



JAVEDAN CEMENT LIMITED

Cost Auditors' Report

For the year ended June 30, 2010

SIDDIQI & COMPANY

Cost & Management Accountants

Suit # 147, First Floor, Haroon Shopping Emporium, Sector 15-A/1, North Karachi-75850 (Pakistan).
Tel. (92-21) 36971814, 36931527, Fax # 36931527, email <siddiqicompany@yahoo.com>

COST AUDITORS' REPORT, 2009-2010 JAVEDAN CEMENT LIMITED

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01. CORPORATE INFORMATION

Board of Directors

Chairman

Arif Habib

Chief Executive

Aves Cochinwala

Directors

Aqeel Karim Dhedi

Ijaz Ahmed Zaidi

Iqbal Usman

Kashif A. Habib

Muhammad Ayub

Muhammad Ejaz

Rafiq Tumbi

Shunaid Qureshi

Chief Financial Officer & Company Secretary

Masoud Ali Khan

Audit Committee

Chairman

Iqbal Usman

Members

Kashif A. Habib

Rafiq Tumbi

Secretary

S. M. Talha

Statutory Auditors

Haroon Zakaria & Company

Chartered Accountants

Cont'd...

...Cont'd

Cost Auditors

SIDDIQI & COMPANY

Cost & Management Accountants

Bankers

Allied Bank Limited

Al-Baraka Islamic Bank

Arif Habib Bank Limited

Askari Bank Limited

Bank Al-Falah Limited

Bank Islami Pakistan Limited

Habib Bank Limited

KASB Bank Limited

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan

NIB Bank Limited

Saudi Pak Commercial Bank

United Bank Limited

Registered Office

*2nd Floor, Pardesi House, Survey No. 2/1,
R. Y. 16, Old Queens Road, Karachi-74000.*

Tel.: 92-21-111-111-224, Fax: 32470090

Factory

Manghopir, Karachi-75890

Tel.: 92-21-36770141 - 36770142, Fax: 36770144

Website: *www.jcl.com.pk*

02. THE COMPANY & MANUFACTURING PROCESS

1. THE COMPANY

The Company was incorporated in Pakistan on June 08, 1961 as a public limited company under the repealed Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Karachi Stock Exchange. The Principal activity of the Company is to manufacture and sell Ordinary Portland Cement, Blast Furnace Slag Cement and Sulphate Resisting Cement.

As stated in Chairmans' Review and Directors' Report to the shareholders, the shareholders approved in the Extra Ordinary General Meeting held on April 24, 2010 the Company ceased its Cement Manufacturing Business, because of non availability of natural gas since November 2009, small capacity production lines with obsolete plant & machinery and difficulty faced in drilling and blasting for excavation of raw materials due to expanded populated area.

The Management has developed business diversification strategy for utilizing the company's land for developing a housing scheme, which will include built housing units, open plots, flat sites and commercial sites. Approval of Master Plan has already been obtained from Lyari Development Authority (LDA) for the housing scheme spread over 1,238 acres of the Company's land & the process has also been initiated to seek approval from KBCA. The Company has engaged a team of highly qualified professionals to undertake activities relating to development / construction, marketing / sales of this housing scheme.

2. MANUFACTURING PROCESS

The Company has used the Dry and Semi Dry Process Technology for manufacturing of cement. It owns leased lime stone quarries. The process consists of the following departments:-

- (i) Lime Stone / Clay / Shale Quarry
- (ii) Crushing
- (iii) Raw Mill (Mix / Slurry)
- (iv) Kiln
- (v) Grinding (Cement Mill)
- (vi) Packing & Storage

The major raw materials include:

- (i) Lime Stone
- (ii) Clay / Shale
- (iii) Iron Ore
- (iv) Gypsum
- (v) Slag

Packing – Paper bags of 50 Kg. each.

COST AUDITORS' REPORT

We, **SIDDIQI & COMPANY, Cost & Management Accountants** having been appointed to conduct an audit of cost accounts of **JAVEDAN CEMENT LIMITED** have examined the books of account and the statement prescribed under clause (e) of sub-section 230 of the Companies Ordinance, 1984 and the other relevant record for the year ended June 30, 2010, and report that:-

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of this audit.
2. In our opinion:
 - (a) proper cost accounting records as required by clause (e) of sub-section (1) of section 230 of the Companies Ordinance, 1984 (XLVII of 1984), and as required by these rules, have been kept by the Company;
 - (b) proper returns, statements and schedules for the purpose of audit of cost accounts relating to branches were not required as the Company has no branches in or outside Pakistan.
 - (c) the said books and records give the information required by the rules in the manner so required; and
3. in our opinion and, subject to best of our information:-
 - (a) The annexed statement of capacity utilization and stock-in-trade are in agreement with the books of account of the Company and exhibit true and fair view of the Company's affairs; and
 - (b) Cost accounting records have been properly kept so as to give a true and fair view of the cost of production, processing, manufacturing and marketing of the under mentioned products of the Company, namely,
 1. Ordinary Portland Cement
 2. Sulphate Resistance Cement
 3. Portland Blast Furnace Slag Cement

The matters contained in the ANNEXED Forms are part of this report.

