

**DADABHOY CEMENT INDUSTRIES LIMITED**  
**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT DECEMBER 31, 2008**

	<b>Unaudited December, 31 2008</b>	<b>Audited June 2008</b>
<b>ASSETS</b>	<b>(Rupees in '000')</b>	
<b>Non-Current Assets</b>		
Property, plant and equipment	4,244,722	4,253,045
Intangible assets	352	352
Long term investments	3,011	3,108
Long term loans and advances	268	268
Long term deposits	7,784	7,784
Goodwill	9,453	9,453
	4,265,590	4,274,010
<b>Current Assets</b>		
Stores, spares parts and loose tools	267,344	267,550
Stock-in-trade	63,304	56,076
Trade debts	1,018	
Loans and advances	59,523	17,573
Short term prepayments	-	74
Other receivables	4,656	4,694
Bank balances	3,374	9,298
	399,218	355,265
<b>Total Assets</b>	4,664,808	4,629,275
<b>EQUITY AND LIABILITIES</b>		
Authorised Capital		
150,000,000(2007: 150,000,000) Ordinary shares of Rs. 10 eac	1,500,000	1,500,000
Issued, subscribed and paid up capital	982,366	982,366
Accumulated losses	(489,431)	(419,395)
Capital reserve	33,224	33,224
	526,159	596,195
Minority Interest	71,817	75,495
	597,976	671,690
<b>Advance against issue of right shares</b>	-	-
<b>Surplus on revaluation of fixed assets</b>	1,535,607	1,535,607
<b>Non Current Liabilities</b>		
Long term financing	740,704	740,703
Long term morahaba	4,031	4,031
Liabilities against assets subject to finance lease	6,160	6,160
Long term deposits	-	-
Deferred liabilities	989,715	988,768
	1,740,609	1,739,662
<b>Current Liabilities</b>		
Trade and other payables	654,106	545,020
Short term borrowing-secured	25,700	25,000
Current maturity and over due installments of loans	46,304	46,304
Current portion of long term borrowings and deposits	60,048	61,690
Provision for income tax	4,458	4,302
	790,616	682,316
<b>Contingency and Commitment</b>	-	-
	4,664,808	4,629,275

The annexed notes from an integral part of these financial Statements.

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**DRIRECTOR**

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**DRIRECTOR**

**DADABHOY CEMENT INDUSTRIES LIMITED**  
**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

Notes	HALF YEAR ENDED		QUARTER ENDED	
	December	December	December	December
	2008	2007	2008	2007
	(Rupees in '000')		(Rupees in '000')	
Sales - Net	30,940	195,812		101,810
Cost of sales	(47,472)	(157,207)	(914)	99,032
Gross profit	(16,531)	38,604	(914)	2,778
Opresting expense				
Distribution costs	(833)	(20,473)	(217)	(19,053)
Administrative expenses	(60,720)	(40,493)	(14,895)	(27,133)
Other expense	(150)	(715)		(480)
Share of (Loss)/profit of association	(97)			
Other income	9,641	577	9,000	577
Operating (Loss) / Profit	(68,690)	(22,499)	(7,026)	(43,311)
Financial cost	(4,871)	(1,714)	(3,558)	(845)
(Loss) / Profit before taxation	(73,560)	(24,212)	(10,584)	(44,156)
Income tax				
Current	(155)	(1,076)	-	(606)
Deferred	-	168,385	-	52,962
	(155)	167,309	-	52,356
(Loss) / Profit after taxation	(73,715)	143,097	(10,584)	8,201
(Loss) / Earning per share- Basic and diluted (Rupees)	(0.08)	1.79	(0.01)	0.08
Loss attributable to -				
Holding Company	(70,036)			
Minority interest	(3,678)			
	(73,715)			

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

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**CHIEF EXECUTIVE**

\_\_\_\_\_  
**DIRECTOR**

**DADABHOY CEMENT INDUSTRIES LIMITED**  
**INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT (AUDITED)**  
**FOR THE PERIOD ENDED DECEMBER 31, 2008**

