolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim unconsolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2012.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended 30 June 2012.

	Note	(Un-audited) December 31, 2012 (Rupees in thousand)	(Audited) June 30, 2012
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	776,581	785,066
Capital work-in-progress	6.2	2,474	8,808
		<u>779,055</u>	<u>793,874</u>
6.1 Operating fixed assets			
Opening written down value (WDV)		785,066	803,767
Additions during the period / year - at cost			
-Building		2,585	-
-Plant and machinery		24,460	12,211
-Vehicles		6,507	3,480
-Furniture and fixtures		4,933	405
-Office equipments		3,745	2,324
-Laboratory equipment		4,252	13,414
-Computers		2,426	2,829
		<u>48,908</u>	<u>34,663</u>
WDV of deletions during the period / year		<u>(32,118)</u>	<u>(1,399)</u>
WDV of assets written off		-	(1,252)
Depreciation for the period / year		<u>(25,275)</u>	<u>(50,713)</u>
		<u>(57,393)</u>	<u>(53,364)</u>
		<u>776,581</u>	<u>785,066</u>
6.2 Capital work-in-progress			
Opening balance		8,808	896
Additions		5,147	7,912
Transferred to operating fixed assets		<u>(11,481)</u>	-
		<u>2,474</u>	<u>8,808</u>

7. LONG TERM INVESTMENT IN ASSOCIATE

Company invested in shares of Al Abbas Cement Industries Limited having cost of Rs.128 million representing 7% (June 2012: 7%) of share capital. The Company acquired 25.6 million fully paid ordinary shares having face value of Rs.10 each at discount of Rs.5 per share. Aggregate market value of investment as at 31 December 2012 is Rs. 150.784 million.

8. LONG TERM INVESTMENT IN SUBSIDIARY

Thatta Power (Private) Limited (TPPL) is a subsidiary of Thatta Cement Company Limited. TPPL was a wholly owned Subsidiary of the Company as at June 30, 2012. However right shares having cost of Rs 180 million were issued by TPPL during the period which were renounced by the company and were allocated to an associated company resulting in dilution of company's holding from 100% to 62.43% as at 31 December 2012. The principal business of the subsidiary is generation, supply and transmission of electrical power. The subsidiary was incorporated under the Companies Ordinance, 1984 on 12 November 2010. As at 31 December 2012 TPPL has authorized and issued capital of Rs. 500 million and Rs. 479.16 million divided into 5,000,000 and 4,791,583 ordinary shares respectively. The subsidiary has started its commercial operations on 12 December 2012.

		(Un-audited) December 31 2012 (Rupees in thousand)	(Audited) June 30 2012
9. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	9.1	444,043	254,323
Spare parts		129,503	115,894
Loose tools		232	151
		<u>573,778</u>	<u>370,368</u>
Less: Provision for dead stores		<u>(8,803)</u>	<u>(8,803)</u>
Provision for slow moving stores and spares		<u>(31,259)</u>	<u>(31,259)</u>
		<u>(40,062)</u>	<u>(40,062)</u>
		<u>533,716</u>	<u>330,306</u>
9.1	This includes stores in transit of Rs. 162.35 million (June 2012: Rs 25.932 million) at the balance sheet date.		
10. STOCK-IN-TRADE			
Raw material		18,918	42,061
Packing material		23,705	23,994
Work-in-process		211,833	124,450
Finished goods		32,470	38,774
		<u>286,926</u>	<u>229,279</u>
11. TRADE DEBTS			
Considered good			
Export proceeds receivable - secured		-	80,370
Local - unsecured		48,437	58,412
		<u>48,437</u>	<u>138,782</u>
Considered Doubtful			
Cement Stockiest		60,801	60,801
Excessive rebate allowed		6,101	6,101
Controller military accounts		5,126	5,126
Other customers		241	241
		<u>72,269</u>	<u>72,269</u>
		<u>120,706</u>	<u>211,051</u>
Less: Provision for doubtful debts		<u>(72,269)</u>	<u>(72,269)</u>
		<u>48,437</u>	<u>138,782</u>
12. OTHER RECEIVABLE			
	Other receivable includes receivable from Rotocast Engineering Company (Private) Limited amounting to Rs. 31.96 million against leasehold improvements of previous office.		
13. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
Ordinary Shares of Rs. 10/- each 89,418,125 (June 2012: 89,418,125) shares allotted for consideration paid in cash		894,181	894,181
10,300,000 (June 2012: 10,300,000) shares allotted for consideration other than cash		103,000	103,000
		<u>997,181</u>	<u>997,181</u>