SIDDIQI & COMPANY
Cost & Management Accountants

Karachi : 15 NOV 2010

1. CAPACITY (Tonne)

– The company has three kilns having the total annual clinker production capacity of 600,000 tonne.

Kiln-wise capacity is as under:

Clinker Production :	Licensed / Installed Capacity (Tonne)	Operational Capacity (Tonne)	Operational Capacity (Tonne)	Utilized Capacity (Tonne)		% of Operational Capacity (Tonne)	
	2010	2010	2010	2010	2009	2010	2009
Kiln - I Semi Dry Process	150,000	150,000	150,000	Nil	33,578	Nil	22%
Kiln - II Semi Dry Process	150,000	-	-	-	-	-	-
Kiln - III Dry Process	300,000	300,000	300,000	105,020	196,609	35%	66%
	600,000	450,000	450,000	105,020	230,187	23%	51%

- During the year the company ceased its cement manufacturing operations therefore the plant was operative upto November 2009 only.
- The principal production activity of the company is to manufacture and sell the cement.

2. COST ACCOUNTING SYSTEM

- Manufacturing of cement is a continuous process. The company uses process cost accounting system. The company however, uses financial and cost integrated system which shows cost of production.
- The company has classified whole manufacturing process into six major stages / departments for the purpose of maintaining cost accounting records.
 - i) Quarry, ii) Crushing, iii) Raw Mill, iv) Kiln, v) Cement Mill and vi) Pack House.
- The company is operating an EXCEL based worksheet, which generates cost statements relating to six stages / departments and allocates cost thereon.

3. PRODUCTION – KILN - I & III

(a)

- **Clinker**
 - Ordinary Portland
 - Sulphate Resistance
 - Sub-total
 - Clinker purchased
 - Total Clinker Available

Qty. in Tonne

Production		Increase / (Decrease) Over 2009	
YE A R S			
2010	2009	Tonne	%
93,746	194,853	(101,107)	(52)
11,274	35,334	(24,060)	(68)
105,020	230,187	(125,167)	(54)
15,467	57,285	(41,818)	(73)
120,487	287,472	(166,985)	(58)

- **Cement**
 - Ordinary Portland
 - Sulphate Resistance
 - Portland Blast Furnace (Slag)

92,826	226,210	(133,384)	(59)
12,596	36,453	(23,857)	(65)
43,576	105,694	(62,118)	(59)
148,998	368,357	(219,359)	(60)

(b) There was no addition in production capacity during the year under review.

4. RAW MATERIAL

(a) Major Raw Materials Consumed

Particulars	2010		2009		2008	
	Quantity (Tonne)	Value Rs. in '000	Quantity (Tonne)	Value Rs. in '000	Quantity (Tonne)	Value Rs. in '000
Limestone	115,063	18,113	310,996	47,498	341,876	38,195
Marble Waste	-	-	2,245	123	40,949	2,252
Shale / Clay	30,277	2,593	67,322	7,013	73,528	7,152
Iron Ore	1,046	4,468	8,517	6,014	7,201	4,528
Gypsum	7,205	22,235	18,043	27,444	18,449	16,442
Slag	15,625	16,179	38,658	38,402	45,082	40,020

**(b) Major Raw Materials consumption
per unit of production compared with standard requirements.**

		Standard Tonne	OPC / SRC / PBFC			% Increase / (Decrease) as compared to Standard		
			2010 Tonne	2009 Tonne	2008 Tonne	2010	2009	2008
Limestone	– Clinker	1.380	1.180	1.350	1.199	(14.49)	(2.17)	(13.12)
Marble Waste	– Clinker	-	-	0.010	0.144	100.00	100.00	-
Shale / Overburden	– Clinker	0.270	0.310	0.290	0.258	14.81	7.41	(4.44)
Slag	– Clinker	-	0.020	-	-	-	-	-
Laterite / Iron Ore	– Clinker	0.020	0.010	0.020	0.020	(50.00)	-	-
Raw Meal	TOTAL	1.670	1.520	1.670	1.621	(8.98)	0.00	(2.93)
Gypsum	– Cement	0.050	0.048	0.050	0.050	(4.00)	-	-
Slag	– Cement	0.300	0.320	0.300	0.348	6.67	-	16.00

(c) Explanation of Variances

- The variances from standard requirements are attributed to chemical contents of raw materials.