	<b>Unaudited</b>	<b>Audited</b>
	<b>December, 31</b>	<b>June</b>
	<b>2,008</b>	<b>2,007</b>
	<b>(Rupees in '000')</b>	
<b>Cash flows from operating activities</b>		
(loss)/ profit before taxation	(73,560)	(42,870)
<b>Adjustments:</b>		
Depreciation	8,077	29,910
Gain on proceeds of motor vehicle	(3,290)	-
Financial charges	4,067	18,819
Share of loss/ (profit) of associate	97	
Provision for staff gratuity	1,092	2,801
Provision for WPPF	804	
<b>Operating cash flows before working capital changes</b>	<b>(62,712)</b>	<b>8,661</b>
<b>Working capital changes</b>		
<b>(Increase) / decrease in working capital</b>		
Stores spares and loose tools	206	(7,364)
Stock in trade	(7,227)	(37,421)
Trade debts	(1,018)	124
Loans and advances	(41,950)	(44,083)
Short term prepayments		(5,390)
Short term prepayments	74	
Other receivables	38	517
	<b>(49,876)</b>	<b>(93,616)</b>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payable	109,786	85,431
Cash generated from operations	(2,801)	477
Taxes paid	-	620
Gratuity paid	(145)	(154)
Financial charges paid	(4,871)	(10,791)
<b>Cash flows from investing activities</b>	<b>(7,817)</b>	<b>(9,848)</b>
Capital expenditure	-	(33,136)
Scrap Sales	3,535	577
Long term loans and deposits	-	(239)
Net cash used in investing activities	<b>3,535</b>	<b>(32,798)</b>
<b>Cash flows from financing activities</b>		
Repayment of long term finance	(1,642)	-
Proceeds from issue of share capital	-	(59,195)
Receipt from right issue-net of advance receipt	-	115,842
Advance from customers		(9,495)
Payments of long term morahaba/ lease finance instalments		(3,102)
Net cash outflow from financing activities	<b>(1,642)</b>	<b>44,050</b>
Net increase/ (decrease) in cash and cash equivalents	<b>(5,924)</b>	<b>1,403</b>
Cash and cash equivalents at beginning of the period	<b>9,298</b>	<b>4,915</b>
Cash and cash equivalents at end of the period	<b>3,374</b>	<b>6,318</b>

The annexed notes from an integral part of these financial Statements.

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**DRIRECTOR**

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**DRIRECTOR**

**DADABHOY CEMENT INDUSTRIES LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

	Share Capital	Capital Reserve	Accumulated losses	Total
	←----- Rupees '000 ----->			
Balance as at July 01, 2007	982,367	33,224	(90,781)	924,810
<b>Changes in equity for the half year ended December 31, 2007</b>				
Incremental depreciation - Net of deferred tax	-	-	12,195	12,195
Profit for the year after taxation	-	-	124,439	124,439
Total income recognized for the half year	-	-	136,634	136,634
<b>Balance at September 30, 2007</b>	<u>982,367</u>	<u>33,224</u>	<u>182,487</u>	<u>1,061,444</u>
<b>Balance at July 01, 2008</b>	982,366	33,224	(419,395)	596,195
<b>Changes in equity for the half year ended December 31, 2008</b>				
Incremental depreciation - Net of deferred tax	-	-	-	-
Loss for the year after taxation	-	-	(73,715)	(73,715)
Minority interest	-	-	3,678	3,678
Total income recognized for the half year	-	-	(70,036)	(70,036)
<b>Balance at September 30, 2008</b>	<u>982,366</u>	<u>33,224</u>	<u>(489,431)</u>	<u>526,159</u>

The annexed notes from an integral part of these financial Statements.