	(Un-audited) December 31 2012	(Audited) June 30 2012
	(Rupees in thousand)	
14. DEFERRED TAXATION		
Deferred tax liability comprises of temporary differences as follows:		
Taxable temporary differences		
Accelerated depreciation for tax purposes	140,797	119,186
Deductible temporary differences		
- provision for gratuity	(864)	(1,644)
- other provisions - for doubtful debts and stores	(35,810)	(34,383)
- minimum tax	(1,083)	(35,101)
	<u>(37,757)</u>	<u>(71,128)</u>
	<u>103,040</u>	<u>48,058</u>

15. CONTINGENCIES AND COMMITMENTS**15.1 Contingencies**

There is no change in the status of contingencies and they are same as disclosed in the annual audited financial statements for the year ended 30 June 2012.

15.2 Commitments

Commitments in respect of irrevocable letter of credits	60,305	48,781
Guarantees given by banks on behalf of the Company	117,295	94,982
	<u>177,600</u>	<u>143,763</u>

Half year ended December 31 2012	2011	Quarter ended December 31 2012	2011
--	------	--------------------------------------	------

(Un-audited)
(Rupees in thousand)

16. SALES - net				
Local	1,258,520	879,385	663,655	483,134
Export	70,122	200,634	70,122	64,145
	<u>1,328,642</u>	1,080,019	733,777	547,279
Less :				
Sales tax	(173,563)	(121,293)	(111,678)	(46,232)
Federal excise duty	(63,988)	(65,507)	(39,845)	(36,322)
	<u>(237,551)</u>	<u>(186,800)</u>	<u>(151,523)</u>	<u>(82,554)</u>
	<u>1,091,091</u>	<u>893,219</u>	<u>582,254</u>	<u>464,725</u>

	Half year ended December 31		Quarter ended December 31	
	2012	2011	2012	2011
(Un-audited) (Rupees in thousand)				
17. SELLING AND DISTRIBUTION COST				
Salaries, wages and other benefits	2,793	2,279	1,599	1,262
Vehicle running expenses	351	280	144	126
Travelling and conveyance	77	37	63	25
Communication	221	83	107	53
Printing and stationery	17	1	10	1
Entertainment	63	63	47	53
Repair and maintenance	53	-	53	-
Utilities	97	-	97	-
Advertisements	110	53	110	4
Freight charges - local sale	14,854	6,440	8,523	5,789
Export logistics and related charges	8,685	36,964	8,358	9,668
Commission	3,276	6,614	3,009	3,284
Depreciation	704	673	359	336
Miscellaneous	1,818	2,039	759	1,130
	<u>33,119</u>	<u>55,526</u>	<u>23,238</u>	<u>21,731</u>
18. TAXATION				
Current tax	21,732	9,120	9,965	4,767
Prior year charge	(18,943)	-	(18,975)	-
Deferred tax charge	54,982	6,717	54,353	13,320
	<u>57,771</u>	<u>15,837</u>	<u>45,343</u>	<u>18,087</u>
19. EARNING / (LOSS) PER SHARE - BASIC AND DILUTED				
(Rupees in thousand)				
Profit / (loss) for the period	<u>24,172</u>	<u>(88,489)</u>	<u>320</u>	<u>(73,310)</u>
----- (Number of shares) -----				
Weighted average number of ordinary shares	<u>99,718,125</u>	<u>98,959,400</u>	<u>99,718,125</u>	<u>99,718,125</u>
----- (Rupee) -----				
Earning / (loss) per share	<u>0.24</u>	<u>(0.89)</u>	<u>0.0032</u>	<u>(0.73)</u>

