



## Company Information

### Board of Directors

Mr. Muhammad Rasheed (Chief Executive)  
Mrs. Tanveer Rasheed (Chairperson)  
Mr. Mansoor Rasheed  
Mr. Saud Rasheed  
Ms. Rizwana Rasheed  
Mrs. Ayesha Mansoor  
Mrs. Amina Saud

### Audit Committee

Mr. Saud Rasheed (Chairman)  
Mrs. Ayesha Mansoor  
Mrs. Amina Saud

### Chief Financial Officer

Mr. Dawood Ahmad

### Company Secretary

Mr. Abdul Khabir

### Statutory Auditors

Amin, Mudassar & Co.  
Chartered Accountants

### Legal Advisor

International Legal Services

### Bankers

The Bank of Punjab  
United Bank Limited  
KASB Bank Limited  
National Bank of Pakistan  
Habib Bank Limited  
Saudi Pak Commercial Bank Limited  
PICIC Commercial Bank Limited

### Registered Office

30-Sher Shah Block, New Garden Town, Lahore  
Telephone: 5869827, 5842316, Fax: 5831846

### Factory

DANDOT R.S., Distt. Jhelum.  
Telephone: (0544) 211371,211491 Fax: (0544) 211490

### Share Registrar

Corplink (Pvt.) Ltd.  
Wings Arcade 1-K-Commercial, Model Town, Lahore.  
Telephone: 5839182, 5887262 Fax: 5869037

### Website

[www.dandotcement.com](http://www.dandotcement.com)



## Directors' Report to the Share Holders

Your Directors are pleased to present the accounts (un-audited) of the Company for the first quarter ended September 30, 2007.

The comparative data for production of clinker & cement and despatches of cement for the first quarter is summarized hereunder:

	September 2007 Tonnes	September 2006 Tonnes
Clinker Production	91,317	72,800
Cement: Production	88,912	82,750
Despatches	88,491	77,351

During the quarter under review the Company's operational performance improves as production of clinker and cement increased by 25.4% and 8.7% respectively whereas the Company's despatches of cement increased 14.4% in comparison with the previous corresponding quarter. Capacity utilization increased to 71.4% during the quarter under review in comparison with 65.7% in the previous comparable quarter. The increase in operating performance of the Company is attributed to the new management's firm commitment to make this plant efficient and economical.

The Company's operating loss decreased to Rs.41.3 million in the quarter under review, as against operating loss of Rs. 52.3 million in the corresponding quarter of preceding year. Further the Company reduces its loss after taxation of Rs. 59.6 million for the first quarter under review as against loss after taxation of Rs.86.9 million in the comparable previous quarter. The increase in the operational performance of the Company, resulted in the improvement of the financial results, but restricted due to steep decline in the net sale price of the Company to Rs.2,418 per tonne as against Rs.3,192 per tonne in the previous corresponding quarter.

The Board of Directors appreciates the efforts and devotion of the employees, the executives and the entire team of management and anticipates that they will contribute towards the enhancement of the productivity and well being of the Company in future with greater zeal & valuable spirit. The Board extends its gratitude to the financial institutions for their valued support and co-operation for the prosperity of the Company.

For and on behalf of the Board

MUHAMMAD RASHEED  
Chief Executive

Lahore : November 27, 2007



## Balance Sheet

	September 2007	June 2007
	(Rupees in Thousand)	
CAPITAL AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital 100,000,000 (June 2007: 70,000,000) ordinary shares of Rs. 10/- each	1,000,000	700,000
Issued, subscribed and paid up capital	678,400	678,400
Share premium reserve	31,801	31,801
Accumulated loss	(1,583,391)	(1,541,156)
	(873,190)	(830,955)
SURPLUS ON REVALUATION OF FIXED ASSETS	1,290,410	1,307,782
	417,220	476,827
NON CURRENT LIABILITIES		
LOAN FROM BANKING COMPANIES	1,029,166	723,214
OTHER LOANS	408,721	463,363
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	461	661
DEFERRED LIABILITIES	538,709	538,709
LONG TERM ADVANCES AND DEPOSITS	8,241	6,774
	1,985,298	1,732,721
CURRENT LIABILITIES		
Trade and other payables	349,771	372,330
Mark up accrued	43,447	60,793
Short term borrowings	308,211	304,835
Current maturity of long term loans and liabilities	63,249	63,866
Taxation	13,970	12,900
	778,648	814,724
Contingencies and commitments (note 3)		
	3,181,166	3,024,272

The annexed notes form an integral part of these financial statements.

MANSOOR RASHEED  
Director



As At September 30, 2007 (un-audited)

	September 2007	June 2007
<b>PROPERTY AND ASSETS</b>		
NON CURRENT ASSETS		
FIXED ASSETS - Tangible		
Operating fixed assets	2,434,932	2,456,937
Capital work in progress	8,409	2,254
	2,443,341	2,459,191
LONG TERM LOANS	506	319
LONG TERM SECURITY DEPOSITS	9,926	9,938
DEFERRED COST	68,384	68,384
	2,522,157	2,537,832
CURRENT ASSETS		
Stores, spares and loose tools	137,449	126,372
Stock in trade	47,550	30,411
Loans and advances	392,448	275,635
Deposits and short term prepayments	13,165	8,412
Balance with statutory authorities	21,478	20,947
Interest receivable	9,389	9,389
Other receivables	7,146	1,267
Cash and bank balances	30,384	14,007
	659,009	486,440
	3,181,166	3,024,272

  
MUHAMMAD RASHEED  
Chief Executive



## Profit and Loss Account

for the period ended September 30, 2007 (un-audited)

