



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
CHARTERED ACCOUNTANTS

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COST AUDITORS' REPORT TO THE DIRECTORS OF THE COMPANY

We, Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, having been appointed to conduct a Cost Audit of M/s. DANDOT CEMENT COMPANY LIMITED, have examined the books of accounts, the statements prescribed under clause (e) of subsection (1) of section 230 of the Companies Ordinance, 1984 and the other relevant records for the year ended on 30 June 2014 and report that -

1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of this audit.

2) In our opinion -

a) Proper Cost Accounting records have been maintained in accordance with section (1) of section 230 of the Companies Ordinance, 1984 and the rules made thereunder by the rules, have been kept by the Company;

b) Proper returns, statements and other documents required to be submitted to the Accounts have been received from branches not visited by us;

c) The said books and records have been examined in accordance with the rules in the manner so required; and

3) In our opinion and, subject to best of our knowledge and belief, the

a) the annexed statements of capacity utilization and stock in trade, subject to remarks in para 15 of the Annex regarding difference in valuation of closing stocks, are in agreement with the books of account of the Company and exhibit true and fair view of the Company's affairs; and

b) cost accounting records have been properly kept so as to give a true and fair view of the cost of production, processing, manufacturing and marketing of Ordinary Portland Cement.

The matter contained in the ANNEX forms part of this report.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
CHARTERED ACCOUNTANTS

Rahman Sarfaraz Rahim Iqbal Rafiq 54-P, Gulberg II, Lahore.
CHARTERED ACCOUNTANT
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COST AUDITORS' REPORT TO THE DIRECTORS OF THE COMPANY

We, Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, having been appointed to conduct audit of Cost Accounts of M/s. DANDOT CEMENT COMPANY LIMITED, have examined the books of account, the statements prescribed under clause (e) of subsection (1) of section 230 of the Companies Ordinance, 1984 and the other relevant records for the year ended on 30 June 2014 and report that -

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of this audit.
- 2) In our opinion -
 - a) Proper Cost Accounting records as required by clause (e) of sub-section (1) of section 230 of the Companies Ordinance, 1984 (XLVII of 1984) and as required by the rules, have been kept by the Company;
 - b) Proper returns, statements and schedules for the purpose of audit of Cost Accounts have been received from branches not visited by us;
 - c) The said books and records give the information required by the rules in the manner so required; and
- 3) In our opinion and, subject to best of our information: -
 - a) the annexed statements of capacity utilization and stock in trade, subject to remarks in para 15 of the Annex regarding difference in valuation of closing stocks, are in agreement with the books of account of the Company and exhibit true and fair view of the Company's affairs; and
 - b) cost accounting records have been properly kept so as to give a true and fair view of the cost of production, processing, manufacturing and marketing of Ordinary Portland Cement.

The matter contained in the ANNEX forms part of this report.

PARTICULARS	2014 (TONS)	2013 (TONS)
Rahman Sarfaraz Rahim Iqbal Rafiq CHARTERED ACCOUNTANTS	145,298	42,990
DATED: 05 DEC 2014	159,073	24,518

The cement production has increased by 134,553 tons as compared to previous year. Company resumed its production, which was stopped in October 2012; in December 2013.



DANDOT CEMENT COMPANY LIMITED

ANNEX TO COST AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. a) CAPACITY

PARTICULARS	LICENCED CAPACITY	INSTALLED CAPACITY (TONS)	UTILIZED CAPACITY (TONS)	% OF INSTALLED CAPACITY
CLINKER	Not available	480,000	145,288	30.27
CEMENT	Not available	504,000	159,073	31.56

Capacity utilization remained low with reference to installed capacity.

Shortfall in current year's production is mainly due to plant stoppages till December 2013 for repair and financial crunch.

b) The Company is engaged in manufacturing of Ordinary Portland Cement only.

2. COST ACCOUNTING SYSTEM

The Company maintains adequate cost accounting system to determine the cost of production of cement. An integrated computerized accounting system has been maintained to accumulate costs under the production and service cost centers independently. The direct cost is charged to the concerned production/service cost centres. The costs of service departments are distributed to the respective production departments according to the actual utilization of services and/or predetermined ratio in order to arrive at the total cost of production of ordinary Portland cement.

3. a) PRODUCTION

PARTICULARS	2014 (TONS)	2013 (TONS)
CLINKER	145,288	42,890
CEMENT	159,073	24,518

The cement production has increased by 134,555 tons as compared to previous year. Company resumed its production, which was stopped in October 2012, in December 2013.



DANDOT CEMENT COMPANY LIMITED

b) PERCENTAGE OF PRODUCTION TO INSTALLED CAPACITY

PARTICULAR	2014			2013		
	INSTALLED CAPACITY (TONS)	UTILIZED CAPACITY (TONS)	% AGE OF INSTALLED CAPACITY	INSTALLED CAPACITY (TONS)	UTILIZED CAPACITY (TONS)	% AGE OF INSTALLED CAPACITY
CLINKER	480,000	145,288	30.27	480,000	42,890	8.94
CEMENT	504,000	159,073	31.56	504,000	24,518	4.86

Capacity utilization is low with reference to installed capacity.

There is no addition to the installed production capacity during the year under review or in the immediately preceding two years.

4. RAW MATERIALS

a) MAJOR RAW MATERIALS CONSUMED

PARTICULARS	2014			2013		
	QTY (TONS)	COST Rs. (000)	COST PER TON (Rs.)	QTY (TONS)	COST Rs. (000)	COST PER TON (Rs.)
LIME STONE	225,480	98,035	434.78	67,806	56,913	839.35
SHALE/CLAY	31,370	6,305	200.99	2,104	721	342.68
GYPSUM	8,907	4,990	560.23	1,169	300	256.63
LATERITE (Iron Ore)	7,845	13,039	1,662.06	-	-	-

Cost per ton of lime stone, shale/clay, gypsum and laterite are based on their quantity consumed. Laterite is consumed this year to improve quality of cement. It is locally purchased material and was not used in the past.

During the year following amounts have been incurred on the transportation of the major quarried raw materials.

PARTICULARS	MATERIAL FROM QUARRY TONS	COST OF TRANSPORTATION Rs. (000)	COST PER TON Rs.
LIME STONE	243,473	41,079	168.72
SHALE/CLAY	33,284	5,690	170.95
GYPSUM *	10,003	-	-
TOTAL	286,760	46,769	

* Separate charge for transportation is not being incurred.



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b) CONSUMPTION OF MAJOR RAW MATERIALS PER UNIT OF PRODUCTION WITH STANDARD REQUIREMENTS

PARTICULARS	ACTUAL CONSUMPTION (TONS)	STANDARD REQUIREMENT (TONS)	INCREASE/ (DECREASE)
LIME STONE	1.552	1.399	0.153
SHALE/CLAY	0.216	0.224	(0.008)
GYPSUM	0.061	0.059	0.002
LATERITE	0.054	0.028	0.026

c) CONSUMPTION OF MAJOR RAW MATERIALS PER UNIT OF PRODUCTION AS COMPARED TO THE PRECEDING TWO YEARS AND WITH STANDARD REQUIREMENTS

RAW MATERIALS	ACTUAL CONSUMPTION (TONS)			STANDARD REQUIREMENT (TONS)
	2014	2013	2012	
LIME STONE	1.552	1.581	1.567	1.399
SHALE/CLAY	0.216	0.049	0.063	0.224
GYPSUM	0.061	0.027	0.049	0.059
LATERITE	0.054	-	-	0.028

Variance between actual consumption and standard requirements is also due to purity contents of the materials, which is determined through constant check up and chemical analysis in order to meet the international quality standards of the product.

d) COMMENTS ON METHOD OF ACCOUNTING

The Company follows Cement Industry (Cost Accounting Records) Order 1994, for recording the quantities and values. The weighted average cost method is adopted by the Company to value receipts, issues and resulting stock balances of all the materials directly used in the production by applying absorption costing.

The Chief Executive, Director and Executive of the Company are entitled to free use of Company's vehicles according to company policy.



DANDOT CEMENT COMPANY LIMITED

5. (a) WAGES AND SALARIES

PARTICULARS	SALARIES & WAGES		INCREASE / (DECREASE)	
	2014 Rs. (000)	2013 Rs. (000)	Rs. (000)	% AGE
Direct Labour Cost of Production	73,042	83,914	(10,872)	(12.96)
Indirect Labour Cost of Production	133,655	109,454	24,201	22.11
Employees cost in administration	12,931	10,321	2,610	25.29
Employees cost in selling and distribution	1,799	2,325	(526)	(22.62)
TOTAL	221,427	206,014	15,413	7.48

- i) The aggregate of direct and indirect labour cost of production has increased during the year as compared to previous year. This is mainly due to the stoppage of work for only 5 months as compared to 8 Months in 2013 and the increased production during the year as compared to last year.
- ii) Labour cost relating to quarries, transportation, crushing and stock hall are treated as part of cost of raw materials.