20. TRANSACTIONS WITH RELATED PARTIES

All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. The related parties comprise associated undertakings, other related group companies and persons, directors of the Company, staff retirement benefit fund and key management personnel. The Company carries out transactions with various related parties in the normal course of business. Details of transactions / balances with related parties other than those disclosed elsewhere in these condensed interim unconsolidated financial statements are as follows:

	Half year ended	
	December 31 2012	December 31 2011
	(Un-audited) (Rupees in thousand)	
TRANSACTIONS WITH RELATED PARTIES:		
Summit Bank Limited		
- Mark-up on short term borrowings and commission as Bankers to Right issue	6,679	8,000
- Income on bank deposit account	89	2,178
International Complex Project Limited		
- Sale of cement	-	2,185
Al-Abbas Cement Industries Limited		
- Common shared expenses	40	56
- Purchase of coal (Inclusive of GST)	-	125,596
- Payment on account of purchase of coal	-	78,500
Safe Mix Concrete Products Limited		
- Sale of cement	-	805
Thatta Power (Private) Limited		
- Common Shared Expenses	-	1,683
- Investment in Shares	-	299,158
Rotocast Engineering Company (Private) Limited		
- Sale of leasehold improvements	31,960	-
Key management personnel		
- Salaries and benefits	18,429	17,720
Other related parties		
- Contribution to Employees' Gratuity Fund	7,245	1,600
- Contribution to Employees' Provident Fund	2,174	1,844

	(Un-audited) December 31 2012 (Rupees in thousand)	(Audited) June 30 2012
Balances with related parties:		
Summit Bank Limited		
- PLS account balance	3,582	1,027
- Running finance	98,364	99,051
- Accrued mark-up - finance charge	3,133	2,637
- Accrued interest - interest income	24	6
Thatta Power (Private) Limited		
- Receivable against common shared expenses	-	2,029
Al-Abbas Cement Industries Limited		
- Common Shared Expenses	1,653	1,613
Safe Mix Concrete Products Limited		
- Advance against sale of cement	357	357
Rotocast Engineering Company (Private) Limited		
- Receivable against sale of leasehold improvements	31,960	-
20.1	There are no transactions with key management personnel other than under their terms of employment.	
20.2	All transactions with related parties have been carried out on commercial terms and conditions.	
21.	DATE OF AUTHORIZATION FOR ISSUE	
	These condensed interim unconsolidated financial statements have been authorized for issue on February 20, 2013 by the Board of Directors.	



CHIEF EXECUTIVE OFFICER



DIRECTOR

THATTA CEMENT COMPANY LIMITED



**CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2012**

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Condensed Interim Consolidated Balance Sheet