	September 2007 (Rupees in thousand)	September 2006
SALES (Net)	213,977	246,893
COST OF SALES	241,968	287,925
GROSS LOSS	(27,991)	(41,032)
OPERATING EXPENSES		
Administration and general	11,774	10,509
Distribution cost	1,580	800
	(13,354)	(11,309)
OPERATING LOSS	(41,345)	(52,341)
Financial Charges	(17,421)	(23,063)
Other income / (charges)	230	(10,214)
LOSS BEFORE TAXATION	(58,536)	(85,618)
TAXATION - Current	1,071	1,249
LOSS AFTER TAXATION	(59,607)	(86,867)
Accumulated loss brought forward	(1,541,156)	(1,134,936)
Incremental depreciation due to revaluation of fixed assets for the period	17,372	18,174
Accumulated loss carried to balance sheet	(1,583,391)	(1,203,629)
Loss per share - Basic (Rupees)	(0.88)	(1.28)

MANSOOR RASHEED  
Director

MUHAMMAD RASHEED  
Chief Executive



## Cash Flow Statement

for the period ended September 30, 2007 (un-audited)

	September 2007	September 2006
	(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(58,536)	(85,618)
Adjustments of items not involving movement of cash:		
Depreciation	22,154	24,631
Provision for Gratuity	1,150	3,421
Exchange fluctuations	-	11,110
Financial charges	17,421	23,063
	40,725	62,225
Operating cash flows before working capital changes	(17,811)	(23,393)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	(11,077)	38,861
Stock in trade	(17,139)	(31,552)
Loans and advances	(116,813)	(2,821)
Deposits and short term prepayments	(4,754)	(831)
Other receivables	(5,878)	(766)
Increase/(Decrease) in trade and other payables	(23,711)	45,809
	(179,372)	48,700
	(197,183)	25,307
Long term advances and deposits	1,467	150
Gratuity paid	(943)	(6,180)
Financial charges paid	(34,191)	(16,186)
Income tax paid	(162)	(528)
Net Cash Flows From Operating Activities	(231,012)	2,563
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed assets - Tangible	(6,305)	(28,284)
Long term loans and deposits	(175)	147
Net Cash Flows From Investing Activities	(6,480)	(28,137)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liability (Net)	(808)	(1,716)
Loan from banking companies	270,000	(8,236)
Other loans	(18,700)	219,998
Short term borrowings	3,377	27,933
Net Cash Flows From Financing Activities	253,869	237,979
Net Increase/(Decrease) in Cash and Cash Equivalents	16,377	212,405
Cash and cash equivalents at beginning of the period	14,007	84,715
Cash and cash equivalents at end of the period	30,384	297,120

MANSOOR RASHEED  
Director

MUHAMMAD RASHEED  
Chief Executive



## Statement of Changes in Equity

for the period ended September 30, 2007 (un-audited)

	Share capital	Share premium reserve	Accumulated Loss	Total share capital and reserves	Surplus on revaluation of fixed assets	Total
	( Rupees in Thousand )					
Balance as at June 30, 2006	678,400	31,801	(1,134,936)	(424,735)	893,191	468,456
Loss for the period	-	-	(86,867)	(86,867)	-	(86,867)
Incremental depreciation transferred to surplus on revaluation of fixed assets' account	-	-	18,174	18,174	(18,174)	-
Balance as at September 30, 2006	678,400	31,801	(1,203,629)	(493,428)	875,017	381,589
Loss for the period	-	-	(350,409)	(350,409)	-	(350,409)
Surplus on revaluation of fixed assets arised during the year	-	-	-	-	445,647	445,647
Incremental depreciation due to revaluation charged to surplus	-	-	12,882	12,882	(12,882)	-
Balance as at June 30, 2007	678,400	31,801	(1,541,156)	(830,955)	1,307,782	476,827
Loss for the period	-	-	(59,607)	(59,607)	-	(59,607)
Incremental depreciation due to revaluation charged to surplus:	-	-	17,372	17,372	(17,372)	-
Balance as at September 30, 2007	678,400	31,801	(1,583,391)	(873,190)	1,290,410	417,220

MANSOOR RASHEED  
Director

MUHAMMAD RASHEED  
Chief Executive



## Notes to the Accounts

for the period ended September 30, 2007 (un-audited)

1. These financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting". The accounting policies adopted in these accounts are the same as those applied in the preparation of the preceding annual published accounts.
2. Figures have been rounded off to the nearest thousand rupees and figures of previous year have been rearranged wherever necessary to facilitate the comparison.
3. CONTINGENCIES AND COMMITMENTS  
Contingencies and commitments are unchanged since last published audited accounts of the Company.
4. COST OF SALES

September 2007      September 2006  
(Rupees in thousand)

Raw materials consumed	20,690	50,227
Salaries, wages and benefits	30,632	37,871
Fuel, gas and electricity	154,316	131,653
Stores and spares	3,186	24,014
Rent, rates and taxes	37	1,266
Vehicle running and maintenance	2,851	3,164
Packing material	21,030	14,612
Clinker consumption	-	21,247
Depreciation	21,046	23,793
Others	6,249	8,823
	260,037	316,670
Adjustment of work in process	(8,711)	(16,599)
Cost of goods manufactured	251,326	300,071
Adjustment of finished goods	(9,358)	(12,146)
	241,968	287,925

5. DATE OF AUTHORISATION  
These financial statements were authorised for issue on November 27, 2007 by the Board of Directors of the Company.

MANSOOR RASHEED  
Director

MUHAMMAD RASHEED  
Chief Executive