(d) Method of Accounting

- The company is maintaining raw material records using perpetual inventory system. The per unit cost for issue of material is determined using weighted average basis.
- Limestone and shale / overburden are extracted from leased mines.
- Iron ore, Gypsum and Slag are purchased from open market. The quantities and values are recorded in the store ledger and general ledger from receiving reports.

5. WAGES AND SALARIES

(a) Total wages and salaries paid for all categories of employees

	2010	2009	2008	% Increase / (Decrease)	
	Rs. in '000	Rs. in '000	Rs. in '000	Base 2009	Base 2008
Direct labour cost on production	13,484	15,921	22,690	(15)	(41)
Indirect labour cost on production	55,148	58,564	72,647	(6)	(24)
	68,632	74,485	95,337	(8)	(28)
Employees' cost on administration	10,441	15,253	12,765	(32)	(18)
Employees' cost on selling and distribution	3,325	3,907	4,274	(15)	(22)
Total employees cost	82,398	93,645	112,376	(12)	(27)

The company ceased its operation during the year as such the salaries & wages reduced.

(b) Salaries and perquisites of chief executive and directors

	2010	2009	Increase / (Decrease)	
	Rs. in '000	Rs. in '000	Rs. in '000	%
Chief Executive & Director	Nil	Nil	Nil	Nil

– None of the Directors and Chief Executive were paid salaries and perquisites during the year 2009 and 2010.

(c) Total man-days of direct labour

	Worked	Available	% Worked
178 workers x 88 days (Worked)	15,664	20,292	77%
178 workers x 114 days (Available)			

(d) Average number of production workers employed including contract workers

2010	2009	% Increase / (Decrease)
178	187	(5) %

(e) Direct labour cost per tonne

	2010	2009	2008	% Increase / (Decrease)	
				Base 2009	Base 2008
– Direct Labour Cost (Rs. in '000)	13,484	15,921	22,690	(15)	(41)
– Production of Cement (Tonne)	148,998	368,357	370,050	(60)	(60)
– Labour Cost (Rs. / Tonne)	90	43	61	109	48

– Per tonne direct labour cost increased due to low volume of production as compared to last two years.

(f) Comments on Incentives Scheme

- The company operates an approved funded gratuity scheme for all its eligible employees who have completed their minimum qualifying period of service with the company. Provisions are made in the financial statements to cover obligation on the basis of Actuarial Valuation carried out by the Management as on June 30, 2010. The actuarial valuation is carried out using the Projected Unit Credit Method.

6. STORES AND SPARE PARTS

(a) Expenditure per unit of output

Cost of Stores / Spares consumed (Rs. '000)
 Cement Production (Qty. in Tonne)
 Cost per Tonne

	2010	2009	2008	% Increase / (Decrease)	
				Base 2009	Base 2008
Cost of Stores / Spares consumed (Rs. '000)	16,685	51,114	57,942	(67)	(71)
Cement Production (Qty. in Tonne)	148,998	368,357	370,050	(60)	(60)
Cost per Tonne	112	139	157	(19)	(28)

(b) System of stores

- The company is using computerized perpetual inventory system for store accounting integrated with financial accounting system. Per unit cost is calculated using moving average basis.
- All items of stores are properly coded and entered by designated staff members of the finance department on daily basis.

(c) Proportion of closing inventory of stores representing items which have not moved for over twenty four months.

- Provision for obsolete and dead items amounting to Rupees 33.911 million exists in the accounts, which represent 27% of closing inventory.

7. DEPRECIATION

(a) Method of depreciation

- The cost of operating fixed assets is depreciated over the useful life of related assets under the reducing balance method, except for free hold land that is stated at revalued amount. Depreciation is charged on assets from the date of use till the date of disposal or written off. Gains and losses on disposal of assets are included in income currently. Normal repair and maintenance are charged to income as and when incurred.

(b) Basis of allocation of depreciation on common assets to the different departments.

- Depreciation on common assets is allocated as under:-
 - Cost of sales
 - Administrative expenses
 - Selling & distribution expenses

	2010		2009	
	Rs. in '000	%	Rs. in '000	%
Cost of sales	12,226	93	13,994	95
Administrative expenses	805	6	589	4
Selling & distribution expenses	129	1	147	1
	13,160	100	14,730	100

(c) Basis of charging depreciation to cost of products

- The depreciation is allocated to cost of production on the value of assets employed.