DIRECT LABOUR COST PART OF RAW MATERIALS

PARTICULARS	2014 Rs. (000)	2013 Rs. (000)	INCREASE / (DECREASE)	
			Rs. (000)	% AGE
Direct Labour Cost	26,436	27,121	(685)	(2.53)

b) SALARIES AND PERQUISITES OF DIRECTORS AND CHIEF EXECUTIVE

PARTICULARS	2014 Rs. (000)	2013 Rs. (000)	2012 Rs. (000)
CHIEF EXECUTIVE	-	-	-
EXECUTIVE	900	900	648
DIRECTOR	-	-	-
TOTAL	900	900	648

The Chief Executive, Director and Executive of the Company are entitled to free use of Company's vehicles according to company policy.



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c) TOTAL MAN-DAYS OF DIRECT LABOUR FOR THE YEAR

AVAILABLE	WORKED	%AGE WORKED
365	174	47.67%

d) AVERAGE NO. OF WORKERS

2014	2013	INCREASE / (DECREASE)
722	668	54

e) DIRECT LABOUR COST PER UNIT OF PRODUCTION (CEMENT)

PARTICULARS	2014	2013	INCREASE/ (DECREASE) % AGE
Direct Labour cost on Production Rs. (000)	73,042	83,914	(12.96)
Production - Cement (Tons)	155,111	24,518	532.64
Direct Labour cost per unit of the Production (Rs./Ton)	471	3,423	(86.24)

Direct labour cost of the production has decreased mainly due to re-classification of some salaries and wages to factory overheads.

f) DIRECT LABOUR COST PER UNIT OF THE PRODUCT

PARTICULARS	2014 Rs.	2013 Rs.	2012 Rs.
Direct Labour cost per unit	471	3,423	498

Direct labour cost per unit of the production has decreased by 2,952 mainly due to increase in production as compared to last year.

g) In the absence of any incentive scheme no comments are required.



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6. STORES AND SPARES

a) EXPENDITURE PER UNIT OF OUTPUT ON STORES

PARTICULARS	2014 (Rupees)	2013 (Rupees)	INCREASE/ (DECREASE) %AGE
For Quarries	53.15	29.44	80.54
For Plant	624.97	1,867.98	(66.54)
TOTAL	678.12	1,897.42	(64.26)

b) The store accounting system being followed by the Company is part of integrated computerized accounting system. Recording of store receipts, issues and balances in quantity and value is on a consistent basis i.e. at moving average cost, except items in transit which are valued at cost accumulated up to the balance sheet date.

c) In the absence of information regarding slow moving items we are unable to comment.

7. DEPRECIATION

a) Depreciation is charged on reducing balance method. Depreciation on additions to property, plant and equipment is charged for the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which an asset is disposed off.

b) The depreciation on common assets is allocated to different departments on the basis of value of Plant and Machinery in these departments. A ratio on the basis of value of plant and machinery in different departments was developed in the year 2001 and is consistently observed since then. It is suggested that the matter should be revisited for confirmation/revision.

c) All depreciation is charged to cement being the only product manufactured.



DANDOT CEMENT COMPANY LIMITED

8. OVERHEADS

(a) TOTAL AMOUNTS OF OVERHEADS

Sr. #	PARTICULARS	2014 Rs.(000)	2013 Rs.(000)	2012 Rs.(000)
i.	Factory	1,146,954	428,455	1,252,585
ii.	Administration	27,858	31,177	35,254
iii.	Selling & distribution	560	614	220
iv.	Financial charges	108,678	19,268	17,404
	TOTAL	1,284,050	479,514	1,305,463

i) Factory Overheads

PARTICULARS	2014	2013	2012	Increase/(Decrease) %	
	Rs. (000)	Rs. (000)	Rs. (000)	Compared to 2013	Compared to 2012
Fuel (Coal /Gas/ Furnace Oil)	458,927	165,912	688,842	176.60	(33.38)
Power	401,955	115,458	316,704	248.14	26.92
Depreciation	64,163	65,707	68,543	(2.35)	(6.39)
Indirect material	65,642	10,432	79,123	529.24	(17.04)
Repair and maintenance	124,015	54,583	63,372	127.20	95.69
Royalty, Duty & Local Tax	17,001	2,151	10,589	690.38	60.55
Others	15,251	14,212	25,412	7.31	(39.98)
TOTAL	1,146,954	428,455	1,252,585	167.69	(8.43)

Factory overheads are showing increase of 167.69% from the last year due to increase in production and decrease of 8.43% from year 2012 due to decrease in production.

Administration overheads have decreased by 10.56% as compared to last year and decreased by 20.98% from year 2012



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ii) ADMINISTRATION OVERHEADS

PARTICULARS	2014	2013	2012	Increase/(Decrease)	
	Rs. (000)	Rs. (000)	Rs. (000)	Compared to 2013	Compare to 2012
Rent, rates and taxes	4,778	6,085	6,083	(21.48)	(21.45)
Travelling & conveyance	2,425	2,243	4,459	8.11	(45.62)
Repair and maintenance	1,223	607	1,255	101.48	(2.55)
Vehicle running & maintenance	671	2,720	1,481	(75.33)	(54.69)
Legal and professional charges	3,045	1,934	9,045	57.43	(66.33)
Auditor's remuneration	855	868	770	(1.50)	11.04
Postage, telegram and telephone	1,010	1,295	1,491	(22.01)	(32.26)
Printing and stationery	429	272	334	57.72	28.44
Advertisement	95	52	85	82.69	11.76
Entertainment	1,892	1,818	1,277	4.07	48.16
Inadmissible sales tax	6,105	7,249	-	(15.78)	-
Fees and subscription	1,034	673	488	53.64	111.89
Security Services	-	105	226	(100.00)	(100.00)
Depreciation	2,875	3,194	3,504	(9.99)	(17.95)
Miscellaneous	1,421	2,062	4,756	(31.09)	(70.12)
TOTAL	27,858	31,177	35,254	(10.65)	(20.98)

Administration overheads have decreased by 10.56% as compared to last year and decreased by 20.98% from year 2012.



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iii) SELLING AND DISTRIBUTION OVERHEADS

PARTICULARS	2014	2013	2012	Increase/(Decrease) %	
	Rs. (000)	Rs. (000)	Rs. (000)	Compared to 2013	Compared to 2012
Travelling & conveyance	94	502	-	(81.27)	-
Vehicle running & maintenance	351	-	65	-	440.00
Printing & stationery	-	-	39	-	(100.00)
Depreciation	110	112	116	(1.79)	(5.17)
Miscellaneous	5	-	-	-	-
TOTAL	560	614	220	(8.79)	154.55

Selling and distribution overheads have decreased by 8.79% from last year and increased by 154.55% from year 2012.

iv) FINANCIAL CHARGES

PARTICULARS	2014	2013	2012	Increase/(Decrease) %	
	Rs. (000)	Rs. (000)	Rs. (000)	Compared to 2013	Compared to 2012
<u>Loan From Financial Institutions</u>					
Long Term	210,867	-	-	-	-
Short Term	280,341	-	-	-	-
Finance Cost Paid on Tax Liability	109,852	-	-	-	-
Finance Income on Demand Finance	(514,294)	-	-	-	-
<u>Mark up on:</u>					
Long term loans	4,932	4,932	4,932	-	-
<u>Interest on:</u>					
Provident fund	15,851	13,670	11,184	15.95	41.73
Workers profit participation fund	489	455	559	7.47	(12.52)
Bank and other charges.	640	211	729	203.32	(12.21)
TOTAL	108,678	19,263	17,404	464.18	524.44



DANDOT CEMENT COMPANY LIMITED

Financial charges have increased by 446.18 % as compared to the year 2013 and increased by 524.44% from year 2012. The increase is due to recognizing in the financial statements mark-up on the loans that are either restructured or were under litigation and financial charges thereon were not recognized in year 2013 and 2012. The increase also represents the cost paid on tax liability which did not form part of the cost in past years.

b) BASIS OF ALLOCATION OF OVERHEADS

All overheads identifiable to each department are directly charged to the respective department at actual, however, the cost of service departments is allocated, as in the last preceding year, to the production departments as follows: -

DEPARTMENT	% AGE
Raw Mill	26
Kiln	32
Cement Mill	27
Packing Unit	15

The percentages for allocation are being used for preceding many years. It is suggested that the matter should be revisited for confirmation/revision.