\_\_\_\_\_  
**CHIEF EXECUTIVE**

\_\_\_\_\_  
**DIRECTOR**

**DADABHOY CEMENT INDUSTRIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

**1 THE GROUP AND ITS OPERATION**

Dadabhoj Cement Industries Limited was incorporated in 1979 as a public limited company and is listed on Karachi, Lahore and Islamabad Stock Exchanges. The Company is engaged in the manufacturing and sale of ordinary Portland, slag and sulphate resistant cement.

Dadabhoj Energy Financial Company (the subsidiary) incorporated in Pakistan as unlisted public limited Company on May 29, 1984 under the Company Ordinance 1984. It is a subsidiary of Dadabhoj Cement Industry Limited which directly holds 20.74% shares and indirectly hold 79.26% shares Equity. Its principle business is generation and supply of electric power.

**2 BASIS OF CONSOLIDATION**

The Consolidated Financial Statement include the financial statement of Dadabhoj Cement Industries Limited and its subsidiary Dadabhoj Energy Company Limited. The financial statements of the parent and the subsidiary companies are prepared on to the same reporting date using consistent accounting policies and are combined on line by line basis.

All inter-company balances, transaction and resulting unrealized profits if any are eliminated.

Minority interest is calculated on the basis of their proportionate share 20.74% in the net assets of the subsidiary company.

**3 SIGNIFICATION ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these interim condensed financial statements are the same as those applied in the preparation of the preceding annual published financial statement of the company.

**4 RELATED PARTY TRANSACTION**

The related party comprise of parties related to group companies and directors. Transaction with related parties during period ended are as follows.

	<b>2008</b>	<b>2007</b>
Purchase of goods and electricity	9,336	154,256
Loan from directors		30,508

**5 Capacity - Cement all kind ( Metric Ton )**

Installed capacity (annual)	<u>598,000</u>	<u>598,000</u>
Production (this half year)	<u>8,877</u>	<u>73,838</u>
<b>Subsidiary Electric Energy</b>	<b>KWH</b>	<b>KWH</b>
installed Capacity per annum	<u>141,912,000</u>	<u>141,912,000</u>
Production	<u>10,495,000</u>	<u>10,495,000</u>

**6 GENERAL**

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

**7 DATE OF AUTHORIZATION**

These interim condensed financial statements have been authorized for issue on february 27-,2009 by the Board of Directors of the Company.

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**CHIEF EXECUTIVE**

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**DIRECTOR**

**DADABHOY CEMENT INDUSTRIES LIMITED**  
**CONDENSED BALANCE SHEET**  
**AS AT DECEMBER 31, 2008**

	<b>Unaudited December 2008</b>	<b>Audited June 2008</b>
<b>ASSETS</b>		
<b>(Rupees in '000')</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	3,505,461	3,512,061
Intangible assets	54	54
Long term investments	208,011	208,108
Long term loans and advances	49	49
Long term deposits	7,781	7,781
	3,721,356	3,728,053
<b>Current Assets</b>		
Stores, spares parts and loose tools	259,546	259,546
Trade debts	1,018	
Stock-in-trade	63,098	56,076
Loans and advances	84,043	61,206
Other receivables	4,256	4,294
Bank balances	3,284	9,210
	415,245	390,332
<b>Total Assets</b>	4,136,601	4,118,385
<b>EQUITY AND LIABILITIES</b>		
Authorised Capital		
150,000,000(2007: 150,000,000) Ordinary shares of Rs. 10 each	1,500,000	1,500,000
Issued, subscribed and paid up capital	982,366	982,366
Accumulated losses	(491,833)	(458,105)
Capital reserve	33,224	33,224
	523,757	557,485
<b>Surplus on revaluation of fixed assets</b>	1,482,172	1,482,172
<b>Non Current Liabilities</b>		
Long term financing	600,000	600,000
Long term morahaba	4,031	4,031
Liabilities against assets subject to finance lease	6,160	6,160
Deferred liabilities	911,877	910,930
	1,522,068	1,521,121
<b>Current Liabilities</b>		
Trade and other payables	570,941	518,457
Short term borrowing-secured	25,000	25,000
Current portion of long term borrowings and deposits	8,206	9,848
Provision for income tax	4,458	4,302
	608,604	557,607
	4,136,601	4,118,385

