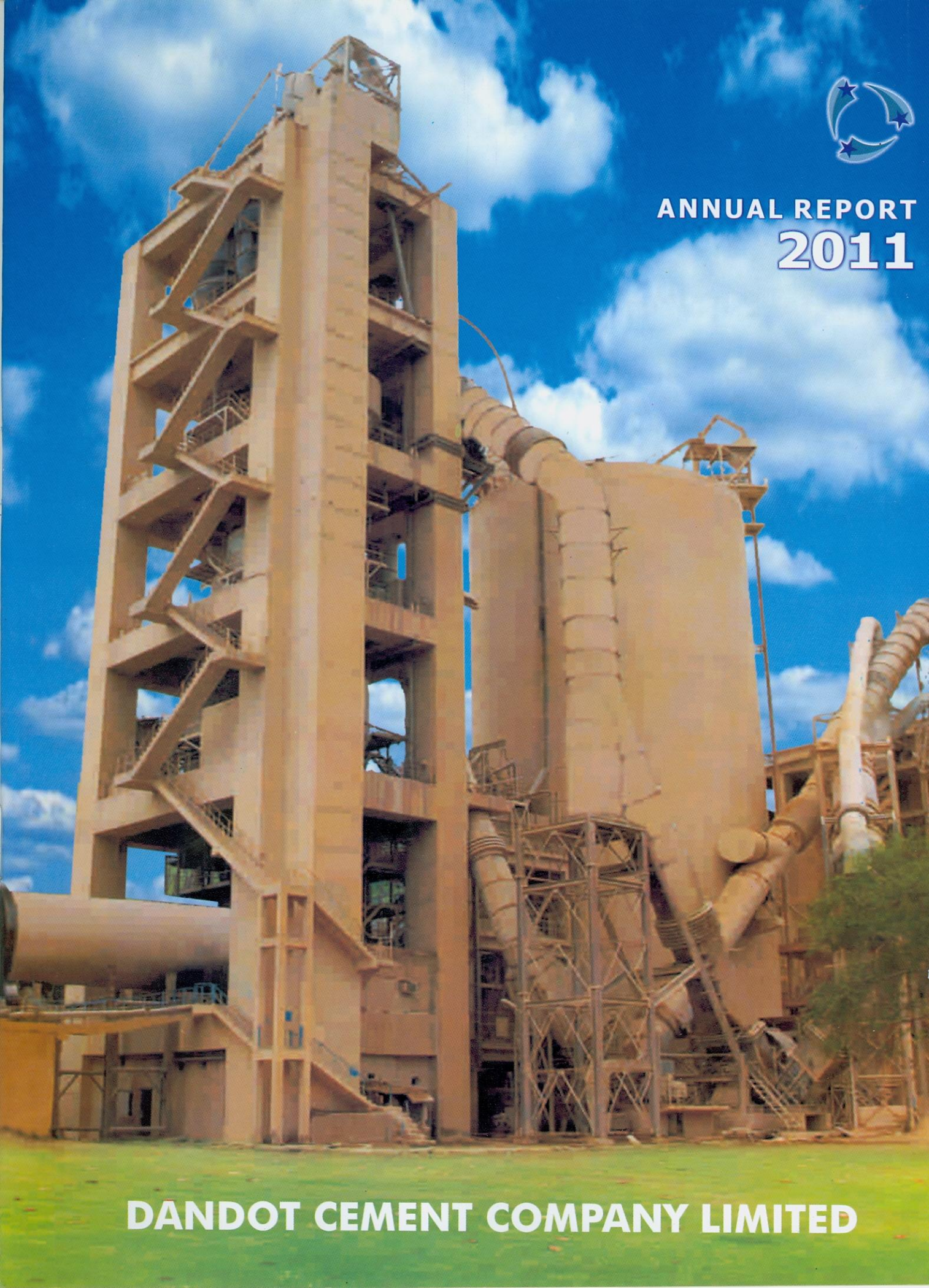




**ANNUAL REPORT
2011**



DANDOT CEMENT COMPANY LIMITED

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Company Information

Board of Directors

Mr. Muhammad Rasheed
Mrs. Tanveer Rasheed
Mr. Mansoor Rasheed (Chief Executive)
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. Muhammad Kamran

Company Secretary

Mr. Muhammad Kamran

Statutory Auditors

Amin, Mudassar & Co.
Chartered Accountants

Legal Advisor

International Legal Services

Bankers

The Bank of Punjab
United Bank Limited
National Bank of Pakistan
Habib Bank Limited
Bank Alfalah Limited
KASB Bank Limited

Registered Office

30-Sher Shah Block, New Garden Town, Lahore
Telephone: 35869827, 35842316, Fax: 35831846

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: 35839182, 35887262 Fax: 35869037

Website

www.dandotcement.com

Notice of Annual General Meeting

NOTICE is hereby given that 31st Annual General Meeting of the shareholders of Dandot Cement Company Limited for the financial year ended June 30, 2011 will be held on Tuesday; January 31, 2012 at the registered office of the Company, 30 Sher Shah Block, New Garden Town, Lahore at 11:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on January 29, 2011.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2011 together with Auditors' and Directors' Reports thereon.
3. To appoint Auditors and to fix their remuneration. The present Auditors, M/s. Amin, Mudassar & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
4. To transact any other business with the permission of the Chair.

(By Order of the Board)

LAHORE:
January 06, 2012

(MUHAMMAD KAMRAN)
COMPANY SECRETARY

NOTES:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from January 22, 2012 to January 31, 2012 (both days inclusive) for determining entitlement to attend the Annual General Meeting.
2. A member entitled to attend and vote at the Meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies, in order to be effective, must be received at the Registered Office of the Company not later than 48 hours before the time of the holding of the Meeting.
3. CDC shareholders are requested to bring their National Identity Card, Account and Participant's Numbers and will further have to follow the guidelines as laid down in SECP's Circular No. 1 dated January 26, 2000 while attending the Meeting for identification.
4. Members are requested to notify immediately changes, if any, in their registered addresses.



Vision

DANDOT, strives to continue its path of market growth, consolidation and improvement, spanning the areas of north and central Punjab and Azad Kashmir. Our vision is to establish a strong market presence, focused on customer brand loyalty and satisfaction, on long-term basis.

DANDOT, envisions to maintain consistent quality, keep abreast with technology as well as up-date our dynamic managerial and human resource capabilities in a competitive business environment, and to accomplish further improvement in its market share in an aggressive growth scenario.

Mission

DANDOT'S, mission is to perform to the highest levels of professional excellence within the industry and the national economy, while catering to the needs of our ever dedicated workforce, ensuring reasonable return to the stakeholders while delivering our product to the end consumer at competitive prices to accelerate the sustained development of Pakistan.

Directors' Report to the Shareholders



The Board of Directors presents the 31st annual report along with the audited financial statements of the company for the year ended June 30, 2011.

Operational Performance

The operational performance of the company for the year under review as compared with the preceding year is as below:

		2011	2010
- Clinker production	M. Ton	184,910	69,150
- Capacity utilization (Clinker)	%age	38.53%	14.41%
- Cement production	M. Ton	184,421	72,513
- Capacity utilization (Cement)	%age	36.60%	14.39%
- Sales	M. Ton	181,323	72,627
- Increase/(Decrease) in sales	M. Ton	108,696	(191,731)

During the year under review the operational performance of the company has improved from last year due to the reason of resumption of operations of the company during the year which were suspended since October, 2009.

Operating Results

The comparative financial results of the company are summarized as below:

	2011	2010
	(Rupees in Thousands)	
- Net sales	773,176	233,286
- Gross loss	351,839	263,754
- Loss before taxation	392,030	556,982
- Net loss	339,163	436,126

The company's increased financial performance is mainly attributable to the resumption of the operations of the company during the year and rise in demand and price of cement. Dividend has not been recommended by the board of directors for the current year due to the loss suffered by the company.

Future Prospects

Industry:

Reduction in excise duty and sales tax announced in the budget 2011-12 is likely to have a positive impact on the cement consumption in the country. Domestic demand is picking up with the commencement of reconstruction activities in the flood affected areas of the country. The reconstruction work is expected to last for a couple of years which would augur well for the growth in cement consumption in the near term. However, prevailing economic conditions is not encouraging due to geo-political instability, out of control inflation, deteriorating Pak Rupee valuation, power shedding, rising utility prices and liquidity crunch.

Company:

Energy efficiency, Labour efficiency & productivity and right financial modelling, smooth plant operations are key factors to success of any cement plant. The management is committed for a balanced delivery of long term values to all stake holders including financiers, employees and shareholders.



Significant Plans & Decisions

To overcome the financial crunch, management has the intention to reschedule its major obligations and planning to optimize the production capacity by necessary maintenance of the plant.

Auditors' Observations

On the basis of facts mentioned in note 5.3 & 12.1 of the financial statements, mark-up on the loans from financial institutions have not been booked and current portion has also not been classified under current liabilities. Due to the severe financial crunch, the company was unable to pay dues of provident fund; However, payments will be regularized in the subsequent year. Letters for the balance confirmations have been sent and many of them have been received to date. The directors have reasonable expectations that the company would be able to generate adequate resources in future to continue as going concern.

Compliance with Code of Corporate Governance

The management is fully aware of the compliance with Code of Corporate Governance and steps have been taken for its effective implementation since its inception.

Statements as required by the Code of Corporate Governance are given below:

- The financial statements prepared by the management present fairly the company's state of affairs, the results of its operations, cash flows and changes in equity;
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards as applicable in Pakistan have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and is being monitored continuously. The review will continue for improvement.
- There has been no material departure from the Best Practices of Corporate Governance, as detailed in the listing regulations wherever applicable to the company for the year ended June 30, 2011.
- Key operating and financial data of last 10 years in annexed.
- The outstanding statutory dues on account of taxes, duties, levies and charges are disclosed in notes to the annexed financial statements.
- As on June 30, 2011, the estimated value of investments and assets of provident fund are Rs. 229 million (based on un-audited accounts).

- During the year, seven meetings of the Board of Directors were held. Attendance by each director at the board meeting is as under:

	No. Of Meetings Attended
Mr. Muhammad Rasheed	7
Mrs. Tanveer Rasheed	4
Mr. Mansoor Rasheed	6
Mr. Saud Rasheed	7
Ms. Rizwana Rasheed	0
Mrs. Ayesha Mansoor	4
Mrs. Amina Saud	0

Note:

The directors who could not attend the board meeting were duly granted leave of absence from the board in accordance with the law.

Trading in Company's Shares

During the year under review, no trading in the shares of the company was carried out by the directors, CFO, company secretary and their spouses and minor children.

Pattern of Shareholding

The pattern of shareholding and additional information required in this regard is enclosed.

External Auditors

The present auditors, M/s Amin, Mudassar & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year 2011-12. The Audit Committee has recommended their re-appointment.

Acknowledgement

The board of directors is thankful to all stakeholders including but not limited to bankers, employees, suppliers, distributors as well as regulators and shareholders for their continued support, cooperation and trust especially in crises tenure faced by the company in the current year.



MANSOOR RASHEED
Chief Executive

Lahore: January 06, 2012.