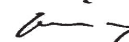
As at December 31, 2012

	Note	(Un -audited) December 31, 2012 (Rupees in thousand)	(Audited) June 30, 2012
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,200,004	1,214,654
Intangible assets		1,892	3,534
Long term investment in associate	7	164,197	138,587
Long term deposits		792	792
		<u>2,366,885</u>	<u>1,357,567</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	8	586,822	330,466
Stock-in-trade	9	286,926	229,279
Trade debts	10	112,514	138,782
Loans and advances		22,945	36,808
Trade deposits and short term prepayments		13,965	9,118
Accrued interest		4,656	111
Other receivable	11	37,285	3,417
Short term investments	12	306,000	-
Sales tax refundable		86,476	-
Taxes refundable due from government		5,458	56,897
Income tax refundable net of provision		35,203	3,556
Cash and bank balances		140,171	6,111
		<u>1,638,421</u>	<u>814,545</u>
		<u>4,005,306</u>	<u>2,172,112</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 200,000,000 (June 2012: 100,000,000) Ordinary shares of Rs. 10/- each		<u>2,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital	13	997,181	997,181
Share premium		99,718	99,718
Accumulated losses		(78,010)	(119,578)
Equity attributable to owners of the Parent		<u>1,018,889</u>	<u>977,321</u>
Non-controlling interest		181,073	-
Advance against subscription for right issue		-	27,000
		<u>1,199,962</u>	<u>1,004,321</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		1,291,719	131,785
Long term deposits		6,071	3,581
Deferred taxation	14	103,040	48,058
		<u>1,400,830</u>	<u>183,424</u>
CURRENT LIABILITIES			
Trade and other payables		597,743	498,286
Accrued mark-up		26,030	11,816
Current maturity of long term financing		335,101	57,919
Short term borrowings		445,640	416,346
		<u>1,404,514</u>	<u>984,367</u>
CONTINGENCIES AND COMMITMENTS			
	15	<u>4,005,306</u>	<u>2,172,112</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

Condensed Interim Consolidated Profit & Loss Account (Unaudited)

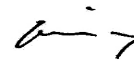
For the half year ended December 31, 2012

	Note	Half year ended December 31		Quarter ended December 31	
		2012	2011	2012	2011
		(Rupees in thousand)			
Sales - net	16	1,146,330	893,219	637,493	464,725
Cost of sales		(925,355)	(831,695)	(499,714)	(457,135)
Gross profit		220,975	61,524	137,779	7,590
Selling and distribution cost	17	(33,119)	(55,526)	(23,238)	(21,731)
Administrative expenses		(39,294)	(33,912)	(19,913)	(17,178)
		(72,413)	(89,438)	(43,151)	(38,909)
Operating profit / (loss)		148,562	(27,914)	94,628	(31,319)
Other operating expenses		(33,659)	(86)	(33,659)	-
Finance cost		(50,523)	(54,706)	(29,893)	(28,572)
		(84,182)	(54,792)	(63,552)	(28,572)
Share of profit / (loss) from associate		25,610	(22,966)	17,918	(10,829)
Other operating income		10,410	23,493	7,708	13,850
Profit / (loss) before taxation		100,400	(82,179)	56,702	(56,870)
Taxation	18	(57,759)	(20,645)	(45,331)	(22,259)
Profit / (loss) after taxation		42,641	(102,824)	11,371	(79,129)
		----- (Rupee) -----			
Earning / (loss) per share - basic and diluted	19	0.43	(1.04)	0.11	(0.79)

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

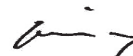
For the half year ended December 31, 2012

	Half year ended December 31		Quarter ended December 31	
	2012	2011	2012	2011
	----- (Rupees in thousand) -----			
Profit / (loss) after taxation	42,641	(102,824)	11,371	(79,129)
Other Comprehensive Income				
Other comprehensive income for the period	-	-	-	-
Total comprehensive profit / (loss) for the period	<u>42,641</u>	<u>(102,824)</u>	<u>11,371</u>	<u>(79,129)</u>
Total comprehensive profit / (loss) for the period attributable to:				
- Equity holders of the Parent	44,133	(102,824)	12,835	(79,129)
- Non-controlling interest	(1,492)	-	(1,464)	-
	<u>42,641</u>	<u>(102,824)</u>	<u>11,371</u>	<u>(79,129)</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the half year ended December 31, 2012