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

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**CHIEF EXECUTIVE**

\_\_\_\_\_  
**DIRECTOR**

**DADABHOY CEMENT INDUSTRIES LIMITED**  
**CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

Notes	Unaudited HALF YEAR ENDED		Unaudited QUARTER ENDED	
	December 2008	December 2007	December 2008	December 2007
	(Rupees in '000')		(Rupees in '000')	
<b>Sales - Net</b>	<b>30,940</b>	195,812		101,810
<b>Cost of sales</b>	<b>(30,814)</b>	(157,207)	<b>(953)</b>	99,032
<b>Gross profit</b>	<b>126</b>	38,604	<b>(953)</b>	2,778
<b>Opreting expense</b>				
Distribution costs	(833)	(20,473)	(217)	(19,053)
Administrative expenses	(37,389)	(40,493)	(19,151)	(27,133)
Other expense	(150)	(715)		(480)
Share of (Loss)/profit of association	(97)			
Other income	<b>9,641</b>	577	<b>9,641</b>	577
<b>Operating (Loss) / Profit</b>	<b>(28,702)</b>	(22,499)	<b>(10,680)</b>	(43,311)
<b>Financial cost</b>	<b>(4,871)</b>	(1,714)	<b>(3,576)</b>	(845)
<b>(Loss) / Profit before taxation</b>	<b>(33,573)</b>	(24,212)	<b>(14,256)</b>	(44,156)
<b>Income tax</b>				
Current	(155)	(1,076)	(155)	(606)
Deferred	-	168,385	-	52,962
	(155)	167,309	(155)	52,356
<b>(Loss) / Profit after taxation</b>	<b>(33,728)</b>	143,097	<b>(14,411)</b>	8,201
<b>(Loss) / Earning per share- Basic and diluted (Rupees)</b>	<b>(0.03)</b>	1.79	<b>(0.01)</b>	0.08

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

\_\_\_\_\_  
**CHIEF EXECUTIVE**

\_\_\_\_\_  
**DIRECTOR**

**DADABHOY CEMENT INDUSTRIES LIMITED**  
**CONDENSED CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

	<b>Unaudited December 2008</b>	<b>Unaudited December 2007</b>
(Rupees in '000')		
<b>Cash flows from operating activities</b>		
(Loss) / Profit before taxation	(33,573)	(24,212)
<b>Adjustments:</b>		
Depreciation	6,354	24,699
Other Income		
Gain on proceeds of motor vehicle	(3,290)	
Share of loss/ (profit) of associate	97	
Financial charges	4,067	1,713
Provision for staff gratuity	1,092	2,635
Provision for WPPF	804	
<b>Operating cash flows before working capital changes</b>	(24,449)	486
<b>(Increase) / decrease in current assets</b>		
Stores spares and loose tools	-	(9,364)
Stock in trade	(7,022)	(27,265)
Trade debts	(1,018)	124
Loans and advances	(22,837)	(44,083)
Short term prepayments	-	1,226
Other receivables	38	(811)
	(30,839)	(80,171)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payable	52,483	34,815
Cash generated from operations	(2,803)	(44,870)
Taxes paid		620
Gratuity paid	(145)	(154)
Financial charges paid	(4,871)	(1,713)
<b>Cash flows from investing activities</b>	(7,819)	(46,117)
<b>Capital expenditure</b>		(20,000)
<b>Scrap Sales</b>	3535	577
Long term loans and deposits	-	(239)
<b>Net cash used in investing activities</b>	3,535	(19,662)
<b>Cash flows from financing activities</b>		
Repayments of long term finance	(1,643.00)	(50,000)
Receipt from right issue-net of advance receipt	-	115,842
Payments of long term morahaba/lease finance instalments	-	(3,102)
<b>Net cash outflow from financing activities</b>	(1,643.00)	62,740
Net increase/ (decrease) in cash and cash equivalents	(5,926)	(3,039)
Cash and cash equivalents at beginning of the period	9,210	4,914
<b>Cash and cash equivalents at end of the period</b>	3,284	1,875