Pattern of Shareholding As at June 30, 2011

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
147	1	100	6,025
184	101	500	59,118
82	501	1,000	67,808
168	1,001	5,000	425,377
37	5,001	10,000	263,726
16	10,001	15,000	199,077
10	15,001	20,000	177,898
3	20,001	25,000	61,950
2	25,001	30,000	55,120
2	30,001	35,000	64,235
1	40,001	45,000	41,902
1	45,001	50,000	47,500
1	50,001	55,000	50,003
3	55,001	60,000	174,526
3	60,001	65,000	184,120
3	70,001	75,000	212,367
1	85,001	90,000	88,879
1	95,001	100,000	95,212
1	115,001	120,000	120,000
1	125,001	130,000	125,038
2	155,001	160,000	315,063
1	180,001	185,000	182,625
1	210,001	215,000	211,862
1	295,001	300,000	299,377
1	310,001	315,000	314,800
1	320,001	325,000	323,581
1	385,001	390,000	387,524
1	1,540,001	1,545,000	1,543,839
1	2,040,001	2,045,000	2,043,349
1	2,250,001	2,255,000	2,254,386
1	2,280,001	2,285,000	2,284,457
1	2,745,001	2,750,000	2,749,999
1	2,940,001	2,945,000	2,942,500
1	3,395,001	3,400,000	3,400,000
1	11,150,001	11,155,000	11,150,500
1	14,995,001	15,000,000	14,995,737
1	22,920,001	22,925,000	22,920,500
1	23,995,001	24,000,000	24,000,000
686			94,839,980

Categories Of Shareholders	Shares held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	28,403,623	29.94%
Associated Companies, undertakings and related parties. (Parent Company)	46,953,431	49.50%
NIT and ICP	61,706	0.06%
Banks Development Financial Institutions, Non Banking Financial Institutions.	6,593,000	6.95%
Insurance Companies	182,625	0.19%
Share holders holding 10% or more	75,354,554	79.45%
General Public		
a. Local	2,839,814	2.99%
b. Foreign		
Others (to be specified)		
Joint Stock Companies	7,398,575	7.80%
Foreign Companies	262,981	0.28%
Trusts	2,143,225	2.26%
Other Companies	1,000	0.00%

Pattern of Shareholding

As at June 30, 2011

Additional Information as Required by the Code of Corporate Governance



Categories of Shareholders	Number of Shareholders	Number of Shares held
I ASSOCIATED COMPANIES, UNDERTAKINGS & RELATED PARTIES	1	46,953,431
i. Three Stars Cement (Pvt) Ltd		
II NIT AND ICP	2	61,706
i. National Investment Trust	1	60,606
ii. Investment Corporation of Pakistan	1	1,100
III DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSES AND MINOR CHILDREN	7	28,403,623
Directors		
i. MR. MUHAMMAD RASHEED	1	500
ii. MRS. TANVEER RASHEED	1	500
iii. MR. MANSOOR RASHEED	1	14,996,237
iv. MR. SAUD RASHEED	1	13,404,886
v. MS. RIZWANA RASHEED	1	500
vi. MRS. AYESHA MANSOOR	1	500
vii. MRS. AMINA SAUD	1	500
IV EXECUTIVES	NIL	NIL
V PUBLIC SECTOR COMPANIES AND CORPORATIONS	1	182,625
i. State Life Insurance Corporation of Pakistan	1	182,625
VI BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES, MODARBAS AND MUTUAL FUNDS	7	6,593,000
VII SHAREHOLDERS HOLDING TEN PERCENT OR MORE VOTING INTERESTS	3	75,354,554
i. Three Stars Cement (Pvt) Ltd	1	46,953,431
ii. Mr. Mansoor Rasheed	1	14,996,237
iii. Mr. Saud Rasheed	1	13,404,886

MANSOOR RASHEED
Chief Executive



Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulations of the Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board of Directors. At present the Board includes four non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs. None of the directors is a member of a stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. The Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the Company.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, have been taken by the Board.
8. The meetings of the Board was presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Directors are conversant of the relevant laws applicable to the Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. The directors' report for this year has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed. The value of investments and assets of Provident Fund as disclosed in the Director's report was based on un-audited accounts.
11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
12. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
13. The Company has complied with all the corporate and financial reporting requirements of the Code.

14. The Board has formed an audit committee. It comprises three members, of whom two are non-executive directors.
15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The Board has set up an effective internal audit function manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the company and are involved in the internal audit function on a full time basis.
17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. The management of the company is committed to good corporate governance, and appropriate steps are being taken to comply with the best practices.



MANSOOR RASHEED
Chief Executive

Lahore: January 06, 2012



Review Report to the Members on Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended June 30, 2011, prepared by the Board of Directors of **Dandot Cement Company Limited** ("The Company") to comply with the relevant Listing Regulation of Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, The Listing Regulations require the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, except for para (10) of Company's Statement of Compliance with Code of Corporate Governance annexed to this report, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2011.

AMIN, MUDASSAR & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Ghulam Mudassar
Lahore: January 06, 2012

Auditors' Report to the Members

We have audited the annexed balance sheet of the **Dandot Cement Company Limited** as at June 30, 2011 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- i) As referred in note no.5 to the financial statements current portion and overdue installments of Rs.455.36 million and short term loan of Rs.270 million obtained from the Bank of Punjab have not been classified under current liabilities.
- ii) As explained in note no.6.4 to the financial statements, the company did not pay dues of the provident fund trust.
- iii) We have not received reply of direct balance confirmation circulated in respect of loan from KASB Bank Limited, loan from Bank of Punjab, loan from Economic Affairs Division (EAD), ex-sponsors loan, trade and other payables, ex-associate, short term loans and advances, and accrued interest from ex-associate as referred to note nos. 12.1, 12.2, 6.1, 6.2, 10.4, 22, 22.1, and 24 to the financial statements.
- iv) These financial statements have been prepared on going concern basis despite the fact that the company has accumulated losses of Rs.2,876.73 million. Its current liabilities exceed the current assets by Rs.1,545.67 million. The company did not pay the installments due of long term loan, short term loan and amount due to employees benefits amounting Rs.866.70 million. Further note no.1.2 to the financial statements lacks proper cognizance of these factors.
- v) The company has not provided markup in the financial statements on loan obtained from Bank of Punjab and KASB Bank as referred to note nos. 5, 12.1, 12.2 and 12.3 amounting Rs.247.13 million. Had there been provision made for markup in the financial statements the loss for the year would have been higher by the aforesaid amount.

Except for the contents of the preceding paragraphs (i) to (v) and the extent to which these affect the annexed financial statements, we report that:

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2011 and of the loss, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



Balance Sheet

	Note	2011 Rupees	2010 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 100,000,000 (2010:100,000,000) ordinary shares of Rs.10/- each			
		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid up capital	3	948,399,800	948,399,800
Share premium reserve		31,800,740	31,800,740
Accumulated loss		<u>(2,876,726,135)</u> <u>(1,896,525,595)</u>	<u>(2,576,474,408)</u> <u>(1,596,273,868)</u>
SURPLUS ON REVALUATION OF FIXED ASSETS	4	<u>1,138,718,009</u> <u>(757,807,586)</u>	<u>1,177,629,175</u> <u>(418,644,693)</u>
NON CURRENT LIABILITIES			
LOAN FROM BANKING COMPANIES	5	<u>1,020,000,000</u>	<u>1,020,000,000</u>
OTHER LOANS	6	<u>365,994,978</u>	<u>378,365,787</u>
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	7	-	-
DEFERRED LIABILITIES	8	-	60,223,927
LONG TERM ADVANCES AND DEPOSITS	9	<u>1,983,242</u> <u>1,387,978,220</u>	<u>7,357,685</u> <u>1,465,947,399</u>
CURRENT LIABILITIES			
Trade and other payables	10	<u>1,050,947,662</u>	<u>801,321,081</u>
Mark up accrued	11	<u>677,881,511</u>	<u>664,113,130</u>
Short term borrowings	12	<u>488,367,263</u>	<u>446,066,283</u>
Current portion of long term loans and liabilities	13	<u>62,343,130</u>	<u>56,170,266</u>
Taxation-income tax		-	15,789,627
		<u>2,279,539,566</u>	<u>1,983,460,387</u>
CONTINGENCIES AND COMMITMENTS	14	<u>-</u> <u>2,909,710,200</u>	<u>-</u> <u>3,030,763,093</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.

MANSOOR RASHEED
Chief Executive

As at June 30, 2011



	Note	2011 Rupees	2010 Rupees
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	15	2,155,353,839	2,230,649,430
Capital work in progress	16	-	190,681,083
		2,155,353,839	2,421,330,513
LONG TERM LOANS	17	55,521	201,910
LONG TERM SECURITY DEPOSITS	18	20,434,715	10,324,955
		2,175,844,075	2,431,857,378
CURRENT ASSETS			
Stores, spares and loose tools	19	139,953,345	141,275,663
Stock in trade	20	92,445,057	41,859,618
Trade debts	21	17,971,314	-
Loans and advances	22	427,684,172	348,034,923
Balance with statutory authorities	23	42,439,406	53,969,551
Interest accrued	24	9,388,555	9,408,039
Other receivables	25	261,157	568,810
Cash and bank balances	26	3,723,119	3,789,111
		733,866,125	598,905,715
		2,909,710,200	3,030,763,093


SAUD RASHEED
 Director



Profit and Loss Account For the Year Ended June 30, 2011

	Note	2011 Rupees	2010 Rupees
Sales (Net)			
Local sales		1,073,876,351	333,669,329
Less: Excise duty		126,926,450	50,702,400
Sales tax		154,174,661	45,694,939
Special excise duty		12,791,608	2,381,025
Commission/discount		6,807,320	2,139,100
		300,700,039	100,917,464
		773,176,312	232,751,865
Export sales		-	534,035
		773,176,312	233,285,900
Cost of sales	27	1,125,015,743	497,040,208
Gross loss		(351,839,431)	(263,754,308)
Distribution cost	28	2,952,784	1,548,906
Administrative expenses	29	29,727,459	30,147,270
		32,680,243	31,696,176
		(384,519,674)	(295,450,484)
Other operating income	30	9,191,422	3,312,111
Other operating expenses	31	1,257,215	16,471,760
		(376,585,467)	(308,610,133)
Finance cost	32	15,444,432	248,372,182
Loss before taxation		(392,029,899)	(556,982,315)
Taxation:	33		
Current			
For the year		-	5,340
Prior years		7,356,921	-
Deferred	8	(60,223,927)	(120,862,005)
		(52,867,006)	(120,856,665)
Loss after taxation		(339,162,893)	(436,125,650)
Loss per share- Basic and Diluted- Rupees	34	(3.58)	(4.60)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Statement of Comprehensive Income

For the Year Ended June 30, 2011



	2011 Rupees	2010 Rupees
Loss after taxation	(339,162,893)	(436,125,650)
Other comprehensive income-net of taxation	-	-
Total comprehensive loss for the year-net of tax	(339,162,893)	(436,125,650)

The annexed notes from 1 to 39 form an integral part of these financial statements.