	Half year ended	
	December 31 2012	December 31 2011
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	100,400	(82,179)
Adjustment for:		
Depreciation	29,192	25,658
Amortization of intangibles	35	-
Impairment of intangibles	1,608	-
Finance cost	50,523	54,706
Employee benefits - gratuity	3,293	3,116
Share of (profit) / loss from associate	(25,610)	22,966
Profit on disposal of property plant and equipment	-	(3)
	<u>59,041</u>	<u>106,443</u>
Operating cash flows before working capital changes	159,441	24,264
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(256,356)	(28,163)
Stock-in-trade	(57,647)	(11,290)
Trade debts	26,268	20,114
Loans and advances and accrued interest	9,317	(6,912)
Trade deposits and short term prepayments (excluding prepaid financial cost)	1,044	2,566
Other receivable and sales tax refundable	(88,384)	50,319
	<u>(365,758)</u>	<u>26,634</u>
Increase / (decrease) in current liabilities		
Trade and other payables excluding gratuity payable	103,409	(29,869)
Net cash (used in) / generated from operating activities	<u>(102,908)</u>	<u>21,029</u>
Finance cost paid	(45,101)	(53,039)
Gratuity paid	(7,245)	(1,600)
Tax refund / (paid) - net	17,015	(15,157)
	<u>(35,331)</u>	<u>(69,796)</u>
Net Cash used in operating activities	<u>(138,239)</u>	<u>(48,767)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure (excluding financial cost capitalized)	(1,043,759)	(169,513)
Proceeds from disposal of property, plant and equipment	158	455
Acquisition of short term investments	(306,000)	-
Net cash used in investing activities	<u>(1,349,601)</u>	<u>(169,058)</u>

Half year ended
December 31 December 31
2012 2011
(Rupees in thousand)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing	(28,961)	(34,167)
Long term finance obtained	1,466,077	120,000
Proceeds from issuance of shares	-	22,504
Proceeds from issuance of shares to non-controlling interest	153,000	-
Long term deposits - liabilities	2,490	1,215
Net cash generated from financing activities	<u>1,592,606</u>	<u>109,552</u>
Net increase / (decrease) in cash and cash equivalents	<u>104,766</u>	<u>(108,273)</u>
Cash and cash equivalents at beginning of the period	<u>(410,235)</u>	<u>(211,976)</u>
Cash and cash equivalents at end of the period	<u><u>(305,469)</u></u>	<u><u>(320,249)</u></u>

CASH AND CASH EQUIVALENTS

Cash and bank balances	140,171	160,663
Short term borrowings	<u>(445,640)</u>	<u>(480,912)</u>
	<u><u>(305,469)</u></u>	<u><u>(320,249)</u></u>

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the half year ended December 31, 2012

	Share capital	Share Premium	Equity attributable to owners of the Parent Accumulated loss	Total	Non-controlling interest	Total equity
.....(Rupees in thousand).....						
Balance as at 1 July 2011	797,745	-	(94,777)	702,968	-	702,968
Ordinary Shares Issued at a premium of Rs. 5 per Share	199,436	99,718	-	299,154	-	299,154
<i>Total comprehensive loss for the half year ended 31 December 2011</i>						
Loss for the period	-	-	(102,824)	(102,824)	-	(102,824)
Balance as at 31 December 2011	997,181	99,718	(197,601)	899,298	-	899,298
<i>Total comprehensive income for six months period ended 30 June 2012</i>						
Profit for the period	-	-	78,023	78,023	-	78,023
Balance as at 30 June 2012	997,181	99,718	(119,578)	977,321	-	977,321
Shares issued to non-controlling interest	-	-	-	-	180,000	180,000
<i>Total comprehensive income for the half year ended 31 December 2012</i>						
Profit for the period	-	-	44,133	44,133	(1,492)	42,641
Share of profit transferred to non-controlling interest at the time of acquisition	-	-	(2,565)	(2,565)	2,565	-
Balance as at 31 December 2012	997,181	99,718	(78,010)	1,018,889	181,073	1,199,962

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the half year ended December 31, 2012

1. STATUS AND NATURE OF BUSINESS

Thatta Cement Company Limited was incorporated in Pakistan in 1980 as a public limited Company. The shares of the Company are quoted at the Karachi Stock Exchange. The Company's main business activity is manufacturing and marketing of cement. The registered office of the Company is situated at Pardesi House, Survey No. 2/1, Old Queens Road, Karachi. The production facility of the Company is located at Ghulamullah Road, Makli, District Thatta, Sindh.