The power cost is charged to respective departments according to actual consumptions of units.

(b) COST OF PACKING

PARTICULARS	2014 Rs. (000)	PRODUCTION (TON)	2013
Cement packed (Tons)	155,111		25,814

PARTICULARS	2014		2013		INCREASE / (DECREASE)	
	Rs. (000)	Rs. (Per ton)	Rs. (000)	Rs. (Per ton)	Rs. (000)	% AGE
Packing material	65,642	423.19	10,432	404.12	55,210	529.24
Direct labour	5,362	34.57	11,490	445.11	(6,128)	(53.33)
Repairs and maintenance	2,205	14.22	1,663	64.42	542	32.59
Depreciation	1,174	7.57	1,202	46.56	(28)	(2.33)
Power	13,681	88.20	4,851	187.92	8,830	182.02
Insurance	-	-	31	1.20	(31)	(100)
Other general overheads	35,290	227.51	25,605	991.90	9,685	37.82
TOTAL	123,354	795.26	55,274	2,141.24	68,080	123.17



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11. COST OF PRODUCTIONS

- Total cost of packing has increased by 123.17 % as compared to last year. The main cause of this increase is the increased production this year.
- Per ton cost of packing material has been calculated on the basis of cement packed into bags.
- Per ton packing cost shows material decrease because of substantially increased production & packing during the year.

9. ROYALTY

Royalty and excise duty is paid to Provincial Government on the quantity of limestone, shale/clay and gypsum extracted from leased mines as determined under the law.

PARTICULARS	2014 Rs. (000)	2013 Rs. (000)	INCREASE/ (DECREASE) %
Comparison of royalty charged	17,001	2,151	690.38

Royalty paid has increased due to increased excavation of lime stone etc and increased production.

PARTICULARS	ROYALTY Rs. (000)	PRODUCTION (TON)	COST PER TON (Rs.)
Royalty per ton of cement produced	17,001	115,111	109.61

10. ABNORMAL NON RECURRING FEATURES

a) FEATURES AFFECTING PRODUCTION

Abnormal features affecting production during the year were only, financial crunch and shutdown of operations of the company in last year which were resumed in December 2013.

b) SPECIAL EXPENSES

There were no special expenses incurred for production during the year.



DANDOT CEMENT COMPANY LIMITED

11. COST OF PRODUCTION

	<u>2014</u>	<u>2013</u>
Production of Cement (Tons)	155,111	24,518

PARTICULARS	2014		2013		INCREASE / (DECREASE)	
	Rs. (000)	Rs. (Per ton)	Rs. (000)	Rs. (Per ton)	Rs. (000)	% AGE
Opening stock of raw material	1,783	11.49	2,244	91.52	(461)	(20.54)
New Material	37,213	239.91	8,464	345.22	28,749	339.66
Direct labour	26,437	170.44	27,121	1,160.20	(684.00)	(2.53)
Royalty and excise duty	17,001	109.61	2,151	87.73	14,850	690.38
Power	10,763	69.39	1,049	42.78	9,714	926.02
Fuel oil	-	-	-	-	-	-
Stores and spares	8,244	53.15	722	29.45	7,522	1041.83
Other overheads	3,669	23.65	231	9.42	3,438	1,488.31
	105,110	677.64	41,982	1,712.29	63,128	150.37
Closing stock of raw material	(8,630)		(1,783)	-		
Cost of raw material consumed	96,480	622.01	40,199	1,639.57	56,281	140.01
Direct labour	46,606	300.47	56,794	2,316.42	(10,188)	(17.94)
Indirect labour	134,671	868.22	109,454	4,464.23	25,217	23.04
Fuel (Furnace Oil/Gas/Coal)	459,619	2,963.16	164,932	6,726.98	294,687	178.67
Power	401,955	2,519.40	115,458	4,709.11	286,497	248.14
Stores and spares	96,939	624.97	45,799	1,867.97	51,140	111.66
Vehicle running and maintenance	18,832	121.41	8,062	328.82	10,770	133.59
Packing material	65,642	423.19	10,432	425.48	55,210	529.24
Depreciation	64,163	413.66	65,707	2,679.95	(1,544)	(2.35)
Others	23,817	153.55	15,717	641.04	8,100	51.54
	1,408,724	9082.04	632,553	25,799.54	776,171	122.70
Opening WIP	201,891		81,513	-	120,378	147.68
Closing WIP	(164,261)		(201,891)	-	(37,630)	(18.64)
Cost of production	1,446,354	9324.64	512,176	20,889.79	934,178	182.39



DANDOT CEMENT COMPANY LIMITED

12. NET SALES REALIZATION

a) LOCAL SALES

	<u>2014</u>	<u>2013</u>
Sales (Quantity in tons)	155,111	25,814

PARTICULARS	2014		2013	
	Rs. (000)	Rs. (Per ton)	Rs. (000)	Rs. (Per ton)
Gross sales	1,364,314	8,795.08	180,965	7,010.34
Less:				
Sales Tax	227,657	1,467.70	24,961	966.96
Excise duty	62,044	400.00	10,326	400.02
Rebate to dealers	6,415	41.36	406	15.73
	(296,116)	(1,909.06)	(35,693)	(1,382.69)
NET SALES	1,068,198	6,886.67	145,272	5,627.64

b) EXPORT SALES

	<u>2014</u>	<u>2013</u>
Sales (Quantity in tons)	-	-

PARTICULARS	2014		2013	
	Rs. (000)	Rs. (Per ton)	Rs. (000)	Rs. (Per ton)
SALES	-	-	-	-

There were no Exports of cement in current year (2013:Nil).



DANDOT CEMENT COMPANY LIMITED

13. PROFITABILITY

	<u>2014</u>	<u>2013</u>
Sales of cement (Quantity in tons)	155,111	25,814

PARTICULARS	2014		2013	
	Rs. (000)	Rs. (Per ton)	Rs. (000)	Rs. (Per ton)
Sales – net	1,068,198	6,886.67	145,272	5,627.64
Cost of production	1,446,354	9324.64	512,178	19,841.09
Opening finished goods	13,351	-	21,192	-
	1,459,705	9410.71	533,370	20,662.04
Closing finished goods	(43,226)	-	(13,351)	-
Cost of good sold	(1,416,479)	(9132.03)	(520,019)	20,144.84
Gross Profit / (Loss)	(348,281)	(2,245.37)	(374,747)	(14,517.19)
Operational overheads				
Administrative overheads	40,788	262.96	41,496	1,607.50
Selling and distribution overheads	3,349	21.59	2,940	113.89
Financial overheads	108,678	700.65	19,269	746.46
Total operational overheads	(152,815)	(985.20)	(63,705)	(2,467.85)
Other Operating Income	322	2.08	13,117	508.14
Other operating expenses	(25,859)	(166.71)	(38,305)	(1,483.88)
Net Profit / (Loss) before taxation	(526,633)	(3,395.20)	(463,640)	(17,960.8)

Net sales revenue for the year under review is Rs. 1,068,198 thousand, which is 635.31% more than the net sales revenue of Rs. 145,272 thousand in the preceding year. The increase is due to increase in quantity sold.



DANDOT CEMENT COMPANY LIMITED

14. COST AUDITORS' OBSERVATIONS AND COMMENTS

- a. The matters appearing to be clearly wrong or apparently unjustifiable: - Nil
- b. The company follows proper internal control for utilization of funds.
- c. Factors which could have been controlled to reduce the cost of production:
 - i. Stores and spares consumption needs more particular attention of the management to minimize the cost of production and better utilisation of available time of labour and plant.
- d. Suggestions & Observations regarding improvement in performance
 - (i) The production facilities are balanced.
 - (ii) The Company operated at 31.56 % of installed capacity.
 - (iii) For reduction in cost of production, the Company should take following measures:
 - i. The management should introduce strict budgetary controls, which should be treated as yard stick for measuring efficiency of each and every operational activity.
 - ii. The employees of the Company should be given an awareness of their interest in the profitability of the concern through series of training workshops and every body should be made responsible for his area of activity as far as cost control is concerned and the activities should be appraised accordingly.
 - iii. The prices of furnace oil, gas and electricity are very high. The government should be given a presentation through some industrial forum that in order to compete with the international market, we should try to keep our cost of production to the bare minimum.
 - iv. Most important of all, the company should consider steps to fully utilise its production capacity.
- e. This is a plant based on "DRY PROCESS" and capable of producing competitive quality of cement.
- f. The plant was new when installed and started production on 01 March 1983.