MANSOOR RASHEED
Chief Executive

SAUD RASHEED
Director



Cash Flow Statement For the Year Ended June 30, 2011

	2011 Rupees	2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(392,029,899)	(556,982,315)
Adjustments of items not involving movement of cash:		
Depreciation	75,476,909	79,855,710
Gain on disposal of Fixed Assets	-	(3,034,524)
Gratuity	66,682,522	-
Profit on deposit and PLS accounts	(241,422)	(277,587)
Provision for doubtful balances	-	16,467,950
Finance cost	15,444,432	248,372,182
	<u>157,362,441</u>	<u>341,383,731</u>
Operating cash flows before working capital changes	(234,667,458)	(215,598,584)
 (Increase)/Decrease in operating assets:		
Stores, spares and loose tools	1,322,318	(1,482,336)
Stock in trade	(50,585,439)	(22,635,904)
Trade debts	(17,971,314)	-
Loans and advances	30,756,834	(9,233,749)
Deposits and short term prepayments	-	607,362
Other receivables	307,653	(53,739)
Increase/(Decrease) in trade and other payables	<u>183,095,059</u>	<u>249,799,366</u>
	<u>146,925,111</u>	<u>217,001,000</u>
	(87,742,347)	1,402,416
 Long term security deposits	(10,109,760)	-
Gratuity paid	(151,000)	(211,190)
Finance cost paid	(1,676,051)	(1,346,348)
Interest received	260,906	319,011
Income tax paid	(11,616,402)	(7,201,278)
Net Cash Flows From Operating Activities	(111,034,654)	(7,037,389)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(181,319)	-
Capital work in progress	80,275,000	-
Sale proceeds of Fixed Assets	-	6,487,080
Long term loans	146,389	28,940
Net Cash Flows From Investing Activities	80,240,070	6,516,020
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	(6,197,945)	3,498,081
Sponsors loans	35,968,434	777,953
Repayment of lease liability (Net)	-	(15,376)
Long term advances and deposits	(5,374,443)	88,965
Short term borrowings	6,332,546	(3,906,001)
Net Cash Flows From Financing Activities	30,728,592	443,622
Net increase / (decrease) in Cash and Cash Equivalents	(65,992)	(77,747)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	3,789,111	3,866,858
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	3,723,119	3,789,111

The annexed notes from 1 to 39 form an integral part of these financial statements.

MANSOOR RASHEED
Chief Executive

SAUD RASHEED
Director

**Statement of Changes in Equity
For the Year Ended June 30, 2011**



	Share Capital	Share premium reserve	Accumulated loss	Total share capital & reserves	Surplus on revaluation of fixed assets	Total
	(R U P E E S)					
Balance as at June 30, 2009	948,399,800	31,800,740	(2,182,389,062)	(1,202,188,522)	1,219,669,479	17,480,957
Total comprehensive loss for the year	-	-	(436,125,650)	(436,125,650)	-	(436,125,650)
Transferred from surplus on revaluation account:						
- Incremental depreciation due to revaluation charged to surplus - net of deferred tax	-	-	40,727,721	40,727,721	(40,727,721)	-
- Realised on disposal of assets- net of deferred tax	-	-	1,312,583	1,312,583	(1,312,583)	-
Balance as at June 30, 2010	948,399,800	31,800,740	(2,576,474,408)	(1,596,273,868)	1,177,629,175	(418,644,693)
Total comprehensive loss for the year	-	-	(339,162,893)	(339,162,893)	-	(339,162,893)
Transferred from surplus on revaluation account:						
- Incremental depreciation due to revaluation charged to surplus - net of deferred tax	-	-	38,911,166	38,911,166	(38,911,166)	-
Balance as at June 30, 2011	948,399,800	31,800,740	(2,876,726,135)	(1,896,525,595)	1,138,718,009	(757,807,586)

The annexed notes from 1 to 39 form an integral part of these financial statements.


MANSOOR RASHEED
Chief Executive


SAUD RASHEED
Director



Notes to the Financial Statements

For the Year Ended June 30, 2011

1. THE COMPANY AND ITS OPERATIONS

- 1.1 The Company is a public limited Company incorporated in Pakistan and is listed on Karachi and Lahore Stock Exchanges. The Company started its production on March 01, 1983 and has been engaged in production and marketing of cement. The company is a subsidiary of Three Stars Cement (Pvt) Ltd. The registered office of the company is situated at 30-Sher Shah Block, New Garden Town, Lahore.
- 1.2 The company has accumulated loss of Rs. 2,876.73 million and its current liabilities exceed its current assets by Rs. 1,545.67 million as at June 30, 2011. In spite of the adverse current ratio and large accumulated loss, the company has continued financial support from its sponsoring directors. Due to poor economic conditions, low prices of cement and financial crunch, operations of the company were suspended last year. However, in October 2010, with the increase in price and demand of cement and after arrangement of necessary funds by the management, the operations of the company were resumed. On the basis of these facts, the management of the company is confident that the company will continue its operations as going concern and they are fully committed to promote the company's objectives in the long run.

Accordingly, these financial statements have been prepared on going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the company not be able to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 (a) Accounting Convention

These financial statements have been prepared under historical cost convention except for freehold land, buildings, plant and machinery and vehicles which are stated at revalued amounts, employees retirement benefit at present value and certain financial assets at fair value.

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgment are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- a) staff retirement benefits;
- b) taxation; and
- c) useful life of depreciable assets and provision for impairment there against.

(b) Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards to the extent applicable in Pakistan with reference to the financial year covered by the financial statements and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such international accounting standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities & Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

Notes.....



2.1.1 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respect standard or interpretation:

Standards and interpretation	Effective date (accounting periods beginning on or after)
IAS 1 Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented	July 01, 2012
IFRS 7 Financial Instruments : Disclosures - Amendments enhancing disclosures about transfers of financial assets	July 01, 2011
IAS 12 Income Tax (Amendment) - Deferred Taxes : Recovery of underlying assets	January 01, 2012
IAS 19 Employees Benefits - Amended Standard resulting from the post-employment benefits and termination benefits projectors	January 01, 2013
IAS 24 Related Party Disclosures (Revised)	January 01, 2011
IFRS 14 Prepayments of a Minimum Funding Requirement (Amendment)	January 01, 2011

The company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material affect on the Company's financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2011. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments	January 01, 2015
IFRS 10 Consolidated Financial Statements	January 01, 2013
IFRS 11 Joint Arrangements	January 01, 2013
IFRS 12 Disclosure of Interests in Other Entities	January 01, 2013
IFRS 13 Fair Value Measurement	January 01, 2013

2.1.2 Standards, amendments or interpretations which became effective during the year

During the year certain amendments to Standards or new interpretations became effective. However, the amendments or interpretations did not have any material effect on the financial statements of the Company.

2.2 Employees Retirement Benefits

- (a) The Company has restored Gratuity benefits during the year which was terminated on July 01, 2007. This funded gratuity scheme covers all its permanent employees. Such gratuity is payable on cessation of employment subject to a minimum qualifying period of five years service with the Company. Provision for gratuity is made in the accounts to cover full obligation under the scheme.



Notes.....

The Company uses projected unit credit method to determine the present value of its defined benefit obligation and the related current service cost and where applicable, past service cost.

Actuarial valuation was conducted on June 30, 2011 on the projected unit credit method using the following significant assumptions.

Discount rate p.a	14.00%
Expected p.a. rate of salary increase in future year	13.00%
Average expected remaining working lifetime of employees	9 years
Expected rate of return on plan assets p.a	14.00%

The Company's policy with regard to actuarial gains/losses is to follow minimum recommended approach under IAS 19.

- (b) The Company operates a funded contributory provident fund scheme for all eligible employees and contribution is based on the salaries of the employees and the liability is recognized in accounts on monthly basis.

2.3 Taxation

Current

Current taxation other than export is based on taxable income at the current rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws. Company's export sales, if any, fall under presumptive tax regime under Section 154 of the Income Tax Ordinance, 2001.

Deferred

The Company accounts for deferred taxation using the liability method on all temporary differences between the amounts for financial reporting purpose and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future profits will be available against which these can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

2.4 Property, Plant and Equipment

Operating fixed assets are stated at cost or revalued amount less accumulated depreciation except for freehold land which is stated at revalued amount.

Depreciation charge is based on reducing balance method at the rates specified in note 15. Leasehold land for quarries are amortised over a period of 15-20 years.

Depreciation on additions to property, plant and equipment is charged for the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which asset is disposed off. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised.

Gains and losses on disposal of assets, if any, are included in profit and loss account.

The management assesses at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the

Notes.....



recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by charging the impairment loss against income for the year.

2.5 Assets Subject to Finance Lease

These are recorded at the inception of lease at the value representing the lower of present value of minimum lease payments under the lease agreements or the fair value of the assets. The related obligation of lease are accounted for as liabilities. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of financial cost on the remaining balance of principal liability for each period. Financial charges and depreciation on leased assets are charged to income currently.

2.6 Capital Work in Progress

Capital work in progress is stated at cost and represents expenditure incurred on fixed assets during their construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use.

2.7 Stores, Spares and Loose Tools

These are valued at moving average cost except items in transit which are valued at cost accumulated upto the Balance Sheet date.

2.8 Stock in Trade

These are valued at lower of cost and net realisable value applying the following method:

Raw Materials	at weighted average cost.
Work in process and finished goods	at average cost covering direct material, labour and manufacturing overheads.

2.9 Deferred Cost

This is amortised over a maximum period of five years.

2.10 Foreign Currency Translations

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rate prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the Balance Sheet date.

The company charges all exchange differences to profit and loss account.

2.11 Financial Instruments

All financial assets and financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Gain or loss on derecognition of financial assets/liabilities is taken to Profit and Loss Account.

2.12 Offsetting of Financial Assets and Financial Liabilities

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the company has legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.



Notes.....

2.13 Trade Debts

Known bad debts are written off and provision is made for debts considered doubtful.

2.14 Revenue Recognition

- Sales are recorded on dispatch of goods to customers.
- Interest income is accounted for on 'accrual basis'.

2.15 Related Party Transactions

All transactions with related parties are at arm's length prices determined in accordance with the pricing method as approved by the Board of Directors.

2.16 Dividend

Dividend distribution to the shareholders is recognised as a liability in the period in which it is approved by the shareholders.

2.17 Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

2.18 Loans, Advances and Deposits

These are stated at cost less estimates made for doubtful receivables based on review of all outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

2.19 Trade and Other Payables

Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services, whether or not billed to the company.

2.20 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.21 Corresponding Figures

Previous year's figures have been rearranged and reclassified wherever necessary for the purposes of comparison and for better presentation. However, there is no material rearrangement to report.

2.22 Functional and Presentation Currency

The financial statements are prepared in Pakistani Rupee, which is the Company's functional and presentation currency.

2.23 General

Figures in these financial statements have been rounded off to the nearest rupee.

Notes.....



	Note	2011 Rupees	2010 Rupees
3. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
86,089,980 (2010: 86,089,980) ordinary shares of Rs.10 each fully paid in cash		860,899,800	860,899,800
8,750,000 (2010: 8,750,000) ordinary shares of Rs.10 each issued as fully paid bonus shares		87,500,000	87,500,000
		<u>948,399,800</u>	<u>948,399,800</u>

4. SURPLUS ON REVALUATION OF FIXED ASSETS

Opening balance as at July 01,		1,177,629,175	1,219,669,479
Less:			
- Incremental depreciation due to revaluation of fixed assets (Net off deferred tax of Rs. 20,952,167 (2010: Rs. 21,930,312))		(38,911,166)	(40,727,721)
- Realised on disposal of assets-net off deferred tax		-	(1,312,583)
Balance as at June 30,		<u>1,138,718,009</u>	<u>1,177,629,175</u>

Revaluation of freehold land, buildings, plant & machinery and vehicles was done in year 2002 and 2007, referred to in note 15.2 to the financial statements produced a surplus of Rs.1,843.8 million and Rs.685.61 million respectively. These amounts were credited to surplus on revaluation of fixed assets account to comply with the requirements of Section 235 of the Companies Ordinance, 1984.