1.1 The Group comprises of:

Thatta Cement Company Limited (TCCL) - Holding Company
Thatta Power (Private) Limited (TPPL) - Subsidiary
Al Abbas Cement Industries Limited (AACIL) - Associated Company

1.2 Thatta Power (Private) Limited

Thatta Power (Private) Limited (TPPL) is a subsidiary of Thatta Cement Company Limited. TPPL was a wholly owned Subsidiary of the company as at 30 June 2012. However right shares having cost of Rs 180 million were issued by TPPL during the period which were renounced by the company and were allocated to an associated company resulting in dilution of company's holding from 100% to 62.43% as at 31 December 2012. The principal business of the subsidiary is generation, supply and transmission of electrical power. The subsidiary was incorporated under the Companies Ordinance, 1984 on 12 November 2010. As at 31 December 2012 TPPL has authorized and issued capital of Rs. 500 million and Rs. 479.16 million divided into 5,000,000 and 4,791,583 ordinary shares respectively. The subsidiary has started its commercial operations on 12 December 2012.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Company for the half year ended 31 December 2012 have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting, provisions of and directives issued under the Companies Ordinance, 1984. In case where requirement differs, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in the condensed interim consolidated financial statements do not include all of the information required in the annual audited consolidated financial statements, and should therefore be read in conjunction with the annual audited consolidated financial statements of the Company as at and for the year ended 30 June 2012.

These condensed interim consolidated financial statements are unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulation of Karachi Stock Exchange.

These condensed interim consolidated financial statements comprise of the balance sheet as at 31 December 2012 and profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the half year ended 31 December 2012.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in preparation of the annual audited consolidated financial statements as at and for the year ended 30 June 2012.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim consolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 30 June 2012.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements as at and for the year ended 30 June 2012.

		(Un-audited) December 31 2012	(Audited) June 30 2012
(Rupees in thousand)			
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	2,196,682	785,397
Capital work-in-progress	6.2	3,322	429,257
		<u>2,200,004</u>	<u>1,214,654</u>
6.1 Operating fixed assets			
Opening written down value (WDV)		785,397	803,767
Additions during the period / year - at cost			
-Building		243,837	-
-Freehold land		-	155
-Plant and machinery		1,206,601	12,211
-Vehicles		6,507	3,526
-Furniture and fixtures		5,077	405
-Office equipments		3,745	2,324
-Laboratory equipment		4,252	13,414
-Computers		2,576	2,885
		<u>1,472,595</u>	<u>34,920</u>
WDV of deletions during the period / year		<u>(32,118)</u>	<u>(1,319)</u>
WDV of assets written off		-	(1,252)
Depreciation for the period / year		<u>(29,192)</u>	<u>(50,719)</u>
		<u>(61,310)</u>	<u>(53,290)</u>
		<u>2,196,682</u>	<u>785,397</u>
6.2 Capital work-in-progress			
Opening balance		429,257	896
Additions		1,008,785	428,361
Transferred to operating fixed assets		<u>(1,434,720)</u>	-
		<u>3,322</u>	<u>429,257</u>

7. LONG TERM INVESTMENT IN ASSOCIATE

Company invested in shares of Al Abbas Cement Industries Limited having cost of Rs.128 million representing 7% (June 2012: 7%) of share capital. The Company acquired 25.6 million fully paid ordinary shares having face value of Rs.10 each at discount of Rs.5 per share. Aggregate market value of investment as at 31 December 2012 is Rs. 150.784 million.