8. OVERHEADS

(a) Total amounts of the overheads

	2010	2009	2008
	Rs. in '000	Rs. in '000	Rs. in '000
– Factory	41,783	48,280	36,734
– Administration	23,358	23,161	23,593
– Selling & distribution	9,260	25,750	28,417
– Financial	587,424	582,979	467,311
	<u>661,825</u>	<u>680,170</u>	<u>556,055</u>

(i) Factory Overheads

	2010	2009	2008	% Increase / (Decrease)	
				Based on	Based on
	Rs. in '000	Rs. in '000	Rs. in '000	2009	2008
Repairs & maintenance	13,312	15,716	10,642	(15)	25
Other expenses	28,471	32,564	26,092	(13)	9
	<u>41,783</u>	<u>48,280</u>	<u>36,734</u>	<u>(13)</u>	<u>14</u>

- There is no significant variance in factory overheads over the last two years.

(ii) Administration Overheads

	2010	2009	2008	% Increase / (Decrease)	
				Based on	Based on
	Rs. in '000	Rs. in '000	Rs. in '000	2009	2008
Salaries, wages and other benefits	10,441	15,253	12,765	(32)	(18)
Printing and stationery	275	439	568	(37)	(52)
Travelling & conveyance	225	391	708	(42)	(68)
Communication	500	648	910	(23)	(45)
Legal and professional	2,475	2,890	4,610	(14)	(46)
Auditors' remuneration	643	390	859	65	(25)
Rent, rates and taxes	472	458	472	3	-
Utilities	73	77	55	(5)	33
Repair & maintenance	24	60	35	(60)	(31)
Depreciation	805	589	653	37	23
Fees and subscription	4,503	1,036	1,495	335	201
Meeting and conventions	23	10	52	130	(56)
Vehicle running expenses	327	423	361	(23)	(9)
Entertainment	141	-	-	100	100
Donation	436	-	-	100	100
Prov. for bad debts	1,930	411	-	100	100
Penalty	50	-	-	100	100
Insurance	15	86	50	(83)	(70)
	<u>23,358</u>	<u>23,161</u>	<u>23,593</u>	<u>1</u>	<u>(1)</u>

- There is no significant variance in overall administration overheads.

(iii) Selling and Distribution Overheads

	2010 Rs. in '000	2009 Rs. in '000	2008 Rs. in '000	% Increase / (Decrease)	
				Based on	Based on
				2009	2008
Salaries, wages and benefits	3,325	3,907	4,274	(15)	(22)
Freight logistic and related charges	3,236	17,950	21,517	(82)	(85)
Marking fee	634	2,231	1,491	(72)	(57)
Communication	39	40	31	(3)	26
Entertainment	144	136	121	6	19
Repair & maintenance	909	1,033	-	(12)	100
Legal & professional	-	35	108	(100)	(100)
Depreciation	129	147	163	(12)	(21)
Advertisement	529	-	530	100	(0)
Others	315	271	182	16	73
	9,260	25,750	28,417	(64)	(67)

- Selling & distribution overheads decreased due to low sales volume.

(iv) Financial Charges

	2010 Rs. in '000	2009 Rs. in '000	2008 Rs. in '000	% Increase / (Decrease)	
				Based on	Based on
				2009	2008
Markup on long term finances	577,169	577,577	445,290	(0)	30
Markup on short term borrowings	7,064	995	19,972	610	(65)
Markup on finance lease	75	-	-	100	100
Bank charges and commission	3,116	4,407	2,049	(29)	52
	587,424	582,979	467,311	1	26

- There is no significant variance in financial charges as compared to last year.

(b) Reasons for any significant variances in the overheads

- Reasons have already been given where necessary.

(c) Basis of allocation of overheads

- The allocation was made on activity based on %age basis.

**(d) Cost of Packing
(OPC + SRC + PBFC)**

2010			2009		
Quantity Cement (Tonne)			Quantity Cement (Tonne)		
Packed	Loose	Total Qty.	Packed	Loose	Total Qty.
122,100	41,919	164,019	295,175	71,120	366,295

	2009		2008		Increase / (Decrease)	
	Rs. in '000	Rupees/Ton	Rs. in '000	Rupees/Ton	Rupees/Ton	%
Packing material	39,057	320	91,303	309	11	3
Salaries & wages	1,093	7	1,187	3	3	106
Repairs & maintenance	956	6	1,095	3	3	95
Depreciation	854	5	979	3	3	95
Stores & spares	474	3	1,190	3	(0)	(11)
Power	1,197	7	1,675	5	3	60
Other overheads	32,872	200	38,267	104	96	92
	76,503	548	135,696	431	118	27

9. ROYALTY / TECHNICAL AID PAYMENTS

	2010			2009		
	Production in Tons	Amount of Royalty Rs. in '000	Rupees / Ton	Production in Tons	Amount of Royalty Rs. in '000	Rupees / Ton
Limestone	91,687	1,395	15	277,462	4,162	15
Shale	15,591	140	9	28,133	253	9
Total		<u>1,535</u>			<u>4,365</u>	

Royalty is paid to the provincial government on the quantity of limestone and shale / overburden extracted and transported to factory from leased mines at statutory rates.