5. LOAN FROM BANKING COMPANIES- Secured

		Sanctioned Limit		
The Bank of Punjab Limited				
Demand finance facility	750 Million	5.1	750,000,000	750,000,000
Bridge finance facility	270 Million	5.2	270,000,000	270,000,000
			<u>1,020,000,000</u>	<u>1,020,000,000</u>

5.1 Principal was repayable in 28 equal quarterly installments of Rs.26.786 Million each with one year grace period from the date of disbursement. Mark up is chargeable @ 3 month KIBOR + 400 BPS per annum (2010: 3 months KIBOR + 400 BPS per annum) with no floor and no cap, payable quarterly in arrears. The rate was set at the end of quarter by adopting KIBOR of last working day of each quarter. The facility is secured by 1st pari pasu charge over fixed assets for Rs.1,443.75 Million and joint collateral guarantee of its holding company and directors.

5.2 Mark up is chargeable @ 3 month KIBOR + 300 BPS per annum (2010: 3 month KIBOR + 300 BPS per annum) with no floor and no cap, payable quarterly in arrears. The rate shall set at the end of quarter by adopting KIBOR of last working day of each quarter. The facility is secured by 1st pari pasu charge over fixed assets for Rs.1,443.75 Million and joint collateral guarantee of its holding company and directors.

5.3 The company has filed a suit in the Lahore High Court, Lahore against BOP for declaration, permanent injunction, discharge, cancellation of documents, redemption of property and damages to the tune of Rs.1,926 million on account of various breaches of its obligation committed by BOP. BOP has also filed its PLA in the same and the matter is pending adjudication before the honorable court. BOP has instituted a suit against the company for recovery of Rs.1,626.625 million along with markup / Cost of funds in the Lahore High Court, Lahore. PLA on behalf of the company has been filed in the same and the matter is pending adjudication.



Notes.....

	Note	2011 Rupees	2010 Rupees
6. OTHER LOANS - Unsecured			
Economic Affairs Division, Government of Pakistan (EAD)	6.1	35,232,000	35,232,000
Ex-Sponsors' Loan	6.2	250,000,000	250,000,000
Holding Company	6.3	53,674,731	53,674,731
Provident Fund Trust	6.4	60,251,530	60,251,530
Peace agreement arrears	6.5	29,164,430	35,362,375
		428,322,691	434,520,636
Less current portion:			
Payable within next 12 months		12,364,980	12,364,980
Overdue		49,962,733	43,789,869
	13	62,327,713	56,154,849
		365,994,978	378,365,787

- 6.1 (a) This represents the balance of Pak rupee loan of Rs.340.841 million originally advanced in 1984 in Japanese Yen to the State Cement Corporation of Pakistan (Private) Limited (SCCP). The loan was taken over by the Company under the clause 14 of the Sale Agreement dated May 23, 1992 as payable in local currency to the EAD. The company provided Bank Guarantee from Habib Bank Limited (HBL) to cover the outstanding liability at the time of sale. The company has requested EAD for grant of further time for payment of overdue installments.

The amount of the original loan was Japanese Yen 5,199,457,960 carrying interest @ 8.5% p.a. and was payable in 37 bi-annual installments on March 20 and September 20 with effect from March 10, 1984. Effective April 21, 1987 the yen loan was converted into Pak rupee loan at exchange rate of 1 Yens=0.122111 Pak Rupee carrying interest @ 11% and exchange risk fee @ 3% per annum payable to the EAD in 30 equal half yearly installments commencing from September 10, 1987, to be settled by March 20, 2002.

- (b) After taking over the control and management, the new management at that time arranged payment of Rs.133.908 million to the EAD, through Habib Bank Ltd for payment of outstanding balance and requested for restructuring of this loan. The competent authority has accorded its approval for restructuring of the loan amounting to Rs.132.44 million and balance have been waived. The Principal alongwith mark up @ 14% p.a. (11% mark up and 3% exchange risk fee) is to be repaid in ten equal half yearly installments effective July 2004. The rescheduled amount is to be secured by bank guarantee in favour of EAD.

- 6.2 This represents loan received from Ex-management Mr. A. Rafique Khan and Mr. Tausif Peracha as subordinated to Bank of Punjab loan facility. It is interest free, unsecured and is repayable after repayment of loan of Bank of Punjab.
- 6.3 This represents interest free loan from holding company, Three Stars Cement (Pvt) Ltd. Terms of repayments have not yet been finalized, but it is not repayable within next twelve (12) months.
- 6.4 The Securities & Exchange Commission of Pakistan (SECP) had passed an order on August 13, 2009 that the company should provide mark-up on old dues till June 30, 2008 and an overdue current provident fund contributions till September 30, 2009 and repay all the principal portion of old dues and overdue current provident fund contributions along with mark-up there on in installments of Rs. 0.5 million per month from October, 2009. The markup has been accounted for in the books of account and these financial statements in accordance with the SECP order. However, due to financial crunch, the company was unable to pay current and old dues of provident fund.
- 6.5 This represents arrears payable to workers on account of increments on salaries for the financial years ended on June 30, 2007, June 30, 2008 and June 30, 2009. As per peace agreement with CBA union dated May 09, 2009 the arrears are payable in 72 equal monthly installments of Rs.530,407 payable along with the monthly salary payments. It is interest free and unsecured.

Notes.....



	Note	2011 Rupees	2010 Rupees
7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Opening balance		15,417	30,793
Less:			
Payments during the year		-	15,376
Present value of minimum lease payments		15,417	15,417
Less: Overdue installment shown under current liabilities	13	15,417	15,417
		-	-

7.1 The Company had acquired vehicle under lease finance arrangements from NIB Bank Limited (Formerly PICIC Commercial Bank Limited). The facility was expired in August, 2009. The company could not settle the outstanding liability of Rs.15,417, due to non-availability of underlying documents/claim at bank end, further due to change of ownership of bank and absence of bank record the company is also unable to obtain no objection certificate (N.O.C) from the bank to transfer the vehicle in its name. However, leased asset is transferred to owned assets as disclosed in note no.15.

8. DEFERRED LIABILITIES

Deferred taxation	8.1	-	60,223,927
		-	60,223,927

8.1 Deferred taxation

This is composed of the following:

Deferred tax liability on taxable temporary differences arising in respect of:

Accelerated tax depreciation	689,566,321	711,240,616
Liabilities against assets subject to finance lease	-	18,972
	689,566,321	711,259,588

Deferred tax asset on deductible temporary differences arising in respect of:

Liabilities against assets subject to finance lease	(5,396)	-
Unused tax losses carried forward	(688,452,075)	(645,271,878)
Provision for doubtful balances	(1,108,850)	(5,763,783)
	(689,566,321)	(651,035,661)
	-	60,223,927

Opening balance	60,223,927	181,085,932
Charged/(Reversal) to profit and loss account	(60,223,927)	(120,862,005)
Deferred tax liability as at June 30,	-	60,223,927

Deferred tax amounting to Rs.73.82 million on unused tax losses, has not been re-recognized in these financial statements being prudent. Management is of the view that recognition of deferred tax asset shall be re-assessed as at June 30, 2012.



Notes.....

	Note	2011 Rupees	2010 Rupees
9. LONG TERM ADVANCES AND DEPOSITS			
Un-secured - Interest free			
Advances from suppliers		-	23,325
Security deposits	9.1	1,939,334	5,969,134
Retention money		43,908	1,365,226
		<u>1,983,242</u>	<u>7,357,685</u>

9.1 These represent securities from distributors and contractors. These are being utilised by the company as authorised by the agreement with parties or deposited with separate bank account in compliance with section 226 of the Companies Ordinance, 1984.

10. TRADE AND OTHER PAYABLES

Trade creditors		125,215,818	185,296,722
Accrued expenses		340,060,366	225,553,431
Due to Gratuity Fund Trust	10.1	149,123,468	82,591,946
Due to Provident Fund Trust		22,414,988	11,928,754
Past Dues - CBA	10.2	5,042,738	5,098,229
Excise duty		221,553,537	135,167,228
Royalty		9,215,485	5,810,690
Sales tax		103,414,370	73,240,252
Workers' profit participation fund	10.3	29,303,837	28,702,838
Unclaimed dividend		1,081,940	1,081,940
Income tax withheld		10,522,990	1,894,498
Advances from customers		18,760,960	30,062,757
Others		15,237,165	14,891,796
		<u>1,050,947,662</u>	<u>801,321,081</u>

10.1 Gratuity

Net liability as on July 01		82,591,946	82,803,136
Charge to profit and loss account	10.1.1	66,682,522	-
Payment to fund during the year		(151,000)	(211,190)
Net liability as on June 30,		<u>149,123,468</u>	<u>82,591,946</u>

The amount recognized in the balance sheet is as follows

Fair value of plan assets		(208,329)	-
Present value of defined benefit obligation		137,364,954	-
Deficit		137,156,625	-
Payable at the end of the year		16,721,366	-
Unrecognized Actuarial gain / (loss)		(4,754,523)	-
Net liability as on June 30,		<u>149,123,468</u>	<u>-</u>

The amount recognized in profit and loss account is as follows

Current service cost		20,221,937	-
Interest cost		47,338,715	-
Expected return on plan assets		(71,055)	-
Actuarial (gain)/loss recognised		(807,075)	-
Total amount chargeable to profit and loss account		<u>66,682,522</u>	<u>-</u>

Notes.....



	2011 Rupees	2010 Rupees
The movement in the present value of defined benefit obligation is as follows:		
Present value of defined benefit obligation	130,771,246	-
Current Service cost	6,322,245	-
Interest cost	15,692,550	-
Benefits paid	(151,000)	-
Benefits due but not paid	(16,721,366)	-
Actuarial (gain)/loss	1,451,279	-
Present value of defined benefit obligations as on June 30,	137,364,954	-

The movement in the fair value of plan assets is as follows

Fair value of plan assets as on July 01,	201,427	-
Expected return on plan assets	24,171	-
Contributions	151,000	-
Benefits paid	(151,000)	-
Actuarial (loss)/gain	(17,269)	-
Fair value of plan assets as on June 30,	208,329	-

Comparison of present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of gratuity fund for the current year and last four years is as follows:

	Present value of defined Benefit	Fair value of plan assets	Surplus / (Deficit)
	----- R u p e e s -----		
Year ended June 30, 2011	(137,364,954)	208,329	(137,156,625)
Year ended June 30, 2010	(130,771,246)	201,427	(130,569,819)
Year ended June 30, 2009	(126,088,761)	136,423	(125,952,338)
Year ended June 30, 2008	(74,493,956)	136,423	(74,357,533)
Year ended June 30, 2007	(75,762,390)	141,423	(75,620,967)

10.1.1 During the current year, Management of the company has decided to restore the Gratuity Benefit Scheme with effect the same date when it was terminated.

10.2 This represents the amounts payable for the closure period of the factory on account of accumulated salaries and benefits, one day deduction and legal expenses payable to the employees and CBA for which a mutual agreement had been executed between the management and the CBA at the time of take over of the factory in 2000 by the then management.

	2011 Rupees	2010 Rupees
10.3 Workers' profit participation fund		
Balance as at July 01,	3,780,109	3,780,109
Less: payments during the year	-	-
	3,780,109	3,780,109
Interest on unpaid contribution	25,523,728	24,922,729
	29,303,837	28,702,838



Notes.....