		(Unaudited) December 31 2012	(Audited) June 30 2012
(Rupees in thousand)			
8. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	8.1	452,373	254,483
Spare parts		174,279	115,894
Loose tools		232	151
		<u>626,884</u>	<u>370,528</u>
Less: Provision for dead stores		(8,803)	(8,803)
Provision for slow moving stores and spares		(31,259)	(31,259)
		<u>(40,062)</u>	<u>(40,062)</u>
		<u>586,822</u>	<u>330,466</u>
8.1	This includes stores in transit of Rs. 162.35 million (June 2012: Rs 25.932 million) at the balance sheet date.		
9. STOCK-IN-TRADE			
Raw material		18,918	42,061
Packing material		23,705	23,994
Work-in-process		211,833	124,450
Finished goods		32,470	38,774
		<u>286,926</u>	<u>229,279</u>
10. TRADE DEBTS			
Considered good			
Export proceeds receivable - secured		-	80,370
Local - unsecured		48,437	58,412
Local - secured		64,077	-
		<u>112,514</u>	<u>138,782</u>
Considered Doubtful			
Cement Stockiest		60,801	60,801
Excessive rebate allowed		6,101	6,101
Controller military accounts		5,126	5,126
Other customers		241	241
		<u>72,269</u>	<u>72,269</u>
		<u>184,783</u>	<u>211,051</u>
Less: Provision for doubtful debts		(72,269)	(72,269)
		<u>112,514</u>	<u>138,782</u>

11. OTHER RECEIVABLE

Other receivable includes receivable from Rotocast Engineering Company (Private) Limited amounting to Rs. 31.96 million against leasehold improvements of previous office.

(Un-audited) (Audited)
December 31 June 30
2012 2012
(Rupees in thousand)

12. SHORT TERM INVESTMENTS

12.1 Term deposit with National Bank of Pakistan 12.2 306,000 -

12.2 The term deposit is placed for a period of one year at 9.38% per annum. It has been pledged against the bank guarantee issued to Sui Southern Gas Company Limited on behalf of Thatta Power (Pvt) Limited.

13. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Ordinary Shares of Rs. 10/- each 89,418,125 (June 2012: 89,418,125) shares allotted for consideration paid in cash 894,181 894,181

10,300,000 (June 2012: 10,300,000) shares allotted for consideration other than cash 103,000 103,000

997,181 997,181

14. DEFERRED TAXATION

Deferred tax liability comprises of temporary differences as follows:

Taxable temporary differences
Accelerated depreciation for tax purposes 140,797 119,186

Deductible temporary differences
- provision for gratuity (864) (1,644)
- other provisions - for doubtful debts and stores (35,810) (34,383)
- minimum tax (1,083) (35,101)

(37,757) (71,128)

103,040 48,058

15. CONTINGENCIES AND COMMITMENTS**15.1 Contingencies**

There is no change in the status of contingencies and they are same as disclosed in the annual audited consolidated financial statements for the year ended 30 June 2012.

15.2 Commitments

Commitments in respect of irrevocable letter of credits 60,305 48,781
Guarantees given by banks 423,295 94,982