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

\_\_\_\_\_  
**CHIEF EXECUTIVE**

\_\_\_\_\_  
**DIRECTOR**



**DADABHOY CEMENT INDUSTRIES LIMITED**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

	Share Capital	Capital Reserve	Accumulated losses	Total
	←-----		Rupees '000	-----→
Balance as at July 01, 2007	438,556	33,224	(203,290)	268,490
<b>Changes in equity for the half year ended December 31, 2007</b>				
Incremental depreciation - Net of deferred tax			12,195	12,195
Issuance of Right shares	543,811			543,811
Profit for the period after taxation			143,097	143,097
Total income recognized for the half year	543,811		155,292	699,103
Balance as at December 31, 2007	<u>982,367</u>	<u>33,224</u>	<u>(47,998)</u>	<u>967,593</u>
Balance as at July 01, 2008	982,366	33,224	(458,105)	557,485
<b>Changes in equity for the half year ended December 31, 2008</b>				
Incremental depreciation - Net of deferred tax				-
Loss for the period after taxation			(33,728)	(33,728)
Total loss recognized for the half year	-		(33,728)	(33,728)
Balance as at December 31, 2008	<u>982,366</u>	<u>33,224</u>	<u>(491,833)</u>	<u>523,757</u>

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

\_\_\_\_\_  
**CHIEF EXECUTIVE**

\_\_\_\_\_  
**DIRECTOR**

**DADABHOY CEMENT INDUSTRIES LIMITED**  
**INTERIM CONDENSED BALANCE SHEET**  
**AS AT DECEMBER 31, 2008**

**1 STATUS AND NATURE OF BUSINESS**

Dadabhoj Cement Industries Limited was incorporated in 1979 as a public limited company and is listed on Karachi, Lahore and Islamabad Stock Exchanges. The Company is engaged in the manufacturing and sale of ordinary Portland, slag and sulphate resistant cement.

**2 GOING CONCERN BASIS**

The directors have taken several steps to boost production and sales, this includes successful negotiation with the lender of long finance (see note 17.2.3) and arrangement with other banks for financing export sales. The negotiation with its banker to secure an amount necessary to cover its working capital and repair and maintenance requirement for the commencement of an interrupted operation in future is in advance stage for which five years projections has been submitted to National Bank of Pakistan.

Giving the continuous upward trend in the cement industry, the company expects to achieve its full production capacity (6000,000) within five year of operations and generate enough cash flows, mainly through export sales and supplemented by a favorable US dollar conversion rate, to meet all its liabilities when due.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION**

These interim condensed financial statements are un audited and are being submitted to the shareholders as required under Section 245 of the companies ordinance, 1984 and have been prepared in accordance with the requirements of international Accounting standard -34 " Interim Financial Reporting as applicable in Pakistan. These should be read in conjunction with the financial statements of the Company for the year ended June 30, 2007.

**2.2 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these interim condensed financial statements are the same as those applied in the preparation preceding of the annual published financial statement of the company.