- 10.4 During the audit, balance confirmation requests were circulated to various parties for direct balance confirmation aggregating Rs.451.37 million (2010:Rs.271.13 million). Upto the date of issuance of these financial statements, replies against balances of only Rs.38.83 million (2010: Rs.43.41 million) have been received.

	Note	2011 Rupees	2010 Rupees
11. MARK UP ACCRUED			
Mark up accrued on:			
Secured loan		614,844,348	614,844,348
Unsecured loan		63,037,163	49,268,782
		<u>677,881,511</u>	<u>664,113,130</u>
12. SHORT TERM BORROWINGS			
Running finances - secured			
KASB Bank Limited	12.1	290,000,000	290,000,000
Others - Secured			
The Bank of Punjab	12.2	57,256,073	57,256,073
The Bank of Punjab	12.3	83,600,000	83,600,000
		140,856,073	140,856,073
Bank Overdraft - unsecured	12.4	2,062,864	456,194
Loan from Related Parties - unsecured			
Director-interest free	12.5	37,065,450	1,097,016
Others-interest free	12.6	18,382,876	13,657,000
		55,448,326	14,754,016
		<u>488,367,263</u>	<u>446,066,283</u>

- 12.1 This represents finance facility against the limit of Rs.290 million (2010: Rs.290 million). It carries mark up @ six months KIBOR plus 5% per annum (2010: 6 months KIBOR + 5% per annum) payable on quarterly basis with no floor and cap. The facility is to be repaid in bullet repayment on September 30, 2007. The facility is secured by 1st pari passu charge on plant and machinery of the company amounting Rs.400 million and lien over deposit of Rs.176.5 million in saving account of Mr. Tauseef Peracha and Mr. A. Rafique Khan (Ex-Management).

KASB has instituted a suit against the company for recovery of Rs.351,732,335.61 along with markup / cost of funds in the Lahore High Court, Lahore. PLA on behalf of the company has been filed in the same and the matter is pending adjudication.

- 12.2 This represents payments against over due documentary credits. It carries markup @ KIBOR + 400 BPS (2010: KIBOR + 400 BPS) per annum. These are secured by 1st pari passu charge on present and future current assets of the company amounting Rs. 134 Million and a joint collateral of cross corporate guarantee of Three Star Hosiery Mills (Pvt) Limited and personal guarantee of all the Directors of Dandot Cement Company Limited. The company is in litigation with the bank as explained in note no.5.3 to the financial statements.
- 12.3 This represent forced finance created by the bank on account of Guarantee encashed by the SNGPL. It carries markup @KIBOR+ 4% (2010: @KIBOR+ 4%). It is secured by 1st pari passu charge on present and future current assets of the company amounting Rs. 134 Million and a joint collateral of cross corporate guarantee of Three Star Hosiery Mills (Pvt) Limited and personal guarantee of all the Directors of Dandot Cement Company Limited. The company is in litigation with the bank as explained in note no.5.3 to the financial statements.
- 12.4 This represents temporary bank overdraft due to issuance of cheques near to the balance sheet date, however bank statements show the favourable balances
- 12.5 This includes Rs.35.97 million injected by the director, Mr. Mansoor Rasheed to meet the working capital requirements of the company.
- 12.6 This represents loan from Three Star Hosiery (Private) Limited and Active Apparel International (Private) Limited amounting of Rs.5,917,333 and Rs.12,465,543 (2010:5,500,000 and Rs.8,157,000) respectively.

Notes.....



	Note	2011 Rupees	2010 Rupees
13. CURRENT PORTION OF LONG TERM LOANS AND LIABILITIES			
Other loans	6	62,327,713	56,154,849
Liabilities against assets subject to finance lease	7	15,417	15,417
		<u>62,343,130</u>	<u>56,170,266</u>

14. CONTINGENCIES AND COMMITMENTS

Contingencies

- Company is in litigation with some suppliers and the matter is pending for decision in Court. Company's exposure in respect of these cases could be Rs. 17,504,456 (2010: Rs. 17,504,456).
- Sui Northern Gas Pipelines Ltd., (SNGPL) has charged the excess gas bill amounting to Rs.37.90 million in 2006. On complaint lodged with the Oil & Gas Regulatory Authority (OGRA) against excessive billing by SNGPL, the matter was decided in favour of the company. SNGPL has filed an appeal against the said decision of OGRA. The appeal has also been adjudicated by OGRA in favour of the company. However, the SNGPL has recovered the aforesaid amount as stated in para (d) of this note.
- SNGPL has charged mark up on late payment of the gas bills in the past at the rate which was in excess of the rate agreed in the Gas Sale Agreement (GSA). The company filed a complaint with the OGRA, who decided the matter and directed SNGPL to recompute mark up on late payment as per original GSA. SNGPL recomputed mark up amounting to Rs.10.312 million, as against Rs.2.729 million computed by the company. The matter has again been referred to OGRA for their decision. However, company has accounted for Rs.2.729 Million as liability. However, the SNGPL has recovered the aforesaid amount as stated in para (d) of this note.
- In June 2008 Sui Northern Gas Pipelines Ltd., (SNGPL) has charged the excess gas bill amounting to Rs.18.536 million. Company has lodged complaint with the review committee of Sui Northern Gas Pipelines Ltd., (SNGPL) which gave its decision that the disputed bill is correct.

On January 23, 2009 the SNGPL encashed bank guarantee of Rs.88 million against arrears of gas bills including as mentioned in 14(b),14(c) in previous paragraphs. Till June 30, 2009 total arrears amounting Rs.35.380 million are outstanding against the company which have not been accounted for in the financial statements due to dispute with the SNGPL. The company is in process of filling appeal against SNGPL against the decision in court.

- Additional Collector of Sales Tax and Federal Excise, Rawalpindi has issued a letter in July 2006 in which the issue of capacity production tax of Rs. 114.77 million (2010: Rs. 114.77 million) pertaining to the period August 1991 to June 1993, has been raised. The Collector, Sales Tax and Federal Excise, LTU, Lahore has decided the case and levied penalty of Rs.145.09 million and Rs.2.11 million under Rule 210 of Central Excise Rules, 1994 and section 33(2)(cc) of the Sales Tax Act, 1990 respectively, in addition to the above amount. However, the company has filed an appeal before Collector Customs, Sales Tax and Federal Excise (Appeals), Lahore who dismissed the appeal. The company has filed appeal to Customs, Federal Excise & Sales Tax Appellate Tribunal Lahore Bench, Lahore. The Tribunal has not yet made any hearing because the company has preferred the forum of Alternative Dispute Resolution Committee FBR. The hearing is pending.
- During the year ended June 30, 2008 Pakistan Standards and Quality Control Authority (PSQCA) refused to renew the CM License of the company and raised a demand of Rs. 1.94 Million on account of marking fee for the period from June 1992 to June 2007. The company paid Rs.851,708 towards the demand raised by PSQCA during June 30, 2008. The company filed an appeal before the Additional District Judge, Lahore against PSQCA. The court decided the matter that renewed license should be issued and claim for recovery of outstanding balance shall be dealt with separately.
- No provision has been made in the financial statements of Rs.30.33 million in respect of claim of salary of laid off/retrenched workers for the period from February 04, 2008 to May 17, 2008 since the matter of lay off/retrenchment of workers is subjudice.



Notes.....

- h) Competition Commission of Pakistan (the Commission), vide order dated August 27, 2009, has imposed penalty on 20 cement factories of Pakistan at the rate of 7.5% of the turnover value as disclosed in the last annual financial statements. The Commission has imposed penalty amounting Rs.41.71 million on the company for alleged violation of section 4(1) of the Competition Commission Ordinance, 2007. The Lahore High Court, Lahore has restrained the Commission from taking adverse action pursuant to this order till the next date of hearing.
- i) The company has not accounted for Rs.206,625,000 (2010:Rs.137,825,000) additional profit/liquidated damages on the loan payable to KASB Bank Limited as the matter is subjudice with the honorable Lahore High Court referred to note no. 12 in the financial statements.

	Note	2011 Rupees	2010 Rupees
Commitments			
Atlas Bank Limited has issued Bank Guarantee in favour of Sui Northern Gas Pipelines Limited.	14.1	1,500,000	1,500,000
United Bank Limited has issued Bank Guarantee in favour of Department of Mines & Minerals Government of Punjab.	14.2	139,165	139,165

14.1 This guarantee was secured by lien in favour of Atlas Bank Ltd on PLS TDR amounting Rs.1,500,000.

14.2 This guarantee was secured by lien in favour of United Bank Ltd on PLS TDR amounting Rs.140,000.

Notes.....



15. OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION				DEPRECIATION							Book Value
	As at July 01, 2010	Additions	Deletions	Adjustment	As at June 30, 2011	Rate %	As at July 01, 2010	For the year	On disposals	Adjustment	As at June 30, 2011	as at June 30, 2011
OWNED												
Free hold land												
Cost	52,591,805	-	-	-	52,591,805	-	-	-	-	-	-	52,591,805
Revaluation (2002)	20,389,552	-	-	-	20,389,552	-	-	-	-	-	-	20,389,552
	72,981,357	-	-	-	72,981,357	-	-	-	-	-	-	72,981,357
Quarry on lease hold land	1,330,978	-	-	-	1,330,978	20 Yrs.	901,364	66,549	-	-	967,913	363,065
Building on free hold land												
Factory :												
Cost	188,292,137	-	-	-	188,292,137	10	160,591,764	2,770,037	-	-	163,361,801	24,930,336
Revaluation (2002)	86,898,282	-	-	-	86,898,282	10	50,426,593	3,647,169	-	-	54,073,762	32,824,520
Revaluation (2007)	6,903,666	-	-	-	6,903,666	10	1,870,894	503,277	-	-	2,374,171	4,529,495
	282,094,085	-	-	-	282,094,085	-	212,889,251	6,920,483	-	-	219,809,734	62,284,351
Office :												
Cost	17,527,908	-	-	-	17,527,908	5	13,090,779	221,856	-	-	13,312,635	4,215,273
Revaluation (2002)	13,645,216	-	-	-	13,645,216	5	4,705,857	446,968	-	-	5,152,825	8,492,391
Revaluation (2007)	1,248,858	-	-	-	1,248,858	5	178,119	53,537	-	-	231,656	1,017,202
	32,421,982	-	-	-	32,421,982	-	17,974,755	722,361	-	-	18,697,116	13,724,866
Residential :												
Cost	38,550,278	-	-	-	38,550,278	10	35,218,471	333,181	-	-	35,551,652	2,998,626
Revaluation (2002)	27,545,216	-	-	-	27,545,216	10	15,984,337	1,156,088	-	-	17,140,425	10,404,791
Revaluation (2007)	19,571,075	-	-	-	19,571,075	10	5,303,762	1,426,731	-	-	6,730,493	12,840,582
	85,666,569	-	-	-	85,666,569	-	56,506,570	2,916,000	-	-	59,422,570	26,243,999
Machinery												
Cost	1,190,383,914	-	-	-	1,190,383,914	3	884,431,770	9,178,564	-	-	893,610,334	296,773,580
Transfer From Lease assets	60,441,960	-	-	-	60,441,960	3	42,668,223	533,212	-	-	43,201,435	17,240,525
Revaluation (2002)	1,656,058,629	-	-	-	1,656,058,629	3	553,045,744	33,090,387	-	-	586,136,131	1,069,922,498
Revaluation (2007)	648,188,836	-	-	-	648,188,836	3	56,604,386	17,747,534	-	-	74,351,920	573,836,916
	3,555,073,339	-	-	-	3,555,073,339	-	1,536,750,123	60,549,697	-	-	1,597,299,820	1,957,773,519
Office Equipment	9,017,481	181,319	-	-	9,198,800	10	5,183,670	392,581	-	-	5,576,251	3,622,549
Furniture & Fixture	7,261,334	-	-	-	7,261,334	10	6,084,827	117,651	-	-	6,202,478	1,058,856
Heavy Vehicles												
Cost	94,912,875	-	-	-	94,912,875	20	92,887,314	405,112	-	-	93,292,426	1,620,449
Revaluation (2002)	24,418,997	-	-	-	24,418,997	20	20,527,010	778,397	-	-	21,305,407	3,113,590
Revaluation (2007)	8,407,158	-	-	-	8,407,158	20	4,069,632	867,505	-	-	4,937,137	3,470,021
	127,739,030	-	-	-	127,739,030	-	117,483,956	2,051,014	-	-	119,534,970	8,204,060
Light Vehicles												
Cost	28,018,312	-	-	-	28,018,312	20	22,033,072	1,197,048	-	-	23,230,120	4,788,192
Revaluation (2002)	4,571,974	-	-	-	4,571,974	20	3,843,276	145,740	-	-	3,989,016	582,958
Transfer from leased assets*	-	-	-	649,000	649,000	-	-	-	-	593,302	593,302	55,698
	32,590,286	-	-	649,000	33,239,286	-	25,876,348	1,342,788	-	593,302	27,812,438	5,426,848
Railway Sidings	1,726,574	-	-	-	1,726,574	5	1,295,303	21,564	-	-	1,316,867	409,707
Electric Installation	38,956,612	-	-	-	38,956,612	10	35,347,761	360,885	-	-	35,708,646	3,247,966
Weighing Scales	80,958	-	-	-	80,958	10	73,646	731	-	-	74,377	6,581
Library Books	72,403	-	-	-	72,403	10	65,608	680	-	-	66,288	6,115
	4,247,012,988	181,319	-	649,000	4,247,843,307	-	2,016,433,182	75,462,984	-	593,302	2,092,489,468	2,155,353,839
LEASED												
Light Vehicles	649,000	-	-	(649,000)	-	20	579,377	13,925	-	(593,302)	-	-
Rupees	4,247,661,988	181,319	-	-	4,247,843,307	-	2,017,012,559	75,476,909	-	-	2,092,489,468	2,155,353,839