10. ABNORMAL NON-RECURRING FEATURES

(a) Features affecting production

— NONE —

(b) Special expenses

— NONE —

11. COST OF PRODUCTION

(As per Schedule-1 attached)

	2 0 1 0			2 0 0 9			Increase / (Decrease) % Rs. P/Ton
	Qty. in Tonne	Rs. in 000	Rs. Per Ton	Qty. in Tonne	Rs. in 000	Rs. Per Ton	
Cement							
OPC	92,826	390,079	4,202	226,210	899,430	3,976	6
SRC	12,596	55,434	4,400	36,453	146,167	4,010	10
PBF Slag	43,576	157,283	3,608	105,694	345,571	3,270	10
TOTAL	<u>148,998</u>	<u>602,796</u>	<u>4,046</u>	<u>368,357</u>	<u>1,391,168</u>	<u>3,777</u>	<u>7</u>

Reasons for variances

— Per tonne cost of production increased due to low volume of production as compared to last year.

12. SALES*(As per Schedule-2 attached)*

	2 0 1 0			2 0 0 9			Increase / (Decrease) % Rs. P/Ton
	Qty. in Tonne	Rs. in 000	Rs. Per Ton	Qty. in Tonne	Rs. in 000	Rs. Per Ton	
Local							
- OPC	99,158	370,154	3,733	201,703	889,888	4,412	(15)
- SRC	17,615	65,777	3,734	32,753	138,477	4,228	(12)
- PBF Slag	44,008	160,345	3,644	107,970	472,015	4,372	(17)
	160,781	596,276	3,709	342,426	1,500,380	4,382	(15)
Export							
- OPC	3,238	13,858	4,280	23,869	121,837	5,104	(16)
Total	164,019	610,134	3,720	366,295	1,622,216	4,429	(16)

Export Sales:

- A quantity of 3,238 tonne ordinary portland cement was exported during the year under review.

13. PROFITABILITY*(As per Schedule- 3 attached)*

Profit / (Loss)	2 0 1 0			2 0 0 9			Increase / (Decrease) % Rs. P/Ton
	Qty. in Tonne	Rs. in 000	Rs. Per Ton	Qty. in Tonne	Rs. in 000	Rs. Per Ton	
Local							
- OPC	99,158	(85,914)	(866)	201,703	(235,382)	(1,167)	(26)
- SRC	17,615	(15,975)	(907)	32,753	(46,800)	(1,429)	(37)
- PBF Slag	44,008	(18,520)	(421)	107,970	(56,509)	(523)	(20)
	160,781	(120,409)	(749)	342,426	(338,691)	(989)	(24)
Export							
- OPC	3,238	(3,631)	(1,121)	23,869	(31,676)	(1,327)	(15)
Total	164,019	(124,040)	(756)	366,295	(370,367)	(1,011)	(25)

- The company suffered the above mentioned loss due to low volume of production because it ceased its operation during the year.

14. COST AUDITORS' OBSERVATIONS AND CONCLUSIONS

(a) Matters which appear to him to be clearly wrong in principle or apparently unjustifiable.

– = NONE =

(b) Cases where the company funds have been used in a negligent or inefficient manner.

– No such instance came to our notice.

(c) Factors which could have been controlled but have not been done resulting in increase in the cost of production.

= NONE =

(d) (i) The Adequacy or otherwise of Budgetary Control System, if any, in vogue in the company.

– The company prepares its budget on annual basis. A monthly report comparing actual results with budget is generated alongwith the reasons for major variances. On the basis of such variances, corrective measures are initiated, implemented and followed up.

(ii) The scope and performance of Internal Audit, if any.

– A full fledged internal audit department has been established by the company. The audit findings are reported to the top management through the audit committee and corrective measures are immediately adopted wherever necessary.

(e) Suggestion for improvements in performance.

(i) rectification of general imbalance in production facilities

– Apparently, there is no general imbalance in production facilities except 'Dry Process' being the latest state of art technology which is partly used.

(ii) fuller utilisation of installed capacity

– The company has already ceased its manufacturing business during the year as such no comments.

(iii) Comments on areas offering scope for

(a) Cost reduction

– No comments for the reasons as stated at para 14(e)(ii) above.

(b) Increased productivity

- No comments for the reasons as stated at para 14(e)(ii) above.

(c) Key limiting factors causing production bottle necks

- No comments for the reasons as stated at para 14(e)(ii) above.

(d) Improved inventory policies

- Present inventory policies appeared to be satisfactory except dead / unuseable stores and spares which are lying in inventory.

(e) Energy conservancy

- As an alternate source the coal as fuel may be considered for cost saving.