483,600 143,763

	Half year ended December 31		Quarter ended December 31	
	2012	2011	2012	2011
	(Un-audited)			
(Rupees in thousand).....			
16. SALES - net				
Local	1,322,597	879,385	727,732	483,134
Export	70,122	200,634	70,122	64,145
	<u>1,392,719</u>	<u>1,080,019</u>	<u>797,854</u>	<u>547,279</u>
Less :				
Sales tax	(182,401)	(121,293)	(120,516)	(46,232)
Federal excise duty	(63,988)	(65,507)	(39,845)	(36,322)
	<u>(246,389)</u>	<u>(186,800)</u>	<u>(160,361)</u>	<u>(82,554)</u>
	<u>1,146,330</u>	<u>893,219</u>	<u>637,493</u>	<u>464,725</u>
17. SELLING AND DISTRIBUTION COST				
Salaries, wages and other benefits	2,793	2,279	1,599	1,262
Vehicle running expenses	351	280	144	126
Travelling and conveyance	77	37	63	25
Communication	221	83	107	53
Printing and stationery	17	1	10	1
Entertainment	63	63	47	53
Repair and maintenance	53	-	53	-
Utilities	97	-	97	-
Advertisements	110	53	110	4
Freight charges - local sale	14,854	6,440	8,523	5,789
Export logistics and related charges	8,685	36,964	8,358	9,668
Commission	3,276	6,614	3,009	3,284
Depreciation	704	673	359	336
Miscellaneous	1,818	2,039	759	1,130
	<u>33,119</u>	<u>55,526</u>	<u>23,238</u>	<u>21,731</u>
18. TAXATION				
Current tax	21,732	13,928	9,965	8,939
Prior year charge	(18,955)	-	(18,987)	-
Deferred tax charge	54,982	6,717	54,353	13,320
	<u>57,759</u>	<u>20,645</u>	<u>45,331</u>	<u>22,259</u>
19. EARNING / (LOSS) PER SHARE - BASIC AND DILUTED				
	----- (Rupees in thousand) -----			
Profit/(loss) for the period	<u>42,641</u>	<u>(102,824)</u>	<u>11,371</u>	<u>(79,129)</u>
	----- (Rupees in thousand) -----			
Weighted average number of ordinary shares	<u>99,718,125</u>	<u>98,959,400</u>	<u>99,718,125</u>	<u>99,718,125</u>
	----- (Rupees in thousand) -----			
Earning/(loss) per share	<u>0.43</u>	<u>(1.04)</u>	<u>0.11</u>	<u>(0.79)</u>

20. TRANSACTIONS WITH RELATED PARTIES

All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. The related parties comprise associated undertakings, other related group companies and persons, directors of the Company, staff retirement benefit fund and key management personnel. The Company carries out transactions with various related parties in the normal course of business. Details of transactions / balances with related parties other than those disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

	Half year ended	
	December 31	December 31
	2012	2011
	(Un-audited)	
	(Rupees in thousand)	
TRANSACTIONS WITH RELATED PARTIES:		
Summit Bank Limited		
- Mark-up on short term borrowings and commission as Bankers to Right issue	8,776	8,000
- Income on bank deposit account	460	17,930
International Complex Project Limited		
- Sale of cement	-	2,185
Al Abbas Cement Industries Limited		
- Common Shared Expenses	40	5 6
- Purchase of coal (Inclusive of GST)	-	125,596
- Payment on account of purchase of coal	-	78,500
Safe Mix Concrete Products Limited		
- Sale of cement	-	805
Rotocast Engineering Company (Private) Limited		
- Sale of leasehold improvements	31,960	-
Key management personnel		
- Salaries and benefits	18,429	17,720
Other related parties		
- Contribution to Employees' Gratuity Fund	7,245	1,600
- Contribution to Employees' Provident Fund	2,174	1,844
	(Un-audited)	(Audited)
	December 31	June 30
	2012	2012
	(Rupees in thousand)	
Balances with related parties:		
Summit Bank Limited		
- PLS account balance	3,777	3,063
- Running finance	98,364	99,051
- Share in syndicated term finance facility	59,062	-
- Accrued mark-up - finance charge	3,960	2,637
- Accrued interest - interest income	127	54
Al Abbas Cement Industries Limited		
- Common Shared Expenses	1,653	1,613
Safe Mix Concrete Products Limited		
- Advance against sale of cement	357	357
Rotocast Engineering Company (Private) Limited		
- Receivable against sale of leasehold improvements	31,960	-

- 20.1 There are no transactions with key management personnel other than under their terms of employment.
- 20.2 All transactions with related parties have been carried out on commercial terms and conditions.

21. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements have been authorized for issue on February 20, 2013 by the Board of Directors.



CHIEF EXECUTIVE OFFICER



DIRECTOR



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