* During the year company has transferred leased vehicle to owned vehicles as referred in note 7.1.

		2011 Rupees	2010 Rupees
15.1 Depreciation for the year has been allocated as under:			
Cost of sales	27	71,523,971	75,328,089
Distribution cost	28	123,610	134,038
Administrative expenses	29	3,829,328	4,393,583
		<u>75,476,909</u>	<u>79,855,710</u>

15.2 Land, Buildings, Plant & Machinery, and Vehicles of the Company were first revalued on April 01, 2002, resulting in surplus of Rs. 1,843.8 million. The second revaluation was carried out on June 30, 2007, by M/s Surval, recognised valuation consultant and its report was verified by M/s Ilyas Saeed & Co., Chartered Accountants. Valuation of building, plant and machinery and heavy vehicles was carried out on the basis of Depreciated Replacement Value. This revaluation has created a surplus of Rs.685.61 million.



Notes.....

15.3 Had there been no revaluation the related figures of Buildings, Plant & Machinery and Vehicles at June 30, 2011 would have been as follows :

Particulars	Cost as at June 30, 2011	Accumulated Depreciation upto June 30, 2011	Net Book Value As on June 30, 2011
	----- R u p e e s -----		
Buildings			
Factory	188,292,137	163,361,801	24,930,336
Office	17,527,908	13,312,635	4,215,273
Residential	38,550,278	35,551,652	2,998,626
Plant and Machinery	1,190,383,914	893,610,334	296,773,580
Heavy Vehicles	94,912,875	93,292,426	1,620,449
Light Vehicles	28,018,312	23,230,120	4,788,192
	1,557,685,424	1,222,358,968	335,326,456
2010 Rupees	1,557,685,424	1,208,253,170	349,432,254

15.4 OPERATING FIXED ASSETS

PARTICULARS	COST / REVALUATION				As at June 30, 2010	Rate %	D E P R E C I A T I O N				Book Value as at June 30, 2010	
	As at July 01, 2009	Additions	Deletions	Adjustment			As at July 01, 2009	For the year	On disposals	Adjustment		As at June 30, 2010
OWNED												
Free hold land												
Cost	52,591,805	-	-	-	52,591,805	-	-	-	-	-	52,591,805	
Revaluation (2002)	20,389,552	-	-	-	20,389,552	-	-	-	-	-	20,389,552	
	72,981,357	-	-	-	72,981,357	-	-	-	-	-	72,981,357	
Quarry on lease hold land	1,330,978	-	-	-	1,330,978	20 Yrs.	834,815	66,549	-	-	901,364	429,614
Building on free hold land												
Factory :												
Cost	188,292,137	-	-	-	188,292,137	10	157,513,945	3,077,819	-	-	160,591,764	27,700,373
Revaluation (2002)	86,898,282	-	-	-	86,898,282	10	46,374,183	4,052,410	-	-	50,426,593	36,471,689
Revaluation (2007)	6,903,666	-	-	-	6,903,666	10	1,311,697	559,197	-	-	1,870,894	5,032,772
	282,094,085	-	-	-	282,094,085	-	205,199,825	7,689,426	-	-	212,889,251	69,204,834
Office :												
Cost	17,527,908	-	-	-	17,527,908	5	12,857,246	233,533	-	-	13,090,779	4,437,129
Revaluation (2002)	13,645,216	-	-	-	13,645,216	5	4,235,364	470,493	-	-	4,705,857	8,939,359
Revaluation (2007)	1,248,858	-	-	-	1,248,858	5	121,764	56,355	-	-	178,119	1,070,739
	32,421,982	-	-	-	32,421,982	-	17,214,374	760,380	-	-	17,974,754	14,447,228
Residential :												
Cost	38,550,278	-	-	-	38,550,278	10	34,848,270	370,201	-	-	35,218,471	3,331,807
Revaluation (2002)	27,545,216	-	-	-	27,545,216	10	14,699,795	1,284,542	-	-	15,984,337	11,560,879
Revaluation (2007)	19,571,075	-	-	-	19,571,075	10	3,718,505	1,585,257	-	-	5,303,762	14,267,313
	85,666,569	-	-	-	85,666,569	-	53,266,570	3,240,000	-	-	56,506,570	29,159,999
Machinery												
Cost	1,190,383,914	-	-	-	1,190,383,914	3	874,969,333	9,462,437	-	-	884,431,770	305,952,144
Transfer From Lease assets	60,441,960	-	-	-	60,441,960	3	42,118,520	549,703	-	-	42,668,223	17,773,737
Revaluation (2002)	1,656,058,629	-	-	-	1,656,058,629	3	518,931,943	34,113,801	-	-	553,045,744	1,103,012,885
Revaluation (2007)	648,188,836	-	-	-	648,188,836	3	38,307,960	18,296,426	-	-	56,604,386	591,584,450
	3,555,073,339	-	-	-	3,555,073,339	-	1,474,327,756	62,422,367	-	-	1,536,750,123	2,018,323,216
Office Equipment	9,017,481	-	-	-	9,017,481	10	4,757,691	425,979	-	-	5,183,670	3,833,811
Furniture & Fixture	7,261,334	-	-	-	7,261,334	10	5,954,104	130,723	-	-	6,084,827	1,176,507
Heavy Vehicles												
Cost	110,874,816	-	15,961,941	-	94,912,875	20	108,251,419	506,390	15,870,495	-	92,887,314	2,025,561
Revaluation (2002)	27,955,277	-	3,536,280	-	24,418,997	20	22,385,763	972,997	2,831,750	-	20,527,010	3,891,987
Revaluation (2007)	9,698,577	-	1,291,419	-	8,407,158	20	3,491,487	1,084,381	506,236	-	4,069,632	4,337,526
	148,528,670	-	20,789,640	-	127,739,030	-	134,128,669	2,563,768	19,208,481	-	117,483,956	10,255,074
Light Vehicles												
Cost	29,905,362	1,245,000	3,132,050	-	28,018,312	20	20,497,800	1,931,688	1,260,652	864,236	22,033,072	5,985,240
Revaluation (2002)	4,571,974	-	-	-	4,571,974	20	3,661,102	182,174	-	-	3,843,276	728,698
	34,477,336	1,245,000	3,132,050	-	32,590,286	-	24,158,902	2,113,862	1,260,652	864,236	25,876,348	6,713,938
Railway Sidings	1,726,574	-	-	-	1,726,574	5	1,272,604	22,699	-	-	1,295,303	431,272
Electric Installation	38,956,612	-	-	-	38,956,612	10	34,946,778	400,983	-	-	35,347,761	3,608,851
Weighing Scales	80,958	-	-	-	80,958	10	72,833	813	-	-	73,646	7,313
Library Books	72,403	-	-	-	72,403	10	64,853	755	-	-	65,608	6,795
	4,269,689,678	1,245,000	23,921,690	-	4,247,012,988	-	1,956,199,774	79,838,305	20,469,133	864,236	2,016,433,182	2,230,579,806
LEASED												
Light Vehicles	1,894,000	-	1,245,000	-	649,000	20	1,426,207	17,406	864,236	-	579,377	69,623
	1,894,000	-	1,245,000	-	649,000	-	1,426,207	17,406	864,236	-	579,377	69,623
Rupees	4,271,583,678	1,245,000	25,166,690	-	4,247,661,988	-	1,957,625,981	79,855,710	21,333,369	864,236	2,017,012,558	2,230,649,430

Notes.....



	Note	2011 Rupees	2010 Rupees
16. CAPITAL WORK IN PROGRESS			
Advance for land			
Opening balance		190,681,083	190,681,083
Payment received back		(80,275,000)	-
		<u>110,406,083</u>	<u>190,681,083</u>
Less: Recoverable within next twelve months	22	(110,406,083)	-
		<u>-</u>	<u>190,681,083</u>

16.1 In 2008, the company had entered into an agreement for purchase of land amounting Rs.250 million which was payable upto January 2009. Due to severe financial crunch, company was unable to pay the full amount within the due date. During the current year, the agreement has been revoked with the consent of both the parties subject to a liquidated compensation of Rs. 1 million to the seller. It is mutually decided that balance amount will be repaid by the seller on or before June 30, 2012.

17. LONG TERM LOANS - Considered good

Officers

House building	-	121,500
Special loans to officers	32,000	130,511
	<u>32,000</u>	<u>252,011</u>

Other Employees

House building	41,349	59,839
Special loans	26,500	40,500
	<u>67,849</u>	<u>100,339</u>
	<u>99,849</u>	<u>352,350</u>
Less: Current portion recoverable within one year	22	44,328
	<u>55,521</u>	<u>201,910</u>

Terms of repayment for Staff Loans
These are interest free and secured.