15. RECONCILIATION WITH FINANCIAL ACCOUNTS

The aggregate cost figures are in agreement with the annual audited Financial Statements as provided to us, excepting that the value of closing stocks in financial statements is lower by Rs.787 thousands inclusive of the difference in last year, as compared to the value shown by Summary of Cost Report (2013: Rs. 785 thousands).



DANDOT CEMENT COMPANY LIMITED

16. COST STATEMENTS

All cost statements on the prescribed forms of Securities and Exchange Commission of Pakistan under clause (e) of the sub-section (1) of section 230 of the Companies Ordinance, 1984 duly authenticated by the Chief Financial Officer and the Chief Executive of the company forming Annex I to XII to this report alongwith certificate of installed and utilized capacity, summary cost report and stock valuation are verified by us.

17. MISCELLANEOUS

- Figures are rounded to the nearest thousand.
- Comparative figures of the previous year have been provided and rearranged wherever required to facilitate comparison.

DANDOT CEMENT COMPANY LIMITED
SUMMARY COST REPORT FOR THE YEAR ENDED JUNE 30, 2014

Department	Power House Rs.	Compressed Air Rs.	Factory General Rs.	Quarry lime stone Rs.	Quarry Shale clay Rs.	Quarry Gypsum Rs.	Transportation limestone/shale Rs.	Transportation Gypsum Rs.	Crushing Limestone Rs.	Crushing Gypsum Rs.	Stock Hall Rs.	Iron Ore Rs.	Raw Mill Rs.	Kiln Rs.	Grinding Rs.	Packing and storage Rs.	Total Rs.
Departmental Cost																	
Opening	-	-	-	-	-	-	-	-	-	289	1,824	-	7,101	195,477	-	13,351	217,812
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
For the period	401,956	-	220,390	28,944	871	4,543	46,769	-	24,940	1,113	625	13,019	39,751	531,883	26,369	74,397	1,415,570
Total	401,956	-	220,390	28,944	871	4,543	46,769	-	24,940	1,372	2,249	13,019	46,852	727,360	26,369	87,748	1,633,382
Cost Allocation / Transfer																	
In out/ Power House	(401,956)	-	14,877	-	-	-	-	-	10,324	335	104	-	113,445	137,885	111,305	13,681	-
Compressed Air	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Factory General	-	-	(235,267)	-	-	-	-	-	-	-	-	-	61,169	75,285	63,522	35,290	-
Quarry Limestone	-	-	-	(28,944)	-	-	-	-	28,944	-	-	-	-	-	-	-	-
Quarry Shale/Clay	-	-	-	-	(871)	-	-	-	-	-	871	-	-	-	-	-	-
Quarry Gypsum	-	-	-	-	-	(4,543)	-	-	-	4,543	-	-	-	-	-	-	-
Transportation Limestone	-	-	-	-	-	-	(46,769)	-	41,079	-	5,690	-	-	-	-	-	-
Transportation Gypsum	-	-	-	-	-	-	-	-	(105,287)	-	105,287	-	-	-	-	-	-
Crushing Lime stone	-	-	-	-	-	-	-	-	-	(4,990)	-	-	-	-	4,990	-	-
Crushing Gypsum	-	-	-	-	-	-	-	-	-	-	(117,378)	-	117,378	-	-	-	-
Stock Hall	-	-	-	-	-	-	-	-	-	-	13,019	(13,019)	-	-	-	-	-
Iron ore	-	-	-	-	-	-	-	-	-	-	-	-	(333,975)	333,975	-	-	-
Raw Mill	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,090,758)	1,090,758	-	-
Kiln	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,298,945)	1,298,945	-
Grinding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Packing and storage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	1,260	9,842	-	4,870	183,747	-	1,433,863	1,633,382	
Cost of Closing Stock																	
(As per Annexures)	-	-	-	-	-	-	-	-	1,260	9,842	-	4,870	183,747	-	49,362	249,081	-
Less: Curtailment availed under Para 13 of IAS-2	-	-	-	-	-	-	-	-	(927)	(1,445)	-	(905)	(22,784)	-	(6,136)	(32,177)	-
Net Cost of Closing Stock	-	-	-	-	-	-	-	-	333	8,397	-	3,965	160,963	-	43,226	216,904	-
Cost of Goods Sold	-	-	-	-	-	-	-	-	927	1,445	-	905	22,784	-	1,390,438	1,419,478	-
Total	-	-	-	-	-	-	-	-	1,260	9,842	-	4,870	183,747	-	1,433,863	1,633,382	-



Chief Financial Officer

Chief Executive

DANDOT CEMENT COMPANY LIMITED CLOSING STOCKS

	For The Year 2014			Last Year		
	Quantity tons	Rate Rs. / tons	Amount Rs.(000)	Quantity tons	Rate Rs. / tons	Amount Rs.(000)
RAW MATERIALS						
Lime stone	20,723	361.24	7,486	2,730	416.54	1,137
Shale / clay	4,139	220.08	911	2,226	218.80	487
Gypsum	2,249	148.20	333	1,153	224.62	259
Total :	<u>27,111</u>		<u>8,730</u>	<u>6,109</u>		<u>1,883</u>
WORK IN PROCESS						
Mix	3,840	1,032.49	3,965	2,497	2,843.81	7,101
Clinker	25,548	6,301.20	160,983	31,918	6,124.30	195,477
Total :	<u>29,388</u>		<u>164,948</u>	<u>34,415</u>		<u>202,578</u>
FINISHED GOODS						
Cement	<u>5,531</u>	7,815.20	<u>43,226</u>	<u>1,568</u>	8,512.36	<u>13,351</u>
TOTAL			<u><u>216,904</u></u>			<u><u>217,812</u></u>


 Chief Financial Officer


 Chief Executive



DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure I

Name of Department :- LIMESTONE QUARRY
 For The Year Ended June 30, 2014

A. Quantitative Data.

	For the Year tons	Last year tons	Increase/decrease over last year tons
Opening stock at quarry	-	-	-
Quantity quarried	243,473	64,757	178,716
Total	243,473	64,757	178,716
Quantity transported to crusher	243,473	64,757	178,716
Stock adjustment (if any)	-	-	-
Closing stock at quarry	-	-	-
Reasons for adjustment	-	-	-

B. Cost Statement.

Cost	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Direct Departmental Cost:				
Explosives (if any)	-	-	-	-
Royalty and duties	15,826	65.00	2,086	32.22
Annual rent of mining lease	46	0.19	-	-
Labour cost	-	-	-	-
Purchase	-	-	-	-
Salaries and other benefits	3,303	13.57	3,855	59.53
Indirect materials	-	-	-	-
Insurance (Others)	-	-	3	0.05
Repair and maintenance (Stores & Spares)	1	0.00	4	0.06
Fuel - oil	3,440	14.13	-	-
Stores and spares (General)	6,221	25.55	48	0.74
Depreciation	107	0.44	110	1.70
Other overheads (Purchase)	-	-	-	-
Sub Total	28,944	118.88	6,106	94.29
Indirect Departmental Cost:				
Compressed Air (Annexure IX)	-	-	-	-
Power (Annexure X)	-	-	-	-
Other Factory Expenses (Annexure XI)	-	-	-	-
Sub Total	-	-	-	-
Total Cost of the period	28,944	118.88	6,106	94.29
Add : Cost of opening stock	-	-	-	-
Total cost of available stock	28,944	118.88	6,106	94.29
C. Cost Distribution				
Cost transferred to crusher	28,944	118.88	6,106	94.29
Cost of closing stock	-	-	-	-
Total cost accounted for	28,944	118.88	6,106	94.29

Chief Financial Officer



Chief Executive

DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure I.1

Name of Department :- SHALE CLAY QUARRY
 For The Year Ended June 30, 2014

A. Quantitative Data.	For the Year tons	Last year tons	Increase/decrease over last year tons
Opening stock at quarry	-	-	-
Quantity quarried	33,284	4,046	29,238
Total	33,284	4,046	29,238
Quantity transported to crusher	33,284	4,046	29,238
Stock adjustment (if any)	-	-	-
Closing stock at quarry	-	-	-
Reasons for adjustment	-	-	-