(iv) State of technology

- The company uses 'Dry / Semi Dry Process'. Semi Dry process is, however, an old technology in cement production.

(v) Plant

- The plant was new when installed.

15. RECONCILIATIONS WITH FINANCIAL STATEMENTS

- Cost accounts are in agreement with financial accounts of the company for the year ended June 30, 2010. No separate reconciliation is required. The cost accounts are reconciled as under:

Cost of sales as per cost accounts	Rs. in '000 657,227
Cost of sales as per financial accounts	<u>657,227</u>

16. COST STATEMENTS

- Copies of all cost statements on the formats prescribed by Securities and Exchange Commission of Pakistan under clause (e) of sub-section (1) of section 230 of the Companies Ordinance, 1984, duly authenticated by the chief executive and chief financial officer of the company, and verified by us are appended to the report.

17. MISCELLANEOUS

- Figures have been rounded off to nearest thousand and rupee one. Previous year's figures have been re-arranged and regrouped where necessary to facilitate comparison.

SIDDIQI & COMPANY
Cost & Management Accountants

Schedule-1

COST OF PRODUCTION

YEAR : 2010

a) Quantitative Data	Quantity in Tonne			TOTAL
	OPC	CEMENT SRC	PBF (Slag)	
Production (Tonne)	92,826	12,596	43,576	148,998

b) Cost Elements	Rupees in '000			TOTAL
	OPC	CEMENT SRC	PBF (Slag)	
Cost of sales	424,304	73,836	159,087	657,227
Inventory adjustments (finished goods)	(34,225)	(18,402)	(1,804)	(54,431)
Cost of goods manufactured	390,079	55,434	157,283	602,796

YEAR : 2009

a) Quantitative Data	Quantity in Tonne			TOTAL
	OPC	CEMENT SRC	PBF (Slag)	
Production (Tonne)	226,210	36,453	105,694	368,357

b) Cost Elements	Rupees in '000			TOTAL
	OPC	CEMENT SRC	PBF (Slag)	
Cost of sales	890,253	131,470	351,145	1,372,868
Inventory adjustments (finished goods)	9,177	14,697	(5,574)	18,300
Cost of goods manufactured	899,430	146,167	345,571	1,391,168

Schedule-2

NET SALES REALIZATION

YEAR : 2010

a) Quantitative Data	Quantity in Tonne					
	LOCAL SALES			EXPORT SALES		TOTAL
	OPC	SRC	PBF (Slag)	OPC	SRC	
Total quantity sold	99,158	17,615	44,008	3,238	-	164,019

b) Net Sales Value	Rupees in '000					
	LOCAL SALES			EXPORT SALES		TOTAL
	OPC	SRC	PBF (Slag)	OPC	SRC	
Gross Sales	514,131	91,313	224,080	13,858	-	843,382
Less:						
Federal excise duty	69,375	12,331	30,806	-	-	112,512
Sales tax	70,403	12,504	30,685	-	-	113,592
Special excise duty	3,706	658	1,610	-	-	5,974
Rebate & discount on sales	493	43	634	-	-	1,170
	143,977	25,536	63,735	-	-	233,248
Net sales realization	370,154	65,777	160,345	13,858	-	610,134

YEAR : 2009

a) Quantitative Data	Quantity in Tonne					
	LOCAL SALES			EXPORT SALES		TOTAL
	OPC	SRC	PBF (Slag)	OPC	SRC	
Total quantity sold	201,703	32,753	107,970	23,869	-	366,295

b) Net Sales Value	Rupees in '000					
	LOCAL SALES			EXPORT SALES		TOTAL
	OPC	SRC	PBF (Slag)	OPC	SRC	
Gross Sales	1,248,485	194,510	666,524	121,837	-	2,231,355
Less:						
Federal excise duty	177,083	27,837	96,462	-	-	301,382
Sales tax	170,975	26,638	91,280	-	-	288,893
Special excise duty	8,915	1,386	4,740	-	-	15,042
Rebate & discount on sales	1,624	172	2,026	-	-	3,822
	358,597	56,033	194,509	-	-	609,139
Net sales realization	889,888	138,477	472,015	121,837	-	1,622,216