Equal monthly
Installments

Equal monthly
Installments

2011
Rupees

2010
Rupees

18. LONG TERM SECURITY DEPOSITS

Islamabad Electric Supply Company	19,486,000	9,486,000
Others	948,715	838,955
	<u>20,434,715</u>	<u>10,324,955</u>

19. STORES, SPARES AND LOOSE TOOLS

General stores	50,688,223	56,842,999
Spare parts	86,579,300	79,750,698
Loose tools	2,685,822	4,681,966
	<u>139,953,345</u>	<u>141,275,663</u>



Notes.....

	Note	2011 Rupees	2010 Rupees
20. STOCK IN TRADE			
Raw material		704,703	4,258,271
Work in process		62,128,789	26,132,792
Finished goods		29,611,565	11,468,555
		<u>92,445,057</u>	<u>41,859,618</u>
21. TRADE DEBTS		<u>17,971,314</u>	-
These are unsecured but considered good by the management.			
22. LOANS AND ADVANCES			
Loans			
Considered good:			
Current portion of long term loans to employees	17	44,328	150,440
Advance against purchase of land to past associated company - Gharibwal Cement Limited	16	110,406,083	-
Loan to employees		250,000,000	250,000,000
		17,977,324	17,293,167
		<u>378,427,735</u>	<u>267,443,607</u>
Considered doubtful:			
Loan to employees		1,505,121	5,136,721
		<u>379,932,856</u>	<u>272,580,328</u>
Advances			
Considered good:			
To employees		1,418,291	1,508,755
To suppliers / contractors		35,267,671	66,512,086
To related party - The Forwarder (Pvt) Limited		12,570,475	12,570,475
		<u>49,256,437</u>	<u>80,591,316</u>
Considered doubtful:			
To employees		1,470,239	2,607,603
To suppliers / contractors		136,938	8,555,442
		<u>1,607,177</u>	<u>11,163,045</u>
		<u>50,863,614</u>	<u>91,754,361</u>
		<u>430,796,470</u>	<u>364,334,689</u>
Less: Provision for doubtful loans and advances	22.2	<u>3,112,298</u>	16,299,766
		<u>427,684,172</u>	<u>348,034,923</u>
22.1	During the audit, balance confirmation requests were circulated to various parties for direct balance confirmation aggregating Rs.50.34 million (2010: Rs.168.23 million). Upto the date of issuance of these financial statements, replies against balance of only Rs.3.46 million (2010: Rs.0.91 million) have been received.		
22.2	Provision for doubtful loans and advances		
Balance as at July 01		16,299,766	-
Provision for the year		-	16,299,766
		16,299,766	16,299,766
Loans and advances written off against provision		(13,187,468)	-
		<u>3,112,298</u>	<u>16,299,766</u>

Notes.....



	Note	2011 Rupees	2010 Rupees
23. BALANCES WITH STATUTORY AUTHORITIES			
Excise duty		369,752	369,752
Income tax deducted at source		29,853,490	41,383,635
Income tax refundable		12,216,164	12,216,164
		<u>42,439,406</u>	<u>53,969,551</u>
24. INTEREST ACCRUED			
Interest accrued on loan to GCL		9,388,555	9,388,555
Interest accrued on PLS deposits		-	19,484
		<u>9,388,555</u>	<u>9,408,039</u>
25. OTHER RECEIVABLES			
Other receivables:			
Considered good		261,157	568,810
Considered doubtful		55,844	168,184
		<u>317,001</u>	<u>736,994</u>
Provision for doubtful receivables	25.1	55,844	168,184
		<u>261,157</u>	<u>568,810</u>
25.1 Provision for doubtful receivables			
Balance as at July 01		168,184	-
Provision for the year		-	168,184
		<u>168,184</u>	<u>168,184</u>
Other receivables written off against provision		(112,340)	-
		<u>55,844</u>	<u>168,184</u>
26. CASH AND BANK BALANCES			
Cash in hand		1,544	1,866
Cash at banks in:			
Current accounts		1,538,160	818,220
Deposit accounts	26.1	2,183,415	2,969,025
		<u>3,721,575</u>	<u>3,787,245</u>
		<u>3,723,119</u>	<u>3,789,111</u>
26.1	It includes a separate bank account amounting Rs. 1.5 Million (2010: Rs. 1.5 Million), in compliance with requirements of Section 226 of the Companies Ordinance, 1984.		
26.2	Profit and loss sharing accounts bear mark up at the rates ranging from 7% to 10% (2010: 5% to 10%) per annum.		



Notes.....

	Note	2011 Rupees	2010 Rupees
27. COST OF SALES			
Raw materials consumed	27.1	81,018,990	41,916,795
Salaries, wages and benefits	27.2	212,823,117	144,603,356
Fuel, gas and electricity		684,892,494	202,357,208
Stores and spares		29,714,971	8,015,441
Rent, rates and taxes		66,100	256,588
Vehicle running and maintenance		10,621,121	7,070,325
Packing material		67,961,555	23,389,713
Depreciation	15.1	71,523,971	75,328,089
Others		20,532,431	14,623,850
		1,179,154,750	517,561,365
Work in process			
Opening		26,132,792	8,749,438
Closing		(62,128,789)	(26,132,792)
		(35,995,997)	(17,383,354)
Cost of goods manufactured		1,143,158,753	500,178,011
Finished goods			
Opening		11,468,555	8,330,752
Closing		(29,611,565)	(11,468,555)
		(18,143,010)	(3,137,803)
		1,125,015,743	497,040,208
27.1 RAW MATERIALS CONSUMED			
Opening balance		4,258,271	2,143,524
Purchase of raw material		23,341,118	12,317,051
Salaries, wages and benefits	27.1.1	37,173,403	24,660,458
Gypsum		794,094	48,202
Diesel		-	29,020
Electricity		5,321,175	2,057,792
Royalty and excise duty		8,843,549	3,733,530
Stores and spares		1,719,328	880,111
Rent, rates and taxes		120,000	241,222
Breaking of Gypsum		152,755	64,156
		81,723,693	46,175,066
Closing balance		(704,703)	(4,258,271)
		81,018,990	41,916,795

27.1.1 Salaries, wages and other benefits include Rs.1.17 million (2010:Rs.1.150 million) in respect of Provident Fund contribution by the company.

27.1.2 Salaries, wages and other benefits include Rs.11.42 million (2010:Rs.Nil) in respect of Gratuity Fund contribution by the company.

27.2 Salaries, wages and other benefits include Rs. 5.59 million (2010:Rs.5.62 million) in respect of Provident Fund contribution by the company.

27.2.1 Salaries, wages and other benefits include Rs.55.26 million (2010:Rs.Nil) in respect of Gratuity Fund contribution by the company.

Notes.....



	Note	2011 Rupees	2010 Rupees
28. DISTRIBUTION COST			
Salaries, wages and benefits		2,455,500	999,560
Travelling and daily allowances		332,709	338,993
Vehicles running and maintenance		35,965	18,890
Advertisement		-	12,925
Entertainment		-	44,500
Depreciation	15.1	123,610	134,038
Others		5,000	-
		<u>2,952,784</u>	<u>1,548,906</u>
29. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	29.1	9,305,993	9,526,829
Rent, rates and taxes		2,226,111	2,134,000
Travelling and daily allowances		2,035,736	2,135,978
Repairs and maintenance		1,104,627	1,103,246
Vehicle running and maintenance		1,232,781	1,701,892
Legal and professional		4,541,529	2,115,100
Auditors' remuneration	29.2	527,000	388,000
Postage, telephone and telegrams		854,637	854,778
Printing and stationery		508,858	109,296
Advertisement		71,500	224,821
Entertainment		731,152	1,816,157
Fee and subscriptions		854,735	420,675
Depreciation	15.1	3,829,328	4,393,583
Others	29.3	1,903,472	3,222,915
		<u>29,727,459</u>	<u>30,147,270</u>
29.1 Salaries, wages and other benefits include Rs.nil (2010: Rs.9,375) in respect of Provident Fund contribution by the company.			
29.2 Auditors' remuneration			
Amin, Mudassar & Co.			
Chartered Accountants			
Audit fee		300,000	250,000
Tax advisory services		60,000	-
Certification services		7,000	8,000
Half year review fee		75,000	55,000
Code of Corporate Governance review report fee		85,000	75,000
		<u>527,000</u>	<u>388,000</u>
29.3 These include donations of Rs.150,000 (2010: Rs.210,000) to Bakhtawar Amin Memorial Trust, Multan. Mr. Muhammad Rasheed (Director), Mr. Mansoor Rasheed (Director) and Mr. Saud Rasheed (Director) are interested in donee to the extent that they are members in the Board of trustee of the Trust.			
30. OTHER OPERATING INCOME			
Income from financial assets			
Profit on deposit and PLS accounts		241,422	277,587
Income from non financial assets			
Tenderable gain	30.1	8,950,000	-
Gain on disposal of fixed assets		-	3,034,524
		<u>8,950,000</u>	<u>3,034,524</u>
		<u>9,191,422</u>	<u>3,312,111</u>
30.1 This was surrendered by the two directors of the company under section 224 of the Companies Ordinance, 1984.			



Notes.....

	Note	2011 Rupees	2010 Rupees
31. OTHER OPERATING EXPENSES			
Exchange Loss		-	3,810
Balances written off -net	31.1	1,257,215	-
Provision for doubtful balances	31.2	-	16,467,950
		<u>1,257,215</u>	<u>16,471,760</u>

31.1 This include loans, advances and other receivables amounting Rs.215,060, 746,143 and 569,653 respectively .

31.2 This include loans to employees, advance to employees, advances to suppliers / contractors and other receivables amounting Rs. nil (2010: Rs.5,136,721, Rs.2,607,603, 8,555,442 and 168,184 respectively) .

32. FINANCE COST

Interest/mark up on:

Loans from financial institutions:

Long term		-	164,587,748
Short term		-	72,198,621
	32.1	-	236,786,369
Other loans- long term		4,932,479	4,944,753
Provident fund		8,835,903	5,368,420
Workers Profit Participation Fund (WPPF)		600,999	563,070
Bank charges		1,075,051	709,570
		<u>15,444,432</u>	<u>248,372,182</u>

32.1 The company has not made accrual of markup aggregating Rs.247.13 million due to litigations as referred in notes nos. 5.3, 12.1, 12.2 and 12.3.

33. TAXATION

Current

The income tax assessments of the Company have been finalized upto tax year 2010. Provision for the current year Rs Nil (2010: represents tax deducted at source under section 154 of the Income Tax Ordinance, 2001) . Minimum tax u/s 113 of the Income Tax Ordinance 2001 has not been made as the company suffered gross loss before depreciation charge. The assessed tax losses available for carry forward is Rs.2,177,925,750 (2010: Rs.1,843,633,936) upto the tax year 2011. Since the company is not liable to any tax under the Normal Tax Regime therefore no numerical tax reconciliation is given.

Deferred

Deferred tax liability on all temporary differences as at June 30, 2011 has been duly provided and disclosed in note 8.

34. LOSS PER SHARE - BASIC AND DILUTED

Loss for the year	(339,162,893)	(436,125,650)
Weighted average ordinary shares during the year-numbers	94,839,980	94,839,980
Loss per share (Rupees)	(3.58)	(4.60)

Notes.....