B. Cost Statement.	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Direct Departmental Cost:				
Explosives (if any)	-	-	-	-
Royalty and duties	825	24.79	34	8.44
Annual rent of mining lease	46	1.38	-	-
Labour cost	-	-	-	-
Salaries and other benefits	-	-	-	-
Indirect materials	-	-	-	-
Insurance	-	-	-	-
Repair and maintenance	-	-	-	-
Fuel - oil	-	-	-	-
Gas	-	-	-	-
Depreciation	-	-	-	-
Other overheads	-	-	-	-
Sub Total	871	26.17	34	8.44
Indirect Departmental Cost:				
Compressed Air (Annexure IX)	-	-	-	-
Power (Annexure X)	-	-	-	-
Other Factory Expenses (Annexure XI)	-	-	-	-
Sub Total	-	-	-	-
Total Cost of the period	871	26.17	34	8.44
Add : Cost of opening stock	-	-	-	-
Total cost of available stock	871	26.17	34	8.44
C. Cost Distribution				
Cost transferred to Stock hall	871	26.17	34	8.44
Cost of closing stock	-	-	-	-
Total cost accounted for	871	26.17	34	8.44

Chief Financial Officer



Chief Executive

DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure I.2

Name of Department :- GYPSUM QUARRY
For The Year Ended June 30, 2014

A. Quantitative Data.

	For the Year tons	Last year tons	Increase/decrease over last year tons
Opening stock at quarry	-	-	-
Quantity quarried	10,003	2,160	7,843
Total	10,003	2,160	7,843
Quantity transported to crusher	10,003	2,160	7,843
Stock adjustment (if any)	-	-	-
Closing stock at quarry	-	-	-
Reasons for adjustment	-	-	-

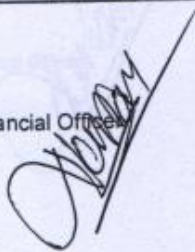
B. Cost Statement.

Cost	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
<i>Direct Departmental Cost:</i>				
Explosives (if any)	-	-	-	-
Royalty and duties	350	34.99	31	14.33
Annual rent of mining lease	10	1.00	-	-
Labour cost (Breaking of Gypsum)	125	12.50	62	28.60
Salaries and other benefits	-	-	-	-
Purchase	3,544	354.30	169	78.45
Indirect materials	-	-	-	-
Insurance (Others)	-	-	0.35	0.16
Repair and maintenance	-	-	-	-
Fuel - oil	-	-	-	-
Stores and spares	514	51.42	-	-
Gas	-	-	-	-
Depreciation	-	-	-	-
Other overheads	-	-	-	-
Sub Total	4,543	454.21	263	121.54
<i>Indirect Departmental Cost:</i>				
Compressed Air (Annexure IX)	-	-	-	-
Power (Annexure X)	-	-	-	-
Other Factory Expenses (Annexure XI)	-	-	-	-
Sub Total	-	-	-	-
Total Cost of the period	4,543	454.21	263	121.54
Add : Cost of opening stock	-	-	-	-
Total cost of available stock	4,543	454.21	263	121.54

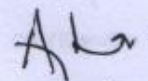
C. Cost Distribution

Cost transferred to crusher	4,543	454.21	263	121.54
Cost of closing stock	-	-	-	-
Total cost accounted for	4,543	454.21	263	121.54

Chief Financial Officer



Chief Executive




DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure II

Name of Department :- TRANSPORTATION - LIMESTONE , CLAY/SHALE
For The Year Ended June 30, 2014

A. Quantitative Data.

	For the Year tons	Last year tons	Increase/decrease over last year tons
Quantity transported from quarry:			
(i) Clay/Shale	33,284	4,046	29,238
(ii) Limestone	243,473	64,757	178,716
Total	276,757	68,803	207,954

B. Cost Statement.

Cost	For the year		Last year		Increase/decrease	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Direct Departmental Cost						
(a) Outside contract costs of transportation:						
(i) Clay/Shale	2,975	89.38	317	78.35	2,658	11.03
(ii) Limestone	21,219	87.15	8,147	125.81	13,072	(38.66)
Sub Total (a)	24,194	87.42	8,464	123.02	15,730	(35.61)
(b) Own transportation costs:						
Duties (if any)	-	-	-	-	-	-
Labour costs	-	-	-	-	-	-
Salaries and other benefits	7,892	28.52	9,858	143.28	(1,966)	(114.77)
Indirect materials	-	-	-	-	-	-
Insurance (Others)	-	-	172	2.50	(172)	(2.50)
Repair and maintenance (Stores & Spares)	686	2.48	10	0.14	676	2.34
Fuel - oil (Diesel)	7,405	26.76	-	-	7,405	26.76
Greases and lubricants (Stores & Spares)	110	0.40	-	-	110	0.40
Gas	-	-	-	-	-	-
Tyres and Tubes	-	-	-	-	-	-
Depreciation	6,482	23.42	6,638	96.48	(156)	(73.06)
Other overheads	-	-	-	-	-	-
Sub Total (b)	22,575	81.58	16,678	242.41	5,897	(160.83)
Indirect Departmental Cost :						
Compressed Air (Annexure IX)	-	-	-	-	-	-
Power (Annexure X)	-	-	-	-	-	-
Other Factory Expenses (Annexure XI)	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-
Total Own Transportation Costs	22,575	81.58	16,678	242.41	5,897	(160.83)
(C) Total Transportation Costs	46,769	169.00	25,142	365.42	21,627	(196.43)

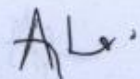
C. Cost Distribution

Apportioned to:						
(i) Clay / Shale	5,690	20.56	1,298	18.86	4,392	1.70
(ii) Limestone	41,079	148.43	23,845	346.56	17,235	(198.13)
Total	46,769	168.99	25,142	365.42	21,627	(196.43)

Chief Financial Officer




Chief Executive



DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure II.1

Name of Department :- TRANSPORTATION - GYPSUM
For The Year Ended June 30, 2014

A. Quantitative Data.

	For the Year tons	Last year tons	Increase/decrease over last year tons
Quantity transported from quarry: Gypsum	10,003	2,160	7,843

B. Cost Statement.

Cost	For the year		Last year		Increase/decrease	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Direct Departmental Cost:						
(a) Outside contract costs of transportation:						
Gypsum	-	-	-	-	-	-
Sub Total (a) :	-	-	-	-	-	-
(b) Own transportation costs :						
Duties (if any)	-	-	-	-	-	-
Labour costs	-	-	-	-	-	-
Salaries and other benefits	-	-	-	-	-	-
Indirect materials	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Repair and maintenance	-	-	-	-	-	-
Fuel - oil	-	-	-	-	-	-
Greases	-	-	-	-	-	-
Gas	-	-	-	-	-	-
Tyres and Tubes	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Other overheads	-	-	-	-	-	-
Sub Total (b)	-	-	-	-	-	-
Indirect Departmental Cost:						
Compressed Air (Annexure IX)	-	-	-	-	-	-
Power (Annexure X)	-	-	-	-	-	-
Other Factory Expenses (Annexure XI)	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-
Total Own Transportation Costs	-	-	-	-	-	-
(C) Total Transportation Costs	-	-	-	-	-	-
C. Cost Distribution						
Apportioned to:						
Gypsum crusher	-	-	-	-	-	-
Total	-	-	-	-	-	-

Chief Financial Officer



Chief Executive

DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure III

Name of Department :- CRUSHING -- Lime stone
For The Year Ended June 30, 2014

A. Quantitative Data.

	Clay / Shale		Lime stone		Gypsum	
	For the Year tons	Last year tons	For the Year tons	Last year tons	For the Year tons	Last year tons
Opening stock (uncrushed material)	-	-	-	-	-	-
Add: Received from quarry/purchase	-	-	243,473	64,757	-	-
Total available for crushing	-	-	243,473	64,757	-	-
Less : Closing stock (uncrushed material)	-	-	-	-	-	-
Crushed during the period	-	-	243,473	64,757	-	-
Add: Opening stock (crushed material)	-	-	-	-	-	-
Total crushed material	-	-	243,473	64,757	-	-
Less : Closing stock (crushed material)	-	-	-	-	-	-
Stock Reconciliation:						
Transferred to stock hall	-	-	243,473	64,757	-	-
Stock Adjustment	-	-	-	-	-	-
Total	-	-	243,473	64,757	-	-

B. Cost Statement.

	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Direct Departmental Cost:				
Direct material (if any)	-	-	-	-
Labour cost	-	-	-	-
Salaries and other benefits	15,242	62.61	16,369	252.77
Indirect materials	-	-	-	-
Insurance (Others)	-	-	92	1.42
Repair and maintenance (Stores & Spares)	5,878	24.14	533	8.24
Fuel - oil	-	-	-	-
Greases and lubricants (Stores & Spares)	367	1.51	55	0.84
Gas	-	-	-	-
Depreciation	3,453	14.18	3,536	54.60
Other overheads	-	-	-	-
Sub Total (a)	24,940	102.44	20,584	317.87
Indirect Departmental Cost:				
Compressed Air (Annexure IX)	-	-	-	-
Power (Annexure X)	10,324	42.40	3,291	50.82
Other Factory Expenses (Annexure XI)	-	-	-	-
Sub Total (b)	10,324	42.40	3,291	50.82
Total Cost (a+b)	35,264	144.84	23,875	368.69