Schedule-3

PROFITABILITY

YEAR : 2010

a) Quantitative Data	<i>Quantity in Tonne</i>					TOTAL
	LOCAL SALES			EXPORT SALES		
	OPC	SRC	PBF (Slag)	OPC	SRC	
Total quantity sold	99,158	17,615	44,008	3,238	-	164,019

b) Product wise Profitability	<i>Rupees in '000</i>					TOTAL
	LOCAL SALES			EXPORT SALES		
	OPC	SRC	PBF (Slag)	OPC	SRC	
Net sales	370,154	65,777	160,345	13,858	-	610,134
Less: Cost of goods sold	(411,506)	(73,836)	(159,087)	(12,798)	-	(657,227)
Gross profit	(41,352)	(8,059)	1,258	1,060	-	(47,093)
Less:						
Selling & distribution	3,642	647	1,616	119	-	6,024
Export expenses	-	-	-	3,236	-	3,236
Admin. Expenses	14,121	2,509	6,267	461	-	23,358
Financial charges	355,128	63,087	157,612	11,597	-	587,424
Other operating income	(328,329)	(58,326)	(145,718)	(10,722)	-	(543,095)
	44,562	7,916	19,777	4,691	-	76,947
Profit / (loss) for the year	(85,914)	(15,975)	(18,520)	(3,631)	-	(124,040)

YEAR : 2009

a) Quantitative Data	<i>Quantity in Tonne</i>					TOTAL
	LOCAL SALES			EXPORT SALES		
	OPC	SRC	PBF (Slag)	OPC	SRC	
Total quantity sold	201,703	32,753	107,970	23,869	-	366,295

b) Product wise Profitability	<i>Rupees in '000</i>					TOTAL
	LOCAL SALES			EXPORT SALES		
	OPC	SRC	PBF (Slag)	OPC	SRC	
Net sales	889,888	138,477	472,015	121,837	-	1,622,216
Less: Cost of goods sold	(793,903)	(131,470)	(351,146)	(96,349)	-	(1,372,868)
Gross profit	95,985	7,007	120,869	25,487	-	249,348
Less:						
Selling & distribution	4,295	697	2,300	508	-	7,800
Export expenses	-	-	-	17,950	-	17,950
Admin. Expenses	12,754	2,071	6,827	1,509	-	23,161
Financial charges	321,022	52,128	171,840	37,989	-	582,979
Other (income)	(6,704)	(1,089)	(3,589)	(793)	-	(12,175)
	331,367	53,807	177,378	57,163	-	619,715
Profit / (loss) for the year	(235,382)	(46,800)	(56,509)	(31,676)	-	(370,367)

JAVEDAN CEMENT LIMITED
STATEMENT OF CAPACITY UTILIZATION
under Rule 4(1)(a) of Companies (Audit of Cost Accounts) Rule, 1998
As at June 30, 2010 as compared with June 30, 2009

Machine Hours

Departments	Licensed / Installed Capacity	2009-2010			2008-2009		
		Operational Capacity	Utilized Capacity	% of Operational Capacity	Operational Capacity	Utilized Capacity	% of Operational Capacity
Kiln - I	7,200	7,200	Nil	Nil	7,200	1,768	25%
Kiln - II	7,200	-	-	-	-	-	-
Kiln - III	7,200	7,200	2,114	29%	7,200	4,788	67%
Total	21,600	14,400	2,114	15%	14,400	6,556	46%
Cement Mill - I	2,400	2,400	125	5%	2,400	1,544	64%
Cement Mill - II	2,400	2,400	130	5%	2,400	1,853	77%
Cement Mill - III	7,200	7,200	2,174	30%	7,200	4,708	65%
Total	12,000	12,000	2,429	20%	12,000	8,105	68%

Based on Production Units (Tonnes)

Departments	Licensed / Installed Capacity	2009-2010			2008-2009		
		Operational Capacity	Utilized Capacity	% of Operational Capacity	Operational Capacity	Utilized Capacity	% of Operational Capacity
Kiln - I	150,000	150,000	Nil	Nil	150,000	33,578	22%
Kiln - II	150,000	-	-	-	-	-	-
Kiln - III	300,000	300,000	105,020	35%	300,000	196,609	66%
Total	600,000	450,000	105,020	23%	450,000	230,187	51%
Cement Mill - I	72,000	72,000	2,745	4%	72,000	30,685	43%
Cement Mill - II	72,000	72,000	2,848	4%	72,000	37,252	52%
Cement Mill - III	468,000	468,000	143,405	31%	468,000	300,420	64%
Total	612,000	612,000	148,998	24%	612,000	368,357	60%

Reasons for under utilization:

During the year the company ceased its cement manufacturing operations therefore the plant was operative upto November 2009 only.