	2011 Rupees	2010 Rupees
35. TRANSACTIONS WITH RELATED PARTIES		
Three Stars Hosiery Mills (Pvt) Ltd.		
(Associated company due to common directorship)		
Funds paid back	1,975,855	-
Loan received	2,363,188	5,500,000
Waste purchased	30,000	-
Active Apparel International (Pvt) Ltd		
(Associated company due to common directorship)		
Loan received	5,073,500	9,758,000
Funds paid back	764,957	1,601,000
Forwarders (Pvt) Ltd		
(Associated company due to common directorship)		
Fund received back	-	3,400,000
Director		
Fund obtained	48,006,000	2,415,000
Fund repaid	12,037,566	1,637,047
Key Management Personals		
Disposal of vehicle	-	1,100,000

36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity risk

Market risk

The Board of Directors have the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management.

Here are presented the information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of Capital.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in the market conditions and the Company's activities.

The company's exposure to financial risks, the way these risks affect revenues, expenses, assets, liabilities and forecast transactions of the company and the manner in which each of these risks are managed is as follows:



Notes.....

36.1 Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade debts, advances and deposits, interest accrued, other receivables and margin on letter of guarantee. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2011 Rupees	2010 Rupees
Long term security deposits	20,434,715	10,324,955
Trade debts	17,971,314	-
Interest accrued	9,388,555	9,408,039
Other receivables	261,157	568,810
Cash and bank balances	3,723,119	3,789,111
	<u>51,778,860</u>	<u>24,090,915</u>

Geographically there is no concentration of credit risk.

Credit Quality of Financial Assets

The company has placed funds in financial institutions keeping in view credit ratings. The company assesses the credit quality of the counter parties as satisfactory. The company does not hold any collateral as security against any of its financial assets.

Cash at banks

A-1+	1,831,787	2,123,876
A 1+	163,510	73,857
A 2	1,719,606	1,582,841
A-2	6,499	-
A-3	173	6,671
	<u>3,721,575</u>	<u>3,787,245</u>

Credit Risk Management

Due to the company long standing business relationship with counter parties and after giving due consideration to their strong financial standings, management does not expect non-performance by the counter parties on their obligation to the company. Accordingly the credit risk is minimal.

Notes.....



36.2 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

	2011			2010		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
(R u p e e s)						
Financial Assets						
Long term loans	44,328	55,521	99,849	150,440	201,910	352,350
Loans and advances	427,639,844	-	427,639,844	347,884,483	-	347,884,483
Other receivables	261,157	-	261,157	568,810	-	568,810
Accrued interest	9,388,555	-	9,388,555	9,408,039	-	9,408,039
Cash and bank	3,721,575	-	3,721,575	3,787,245	-	3,787,245
	<u>441,055,459</u>	<u>55,521</u>	<u>441,110,980</u>	<u>361,799,017</u>	<u>201,910</u>	<u>362,000,927</u>
Financial liabilities						
Long term loans and liabilities	62,327,713	1,385,994,978	1,448,322,691	56,154,849	1,398,365,787	1,454,520,636
Liabilities against assets subject to finance lease	15,417	-	15,417	15,417	-	15,417
Long term advances and deposits	-	43,908	43,908	-	1,365,226	1,365,226
Trade and other payables	901,824,194	-	901,824,194	718,729,135	-	718,729,135
Mark up accrued	677,881,511	-	677,881,511	664,113,130	-	664,113,130
Short term borrowings	488,367,263	-	488,367,263	446,066,283	-	446,066,283
Gratuity payable to trustees	149,123,468	-	149,123,468	82,591,946	-	82,591,946
	<u>2,279,539,566</u>	<u>1,386,038,886</u>	<u>3,665,578,452</u>	<u>1,967,670,760</u>	<u>1,399,731,013</u>	<u>3,367,401,773</u>
Net liquidity	(1,838,484,107)	(1,385,983,365)	(3,224,467,472)	(1,605,871,743)	(1,399,529,103)	(3,005,400,846)

Liquidity Risk Management

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the company ensures that it has sufficient cash on demand to meet expected operational cash flows, including serving of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. Further, the company has the support of its sponsors in respect of any liquidity shortfalls.

36.3 Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the company's net profit or the fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

36.3.1 Currency Risk

The company is exposed to currency risk in respect of export sales, imports and resulting balances that are denominated in a currency other than functional currency. The company's exposure to currency risk as at the reporting date is Rs.nil (2010:Rs.nil):



Notes.....

Foreign Currency Risk Management

Foreign currency risk arises mainly due to fluctuation in foreign exchange rates. The company also has transactional currency exposure. Such exposure arises from sales and purchases of certain materials by the company in currencies other than rupees. The company's export sales is immaterial during the year.

36.3.2 Interest Rate Risk

The interest rate profile the company's interest bearing financial instruments as at the reporting date is as follows:

	2011 Rupees	2010 Rupees
Variable rate instruments		
Financial assets	2,183,415	2,969,025
Financial liabilities	1,486,103,490	1,486,103,490

The company is exposed to interest rate risk in respect of its variable rate instruments. A 100 basis points change in variable interest rates would have increased loss by Rs. 14.51 million (2010: Rs. 14.52 million) if fully charged to profit and loss account. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

The effective interest / mark-up rates in respect of financial instruments are mentioned in respective notes to the financial statements.

36.4 Capital risk management

The primary objective of the company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policy and processes during the year ended June 30, 2011.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt.

During 2011, the company's strategy was to minimize leveraged gearing. The gearing ratios as at June 30, 2011 and 2010 were as follows:

	2011 Rupees	2010 Rupees
Long term loans	1,385,994,978	1,398,365,787
Trade and other payable	1,050,947,662	801,321,081
Accrued interest	677,881,511	664,113,130
Current portion of long term finance	62,343,130	56,170,266
Short term borrowings	488,367,263	446,066,283
Total debt	3,665,534,544	3,366,036,547
Cash and bank balances	3,723,119	3,789,111
Net debt	3,661,811,425	3,362,247,436
Share capital	948,399,800	948,399,800
Share premier reserve	31,800,740	31,800,740
Surplus on revaluation of fixed assets	1,138,718,009	1,177,629,175
Accumulated loss	(2,876,726,135)	(2,576,474,408)
Equity	(757,807,586)	(418,644,693)
	(4,419,619,011)	(3,780,892,129)
Gearing ratio (Net debt / Equity)	(4.83)	(8.03)

Notes.....

36.5 Fair Value of Financial Assets and Liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair value.

36.6 Default and breaches of loans payable

	Carrying value		Nature of default
	Principal amount	Mark up due	
---- R u p e e s ----			
The Bank of Punjab			
Long term demand finance	750,000,000	343,244,690	Company failed to pay quarterly installments alongwith markup due thereon
Short term finance facility	270,000,000	116,091,798	The company has not renewed the short term bridge finance facility
Finance against PADs	57,256,073	22,737,235	Company could not pay the amount on due date
Finance against Guarantee	83,600,000	19,809,764	The bank paid this amount against the Guarantee to SNGPL and the company could not pay the amount to the bank.
Economic Affairs Division	35,232,000	17,941,774	Company failed to pay the half yearly installments alongwith markup due thereon.
KASB Bank Ltd	290,000,000	111,409,335	The company has not renewed the short term running finance facility

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2011			2010		
	Chief Executive	Directors	Executive	Chief Executive	Directors	Executive
(R u p e e s)						
Managerial remuneration	-	-	648,000	-	-	560,000
House rent	-	-	-	-	-	-
Medical	-	-	-	-	-	-
Others	-	-	-	-	-	-
	-	-	648,000	-	-	560,000
Number of persons	-	-	1	1	-	1

The Chief Executive, Director and executive is entitled to free use of cars according to company policy.

38. PLANT CAPACITY AND ACTUAL PRODUCTION

	2011	2010
	M. Tons	M. Tons
Ordinary Portland cement		
Plant capacity (Cement)	504,000	504,000
Actual production	184,421	72,513
%age of capacity utilised	37	14

38.1 Shortfall in 2011 in production is mainly due to shutdown of operations of the company for 3 months, market constraints and plant stoppages for repair.

39. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on January 06, 2012 by the Board of Directors of the company.



MANSOOR RASHEED
Chief Executive



SAUD RASHEED
Director



Summary of Last Ten Years' Financial Result

Description	Rupees in Thousands									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Trading Results:										
Turnover	773,176	233,286	1,146,063	556,149	914,555	1,412,957	1,087,164	812,211	590,353	747,191
Gross Profit /(Loss)	(351,839)	(263,754)	(84,882)	(236,620)	(207,432)	220,436	66,682	(6,951)	(186,519)	(64,479)
Operating Profit /(Loss)	(384,520)	(295,450)	(192,595)	(328,986)	(284,902)	150,667	3,784	(41,819)	(203,834)	(79,633)
Profit /(Loss) Before Taxation	(392,030)	(556,982)	(457,657)	(556,402)	(438,154)	63,940	(61,759)	(123,128)	(331,883)	(246,549)
Profit /(loss) After Taxation	(339,163)	(436,126)	(310,177)	(419,168)	(437,276)	13,614	56,826	(112,828)	47,134	(238,397)
Balance Sheet:										
Shareholders Equity	(1,896,526)	(1,596,274)	(1,202,189)	(934,958)	(830,956)	(424,736)	(447,750)	(577,147)	(1,080,888)	(1,283,427)
Operating Fixed Assets	2,155,354	2,230,649	2,313,958	2,382,119	2,456,936	1,796,726	1,812,714	1,911,135	2,022,856	2,135,904
Net Current Liabilities	(1,545,673)	(1,384,555)	(834,944)	(384,722)	(328,284)	(88,013)	(251,999)	(292,712)	(550,929)	(494,367)
Long term Liabilities	1,387,978	1,405,724	1,411,684	1,465,374	1,194,013	1,056,014	1,072,416	1,104,762	1,147,859	1,083,236
Significant Ratios										
Gross Profit Ratio %	(45.50)	(113.06)	(7.41)	(42.55)	(22.68)	15.60	6.13	(0.86)	(31.59)	(8.63)
Net Profit Ratio %	(43.87)	(186.95)	(27.06)	(75.37)	(47.81)	(0.96)	6.96	(13.89)	7.98	(31.91)
Fixed Assets Turnover Ratio	0.36	0.10	0.50	0.23	0.37	0.79	0.60	0.42	0.29	0.35
Current Ratio	0.32	0.30	0.41	0.58	0.60	0.80	0.49	0.42	0.25	0.29

Form of Proxy

The Secretary
Dandot Cement Company Limited
LAHORE.

I/We _____
of _____
being a member of **Dandot Cement Company Limited** and holder of _____ Ordinary Shares as per Shares
Register Folio No. _____ hereby appoint Mr. _____ of _____
Folio No. _____ who is also a member of **Dandot Cement Company Limited** as my/our proxy to attend
and vote for and on my / our behalf at the 31st Annual General Meeting of the Company to be held on **Thursday, January 31,
2012 at 11:30 a.m.** and at any adjournment thereof.

As witnessed given under my / our hand (s) _____ day of January 2012.

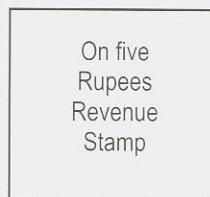
Witness:

Signature: _____

Name: _____

Address: _____

Signature



Note:

1. The Proxy in order to be valid must be signed across a Five Rupees Revenue Stamp and should be deposited in the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
2. No person shall be act as proxy unless he is a member of the Company.
3. Signature should agree with the specimen signature registered with the Company.

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AFFIX
CORRECT
POSTAGE

The Company Secretary,

Dandot Cement Company Limited,
30-Sher Shah Block, New Garden Town,
Lahore - Pakistan.

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