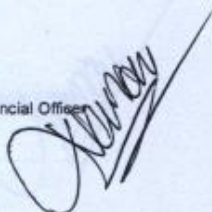
C. Cost Distribution

	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Clay/shale	-	-	-	-
Limestone	35,264	144.84	23,875	368.69
Gypsum	-	-	-	-

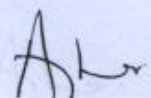
D. Cost transferred and cost of closing stock Cost Summary

	Clay/Shale	Lime stone	Gypsum
(a) Opening stock (uncrushed)	-	-	-
(b) Cost received (during the year)	-	70,023	-
(c) Total cost for uncrushed material (a+b)	-	70,023	-
(d) Cost applicable to closing stock (uncrushed)	-	-	-
(e) Cost applicable to crushed material (c-d)	-	70,023	-
(f) Cost of crushing process (from above)	-	35,264	-
(g) Opening stock (crushed material)	-	-	-
(h) Total cost applicable to crushed material (e+f+g)	-	105,287	-
(j) Closing stock (crushed material)	-	-	-
(k) Cost transferred to stock hall (Raw material storage (h-j))	-	105,287	-

Chief Financial Officer




Chief Executive



DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure III.1

Name of Department :- CRUSHING - Gypsum
For The Year Ended June 30, 2014

A. Quantitative Data.

	Clay / Shale		Lime stone		Gypsum	
	For the Year tons	Last year tons	For the Year tons	Last year tons	For the Year tons	Last year tons
Opening stock (uncrushed material)	-	-	-	-	-	-
Add: Received from quarry/purchase	-	-	-	-	10,003	2,160
Total available for crushing	-	-	-	-	10,003	2,160
Less : Closing stock (uncrushed material)	-	-	-	-	-	-
Crushed during the period	-	-	-	-	10,003	2,160
Add: Opening stock (crushed material)	-	-	-	-	1,153	162
Total crushed material	-	-	-	-	11,156	2,322
Less : Closing stock (crushed material)	-	-	-	-	(2,249)	(1,153)
Stock Reconciliation:						
Transferred to cement mill	-	-	-	-	8,907	1,169
Stock Adjustment	-	-	-	-	-	-
Total	-	-	-	-	8,907	1,169

B. Cost Statement.

	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Direct Departmental Cost:				
Direct material (if any)	-	-	-	-
Labour cost	-	-	-	-
Salaries	-	-	-	-
Employee's other benefits	-	-	-	-
Indirect materials	-	-	-	-
Insurance	-	-	-	-
Repair and maintenance (S & S)	909	81.48	143	61.39
Fuel - oil	-	-	-	-
Greases	-	-	-	-
Gas	-	-	-	-
Depreciation	13	1.17	14	6.03
Other overheads	191	17.12	62	26.87
Sub Total (a)	1,113	99.77	219	94.28
Indirect Departmental Cost:				
Compressed Air (Annexure IX)	-	-	-	-
Power (Annexure X)	335	30.03	92	39.61
Other Factory Expenses (Annexure XI)	-	-	-	-
Sub Total (b)	335	30.03	92	39.61
Total Cost (a+b)	1,448	129.80	311	133.90

C. Cost Distribution

	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Clay/shale	-	-	-	-
Limestone	-	-	-	-
Gypsum	1,448	129.80	311	133.90

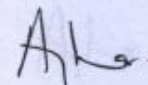
D. Cost transferred and cost of closing stock Cost Summary

	Clay/Shale	Lime stone	Gypsum
(a) Opening stock (uncrushed)	-	-	-
(b) Cost received (during the year)	-	-	4,543
(c) Total cost for uncrushed material (a+b)	-	-	4,543
(d) Cost applicable to closing stock (uncrushed)	-	-	-
(e) Cost applicable to crushed material (c-d)	-	-	4,543
(f) Cost of crushing process (from above)	-	-	1,448
(g) Opening stock (crushed material)	-	-	259
Adjustment	-	-	-
(h) Total cost applicable to crushed material(e+f+g)	-	-	6,250
(i) Closing stock (crushed material)	-	-	(1,260)
(k) Cost transferred to cement mill	-	-	4,990
(Raw material storage (h-i))	-	-	-

Chief Financial Officer




Chief Executive



DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure IV

Name of Department :- STOCK HALL STORAGE / ISSUANCE OF RAW MATERIAL
For The Year Ended June 30, 2014

A. Quantitative Data.

	Clay / Shale		Lime stone		Laterite (Iron Ore)	
	For the Year tons	Last year tons	For the Year tons	Last year tons	For the Year tons	Last year tons
Opening stock	2,226	284	2,730	5,779	-	-
Received from crusher	33,284	4,046	243,473	64,757	-	-
Purchased	-	-	-	-	7,845	-
Total	35,510	4,330	246,203	70,536	7,845	-
Issued to Raw mill	(31,370)	(2,104)	(225,480)	(67,806)	(7,845)	-
Stock Adjustment	-	-	-	-	-	-
Closing stock	4,139	2,226	20,723	2,730	-	-

B. Cost Statement

	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Labour cost:				
Salaries	-	-	-	-
Employee's other benefits	-	-	-	-
Indirect materials	-	-	-	-
Insurance	-	-	-	-
Repair and maintenance (S & S)	-	-	2,546	34.01
Fuel - oil	-	-	-	-
Gas (Freight on Coal)	-	-	-	-
Depreciation	625	2.16	640	8.55
Other overheads	-	-	290	3.87
Sub Total (a)	625	2.16	3,476	46.43
Indirect Departmental Cost:				
Compressed Air (Annexure D)	-	-	-	-
Power (Annexure X)	104	0.36	33	0.44
Other Factory Expenses (Annexure XI)	-	-	-	-
Sub Total (b)	104	0.36	33	0.44
Total Cost (a+b)	729	2.52	3,509	46.87

C. Cost Distribution

	Quantity Handle (tons)	Cost of Stock Hall Applicable	
		Rs. in 000	Rs. per tons
Clay/shale	35,510	89	2.52
Limestone	246,203	620	2.52
Laterite (Iron Ore)	7,845	20	2.52
Total	289,558	729	2.52

D. Cost Summary (up to stock hall)

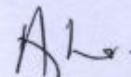
Cost transferred and cost of closing stock

	Clay / Shale		Lime stone		Laterite (Iron Ore)		Total Rs. in 000
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons	
Quantity Received	6,561	197.12	105,287	432.44	7,845	1,662.06	119,693
Quantity Issued	6,305	200.99	98,034	434.78	7,845	1,662.06	112,184
Opening Stock	487	218.80	1,137	416.59	-	-	1,624
Adjustment	-	-	-	-	-	-	-
Add : Received from crusher/purchases.	6,561	197.12	105,287	432.44	13,019	1,659.54	124,867
Stock Hall	89	2.52	620	2.52	20	2.52	729
Cost	6,650	199.64	105,907	434.96	13,039	1,662.06	125,596
Total	7,137	200.99	107,044	434.78	13,039	1,662.06	127,220
Less:							
Cost of closing stock	832	200.99	9,010	434.78	-	-	9,842
Cost applicable to quantities issued to Raw mill	6,305	200.99	98,034	434.78	13,039	1,662.06	117,378
	7,137	200.99	107,044	434.78	13,039	1,662.06	127,220

Chief Financial Officer




Chief Executive



DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure V

Name of Department - RAW MILL (FOR MIX)
For The Year Ended June 30, 2014

A. Quantitative Data.

	Clay / Shale		Lime stone		Laterite (Iron Ore)		Mix	
	For the Year tons	Last year tons	For the Year tons	Last year tons	For the Year tons	Last year tons	For the Year tons	Last year tons
Opening stock	-	-	-	-	-	-	2,497	2,197
Received from Stock Hall	31,370	2,104	225,480	67,806	7,845	-	264,695	69,911
Total	31,370	2,104	225,480	67,806	7,845	-	267,192	72,108
Issued for Mix/slurry	-	-	-	-	-	-	267,192	72,108
Total Mix/slurry made	-	-	-	-	-	-	267,192	72,108
Mix/slurry transferred to clinkerine	-	-	-	-	-	-	(263,352)	(69,910)
Stock Adjustment (Extra produced during the process)	-	-	-	-	-	-	-	299
Closing stock	-	-	-	-	-	-	3,840	2,497