	(Un-audited) December 31,	(Audited) June 30,
<b>3 Property, Plant and Equipment</b>		
Tangible fixed assets	3,494,821	3,501,421
Capital work-in-progress	10,640	10,640
	<u>3,505,461</u>	<u>3,512,061</u>
	(Un-audited) December 31,	(Audited) June 30,
<b>4 LONG TERM FINANCING</b>	2,008	2,008
<b>Long term loan</b>	Rupees ('000)	
Balance as at 01 July	600,000	775,898
Transferred from accrued interest	-	-
Repaid during the year	-	(50,000)
Paid against proposed settlement terms	-	-
Transferred to income	-	-
Transferred to deferred income	-	(125,898)
Balance as at June 30	<u>600,000</u>	<u>600,000</u>

**4.1** During the year, the company continued its negotiations with the bank for full and final settlement on softer terms. Finally it was principally agreed between the company and the bank that on payment of Rs 600.00 million by the company in lump sum, the entire liability would stand discharged. It was further agreed that the terms and conditions of the understanding between the parties for the settlement of the entire liability can not be reduced in black and white due legal binding. However as soon as the payment of Rs 600.00 million is made by the company to the bank the whole process shall be recorded in the form of settlement agreement for further action.

Taken cognizance of the effect of compromise reached with bank on the settlement of the loan the company has transferred Rs. 138.11 million to deferred income out of the book liability of Rs. 738.41 million as benefit to be received on the execution of the compromised settlement terms.

In case the compromise terms are not fulfilled, the amount of adjustment of Rs. 454.732 million to the original liability and accrued interest of approximately Rs. 320.0 million for the year 2007 and 2008 would be recognized as liability.

**5 CONTINGENCIES AND COMMITMENTS**

There were no material changes in the contingent liabilities and commitments from the year ended 30 June 2008.

	Half Yearly		2nd Quarter	
	December 31, 2,008	December 31, 2,007	December 31, 2,008	December 31, 2,007
----- Rupees In ' 000 ' -----				
<b>6 Sales: Net</b>				
Local sales	37,992	261,822	-	130,136
Export sales	-	19,326	-	14,952
Excise duty	(666)	(49,239)	-	(25,135)
Special excise duty	(303)	(1,795)	-	(1,795)
Sales tax	(6,083)	(34,304)	-	(16,349)
	(7,052)	(85,338)	-	(43,279)
	<u>30,940</u>	<u>195,812</u>	<u>-</u>	<u>101,810</u>
<b>7 Cost of Sale:</b>				
Opening stock				
Raw material	2,149	1,644	8,398	3,744
Packing Material	589	1,641	-	2,681
	2,738	3,285	8,398	6,425
Purchases	19,606	42,010	-	7,096
Mining and other related costs	729	2,472	327	1,666
	23,073	47,767	8,725	15,187
<b>Closing stock</b>				
Raw material	(8,398)	(2,923)	(8,398)	(2,923)
Packing Material	-	(3,490)	-	(3,490)
	(8,398)	(6,414)	(8,398)	(6,414)
	14,676	41,354	327	8,774
Manufacturing Expenses	17,500	139,989	626	78,000
	32,176	181,343	953	86,774
Work-in-process				
Opening	53,338	57,025	53,338	72,086
Closing	(53,338)	(61,864)	(53,338)	(61,864)
	-	(4,839)	-	10,222
	32,176	176,504	953	96,996
Cost of goods manufactured				
Finished goods				
Opening	-	2,752	1,362	24,085
Closing	(1,362)	(22,049)	(1,362)	(22,049)
	(1,362)	(19,297)	-	2,036
	<u>30,814</u>	<u>157,207</u>	<u>953</u>	<u>99,032</u>

#### 8 GENERAL

Figure have been rounded off to the nearest thousand of Rupees unless otherwise stated.

#### 9 DATE OF AUTHORIZATION

These interim condensed financial statements have been authorized for issue on February 28, 2008 by the Board of Director of the Company.

#### 10 Related Party Transactions.

The related party comprise of parties related to group companies and directors. Transactions with realted parties during ended are as follows.

Purchase of goods and electricity  
Loan from directors

#### 11 Capacity - Cement all kind ( Metric Ton )

Installed capacity (annual)	<u>598,000</u>	<u>598,000</u>
Production ( this half year )	<u>-</u>	<u>-</u>

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CHIEF EXECUTIVE

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DIRECTOR