B. Cost Statement.

	For the year		Last year	
	Ra. in 000	Ra. per tons	Ra. in 000	Ra. per tons
Direct Materials:				
(1) Opening Stock	-	-	-	-
(2) Received from stock hall	117,378	443.45	57,634	824.40
(3) Total	117,378	443.45	57,634	824.40
(4) Closing Stock	-	-	-	-
Cost of Raw materials processed (3-4)	117,378	443.45	57,634	824.40
Cost of opening stock (2014 after curtailment effect)	7,101	2,843.81	6,787	3,069.16
Adjustment (Iron ore)	-	-	-	-
Direct departmental costs:				
Materials added	-	-	-	-
Labour	-	-	-	-
Salaries and other benefits	12,679	47.45	14,326	198.68
Grinding materials	-	-	-	-
Lining plates	-	-	-	-
Indirect materials	-	-	-	-
Insurance (Others)	-	-	351	4.87
Repair and maintenance. (Stores & Spares)	13,548	50.71	1,646	22.83
Water	-	-	-	-
Fuel - oil (Stores & Spares)	931	3.48	82	1.14
Gas	-	-	165,912	2,300.90
Depreciation	12,593	47.13	12,896	178.84
Other overheads	-	-	-	-
Sub Total (a)	39,751	148.77	195,213	2,707.26
Indirect Departmental Cost:				
Compressed Air (Annexure IX)	-	-	-	-
Power (Annexure X)	113,445	424.58	33,187	460.24
Other Factory Expenses (Annexure XI)	61,169	228.93	44,382	615.50
Sub Total (b)	174,614	653.52	77,569	1,075.74
Total Cost (a+b)	338,845	1,268.17	337,203	4,676.40

C. Cost Distribution

	For the year		Last year	
	Ra. in 000	Ra. per tons	Ra. in 000	Ra. per tons
Transferred to Kiln	333,975	1,268.17	326,924	4,676.40
Closing stock of mix/slurry (before curtailment effect)	4,870	1,268.17	11,677	4,676.40
Cost of abnormal gain charges to Profit & Loss Account	-	-	(1,398)	(4,676.40)
Total	338,845	1,268.17	337,203	4,676.40

Chief Financial Officer

Chief Executive



DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure VI

Name of Department - KILN
For The Year Ended June 30, 2014

A. Quantitative Data.

	For the Year tons	Last year tons
Opening stock	-	-
Received from Raw Mill	263,352	69,910
Total	263,352	69,910
Quantity fed into Kiln	263,352	69,910
Stock Adjustment	-	-
Closing stock	-	-
Clinker Produced	145,288	42,890
Opening stock of Clinker	31,918	12,381
Total	177,206	55,271
Clinker transferred to Grinding	151,658	23,359
Clinker sold	-	-
Stock Adjustment	0	(6)
Closing stock of Clinker	25,548	31,918
Total	177,206	55,271

B. Cost Statement.

	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Cost Received from Raw Mill:				
(1) Opening Stock (2014: after curtailment effect)	195,477	6,124.30	75,713	6,115.34
Adjustment	-	-	-	-
(2) Received during the year	333,975	1,268.17	325,527	4,656.40
(3) Total	529,452	2,987.78	401,240	7,259.50
(4) Closing Stock	-	-	-	-
Cost to be charged to the process (3-4)	529,452	2,987.78	401,240	7,259.50

Direct Departmental Cost:

Materials added	-	-	-	-
Labour	-	-	-	-
Salaries and other benefits	16,937	116.58	15,289	356.47
Indirect materials	-	-	-	-
Insurance (Others)	-	-	309	7.21
Repair and maintenance (Stores & Spares)	-	-	23	0.55
Fuel-oil (Stores & Spares)	36,718	252.73	24,971	582.21
Gas/furnace oil/coal	458,927	3,158.74	-	-
Depreciation	11,650	80.19	11,930	278.15
Other overheads	7,851	52.66	-	-
Sub Total (a)	1,061,335	5,989.27	453,762	8,209.77

Indirect Departmental Cost:

Compressed Air (Annexure IX)	-	-	-	-
Power (Annexure X)	137,885	949.05	31,273	729.14
Other Factory Expenses (Annexure XI)	75,285	518.18	54,824	1,273.59
Sub Total (b)	213,170	1,467.23	85,897	2,002.73
Total Cost (a+b)	1,274,505	7,192.22	539,660	9,763.88
Less: Value of Clinker sold	-	-	-	-
Net Cost	1,274,505	7,192.22	539,660	9,763.88

C. Cost Distribution

	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Cost transferred to Grinding	1,090,758	7,192.22	228,075	9,763.88
Cost of closing stock of Clinker (before curtailment effect)	183,747	7,192.22	311,646	9,763.88
Cost of abnormal loss charged to P&Loss Account	-	-	(61)	9,763.88
Total	1,274,505	7,192.22	539,660	9,763.88

Chief Financial Officer



Chief Executive

DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure VII

Name of Department :- GRINDING (CEMENT MILL)
For The Year Ended June 30, 2014

A. Quantitative Data

	For the Year tons	Last year tons
Opening stock (Clinker in grinding)	-	-
Clinker received from Kiln	151,658	23,359
Clinker purchased	-	-
Total	151,658	23,359
Clinker fed into Grinding	151,658	23,359
Stock Adjustment	-	-
Closing stock of Clinker in grinding	-	-
Opening stock of Cement	-	-
Cement Produced	159,074	24,518
Cement Produced as % of input	100	100
Cement transferred to Silos	159,074	24,518
Stock Adjustment	-	-
Closing stock of Cement	-	-

B. Cost Statement

	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Cost Received from Kiln:				
(1) Opening Stock.	-	-	-	-
(2) Received during the year for clinker	1,090,758	7,192.22	228,014	9,761.29
(3) Purchase of clinker	-	-	-	-
(4) Total cost of Clinker	1,090,758	7,192.22	228,014	9,761.29
(5) Cost of Closing Stock (clinker)	-	-	-	-
Cost of clinker fed to Grinding process (4-5)	1,090,758	7,192.22	228,014	9,761.29
Direct Departmental Cost:				
Material Added:				
Gypsum	4,990	31.37	300	12.25
Slag	-	-	-	-
Others	-	-	-	-
Royalty / Duties	-	-	-	-
Labour	-	-	-	-
Salaries and other benefits	12,643	79.48	12,729	519.17
Indirect materials	-	-	-	-
Insurance (Others)	-	-	172	7.01
Repair and maintenance (Stores & Spares)	-	-	168	6.78
Grinding material (Stores & Spares)	6,944	43.65	10,080	410.33
Lining Plates (Stores & Spares)	-	-	-	-
Fuel-oil (Stores & Spares)	-	-	-	-
Gas	-	-	-	-
Depreciation	6,471	40.68	6,627	270.29
Other overheads	311	1.96	-	-
Sub Total (a)	31,359	197.14	30,055	1,225.82
Indirect Departmental Cost:				
Compressed Air (Annexure IX)	-	-	-	-
Power (Annexure X)	111,305	699.71	30,534	1,245.37
Other Factory Expenses (Annexure XI)	63,522	399.33	46,089	1,879.81
Sub Total (b)	174,827	1,099.04	76,623	3,125.18
Total Cost (a+b)	1,296,945	8,153.11	334,692	13,650.87

C. Cost Distribution

	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Cost transferred to Silos	1,296,945	8,153.11	334,692	13,650.87
Cost of closing stock of Cement	-	-	-	-
Total	1,296,945	8,153.11	334,692	13,650.87

Chief Financial Officer



Chief Executive

DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure VIII

Name of Department :- PACKING AND STORAGE.
For The Year Ended June 30, 2014

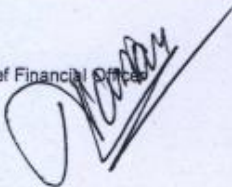
A. Quantitative Data.

	For the Year tons	Last year tons
Opening stock of Cement (unpacked)	1,568	2,865
Add : Cement received from Grinding Deptt.	159,074	24,518
Total	160,642	27,383
Less : Closing stock of Cement (unpacked)	(5,531)	(1,568)
Stock Adjustment	-	-
Cement Packed during the period tons	155,111	25,814
Cement Packed during the period (No of bags)	3,102,220	516,285
Add : Opening stock of Cement (packed) (NO of bags)	-	-
Less : Quantity sold (NO. of bags)	3,102,220	516,285
Closing stock of cement (packed). (No. of bags)	-	-
Stock Adjustment (if any) - No. of bags	-	-

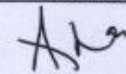
B. Cost Statement.

	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Cost of opening stock un-packed (after curtailment effect)	13,351	8,512.36	21,192	7,396.82
Adjustment	-	-	-	-
Cost transferred in from Cement Grinding Deptt.	1,296,945	8,153.11	334,692	13,650.87
Direct Departmental Cost:				
Packing Materials	65,642	423.19	10,432	404.13
Other materials	-	-	-	-
Labour	-	-	-	-
Salaries and other benefits	5,362	34.57	11,490	445.08
Indirect materials	-	-	-	-
Insurance (Others)	-	-	31	1.21
Repair and maintenance (Stores & Spares)	2,205	14.22	1,663	64.42
Fuel - oil (Stores & Spares)	-	-	-	-
Gas	-	-	-	-
Depreciation	1,174	7.57	1,202	46.56
Other overheads	14	0.09	-	-
Sub Total (a)	74,397	467.69	24,818	1,012.23
Indirect Departmental Cost:				
Compressed Air (Annexure IX)	-	-	-	-
Power (Annexure X)	13,681	85.16	4,851	177.16
Other Factory Expenses (Annexure XI)	35,290	219.68	25,605	935.09
Sub Total (b)	48,971	304.85	30,456	1,112.24
Total Cost (a+b)	1,433,664	8,924.59	411,158	15,015.29
Less :				
Cost applicable to un packed closing stock (before curtailment effect)	(49,362)	8,924.59	(23,550)	15,015.29
Cost applicable to packed closing stock	-	-	-	-
Value of closing stocks at NRV	-	-	-	-
Balance : Cost of packed cement sold	1,384,302	8,924.59	387,608	15,015.29
Cost of loose cement sold (if any)	-	-	-	-
Cost of Total Cement Sold (before curtailment effect)	1,384,302	8,924.59	387,608	15,015.29

Chief Financial Officer




Chief Executive



DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure IX

Name of Department :- AIR COMPRESSING.
 For The Year Ended June 30, 2014

A. Quantitative Data.

	For the Year	Last year
Compressed Air Produced.	-	-

B. Cost Statement.

	For the Year	Last year
Direct Departmental Cost:		
Labour	-	-
Salaries	-	-
Employee's other benefits	-	-
Indirect materials	-	-
Insurance	-	-
Repair and maintenance	-	-
Fuel - oil	-	-
Gas	-	-
Depreciation	-	-
Other overheads	-	-
Sub Total (a)	-	-
Indirect Departmental Cost:		
Power (Annexure X)	-	-
Other Factory Expenses (Annexure XI)	-	-
Sub Total (b)	-	-
Total Cost (a+b)	-	-

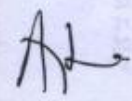
C. Cost Distribution

Departments using compressed air

Chief Financial Officer



Chief Executive




DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure X

STATEMENT SHOWING THE COST OF POWER GENERATED/PURCHASED AND CONSUMED.
For The Year Ended June 30, 2014

A. Quantitative Data.

	For the Year	Last year
Installed capacity KWH.		
No. of Units Generated.		
No. of Units Purchased.		
Total :		
Self consumption in Power house.		
Losses.		
Net Units consumed by various other departments.		
(1) Percentage of loss to total power generated and purchased.		
(2) % of power generated to installed capacity.		

B. Cost Statement.

	Quantity Units	Rate Rs.	Amount Rs.	Cost per unit of power generated and purchased	
				Current Year Rs.	Previous year Rs.
1. Fuel Oil / Steam consumed.	-	-	-	-	-
2. Other materials.	-	-	-	-	-
3. Consumable stores.	-	-	-	-	-
4. Other Direct charges.	-	-	-	-	-
5. Salaries and wages.	-	-	-	-	-
6. Repairs and maintenance.	-	-	-	-	-
7. Other overheads.	-	-	-	-	-
8. Depreciation.	-	-	-	-	-
Total	-	-	-	-	-
Less : supplied to other units of the company					
Net cost of Power Generated.					
Purchased Power (on actual consumption basis)				401,955,464	115,457,739
Total cost of Power				401,955,464	115,457,739

Cost per units (average)

C. Cost Distribution

	Current Year Rs.000	Previous year Rs.000
Consumed in:		
Lime stone, Clay, Gypsum Quarry	-	-
Transportation	-	-
Crushing Lime stone	10,324	3,291
Crushing Gypsum	335	92
Stock Hall	104	33
Raw Mill	113,445	33,188
Kiln	137,885	31,273
Cement Grinding	111,305	30,534
Storage and Packing	13,681	4,851
Air compressing	-	-
Others	14,877	12,197
Total cost distributed	401,956	115,458

Chief Financial Officer



Chief Executive

DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure XI

OTHER FACTORY EXPENSES – FACTORY GENERAL
For The Year Ended June 30, 2014

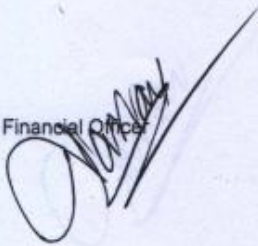
A. Cost Statement.

	For the Year Rs. in 000	Last year Rs. in 000
Direct Departmental Cost:		
Labour cost	-	-
Salaries	133,655	109,454
Employee's other benefits (Others)	537	77
Contractor's Labour	-	-
Repair and maintenance	-	166
Stores and spares	30,151	4,405
Electricity (Fuel, Gas & Electricity)	610	70
Rent, Rates & Taxes	297	21
Insurance	-	574
Vehicle running & maintenance	18,832	8,062
Depreciation	21,594	22,114
Compressed Air (Annexure IX)	-	-
Power (Annexure X)	14,877	12,197
Miscellaneous expenses	14,714	13,560
Total	235,267	170,701

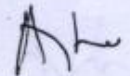
C. Cost Distribution

	For the year		Last year	
	Basis	Rs. 000	Basis	Rs. 000
Lime stone, Clay, Gypsum Quarry.	-	-	-	-
Transportation.	-	-	-	-
Crushing.	-	-	-	-
Stock Hall.	-	-	-	-
Raw Mill.	26%	61,169	26%	44,382
Kiln.	32%	75,285	32%	54,624
Cement Grinding.	27%	63,522	27%	46,089
Storage and Packing.	15%	35,290	15%	25,605
Air compressing.	-	-	-	-
Power generation.	-	-	-	-
Total	100%	235,267	100%	170,700

Chief Financial Officer



Chief Executive




DANDOT CEMENT COMPANY LIMITED
DEPARTMENTAL COST STATEMENT

Annexure XII

Name of Department :- Iron Ore
 For The Year Ended June 30, 2014

A. Cost Statement.

	For the Year Rs. in 000	Last year Rs. in 000
Opening Stock	-	-
Direct Departmental Cost:		
Labour cost	-	-
Salaries	-	-
Employee's other benefits (Others)	-	-
Contractor's Labour	-	-
Repair and maintenance (Stores & Spares)	-	-
Purchase	8,921	-
Transportation	4,098	-
Stores and spares	-	-
Electricity (Fuel, Gas & Electricity)	-	-
Rent, Rates & Taxes	-	-
Diesel	-	-
Vehicle running & maintenance	-	-
Depreciation	-	-
Compressed Air (Annexure IX)	-	-
Power (Annexure X)	-	-
Miscellaneous expenses	-	-
Total	13,019	-

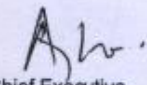
C. Cost Distribution

	For the year		Last year	
	Rs. in 000	Rs. per tons	Rs. in 000	Rs. per tons
Cost transferred to Stock Hall	13,019	-	-	-
Cost of closing stock of Cement	-	-	-	-
Total	13,019	-	-	-

Chief Financial Officer



Chief Executive






Dandot Cement Company Limited

30 Sher Shah Block, New Garden Town Lahore, Pakistan
Tel.: +92-042-35869827, 35911485 Fax +92-042-35831846
cfo@dandotcement.com

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
54-P, Gulberg-II
Lahore.

CERTIFICATE OF INSTALLED AND UTILISED CAPACITY YEAR ENDED 30.06.2014

	INSTALLED CAPACITY		UTILISED	
	Tones/Day	Days/Year	Tones/Day	Days/Year
Clinker	1,600	300	480,000	145,288
Cement	1,680	300	504,000	159,073

Shortfall in current year's production is mainly due to plant stoppages till December 2013 for repair and financial crunch.

MUHAMMAD AMIRAN
COMPANY SECRETARY



Plant Address:
Dandot Railway Station, Tehsil Pind Dadan Khan, Jhelum Punjab, Pakistan.
Ph. No. +92-544-231130, 232236, Fax No: +92-544-2322535