Chief Executive

Chief Financial Officer

Karachi: 15 NOV 2010

JAVEDAN CEMENT LIMITED
STATEMENT OF STOCK IN TRADE

STATEMENT UNDER RULE 4(1)(b) OF COMPANIES (AUDIT OF COST ACCOUNTS) RULES, 1998

As at June 30, 2010 as compared with June 30, 2009

	2009-2010		2008-2009	
	Quantity In Tonne	Rupees in '000	Quantity In Tonne	Rupees in '000
RAW MATERIAL				
Limestone	Nil	14	19,458	3,134
Shale	Nil	Nil	10,584	912
Iron ore	6,000	517	1,406	1,006
Gypsum	4,764	1,221	34,876	68,353
Slag	2,534	1,394	14,423	15,985
Packing material (Nos)	336,308	2,859	1,391,648	19,992
		6,005		109,381
WORK IN PROCESS				
Raw mix	Nil	Nil	11,160	4,722
Clinker				
OPC	Nil	Nil	6,969	25,747
SRC	Nil	Nil	571	1,979
		Nil		32,448
FINISHED GOODS				
OPC	Nil	Nil	9,287	34,225
PBFSC	Nil	Nil	769	1,804
SRC	Nil	Nil	4,965	18,402
		Nil		54,431
		6,005		196,260

Notes:

1. In terms of clause 3(2) of Companies (Audit of Cost Accounts) Rules, 1998 (SRO: 846/(1)/98) dt. July 24, 1998, the Cost Auditors were appointed by the directors with the prior approval of Securities & Exchange Commission of Pakistan within sixty days of the close of financial year of the company.
2. In view of the above mentioned constrains appointing the Cost Auditors after the close of the financial year; the cost auditors were not present on the date of physical stock taking as of the close of the financial year. Under these circumstances, the physical stock taking carried out and financial accounts as certified by the statutory auditors as of June 30, 2010 were relied upon for the purpose of the above mentioned statement of stock in trade [under clause (4)(1)(b) of Companies (Audit of Cost Accounts) Rules, 1998].

Chief Executive

Chief Financial Officer

Karachi: 15 NOV 2010

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT - LIME STONE QUARRY
FOR THE YEAR ENDED JUNE 30, 2010

A. Quantitative Data

	2010		2009	
	Tonne		Tonne	
Opening stock at Quarry	-		-	
Purchase - marble waste	3,918		2,245	
Quantity quarried	91,687		277,462	
Total	95,605		279,707	
Quantity transported to Crusher	95,605		279,707	
Stock adjustment	-		-	
Closing stock at Quarry	-		-	

B. Cost Statement

Cost	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne

Direct Departmental Cost:

Purchase - marble waste	-	-	123	0.44
Explosive	95	0.99	4,270	15.27
Royalties and duties	1,395	14.59	4,162	15.00
Salaries direct	381	3.99	676	2.42
Repairs and maintenance	559	5.85	650	2.32
Drilling and blasting	4,534	47.42	8,446	30.20
Store and spares	126	1.32	179	0.64
Sub-Total :	7,090	74.16	18,506	66.16

Indirect Departmental Cost:

Compressed Air (Annex IX)	-	-	-	-
Power (Annex X)	180	1.88	136	0.49
Other Factory Expenses(Annex XI)	-	-	-	-
Sub-Total :	180	1.88	136	0.49

Total cost of the period	7,270	76.04	18,642	66.65
Add : Cost of opening stock	-	-	-	-
Total Cost of the available stock	7,270	76.04	18,642	66.65

C. Cost Distribution

Cost transferred to crusher	7,270	76.04	18,642	66.65
Cost of closing stock	-	-	-	-
Total cost accounted for	7,270	76.04	18,642	66.65

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT - CLAY / MAKLI SHALE
FOR THE YEAR ENDED JUNE 30, 2010

A. Quantitative Data

	2010		2009	
	Tonne		Tonne	
Opening stock at Quarry	-		-	
Quantity quarried & sand stone purchased	19,693		57,936	
Total	19,693		57,936	
Quantity transported to Crusher	19,693		57,936	
Closing stock at Quarry	-		-	

B. Cost Statement

Cost	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne

Direct Departmental Cost:

Royalties and duties	140	7.11	253	4.37
Salaries direct	62	3.15	68	1.18
Repairs and maintenance	22	1.12	66	1.14
Drilling and blasting	-	-	1,837	31.70
Store and spare	22	1.12	18	0.31
Sub-Total :	246	12.49	2,242	38.71

Indirect Departmental Cost:

Compressed Air (Annex-IX)	-	-	-	-
Power (Annex-X)	30	1.52	14	0.24
Other Factory Expenses(Annex-XI)	-	-	-	-
Sub-Total :	30	1.52	14	0.24

Total Cost of the period	276	14.02	2,256	38.95
Add : Cost of Opening Stock	-	-	-	-
Total Cost of the available stock	276	14.02	2,256	38.95

C. Cost Distribution

Cost transferred to crusher	276	14.02	2,256	38.95
Cost of closing stock	-	-	-	-
Total Cost accounted for	276	14.02	2,256	38.95

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT - TRANSPORTATION
FOR THE YEAR ENDED JUNE 30, 2010

A.Quantitative Data

	2010 Tonne	2009 Tonne
Opening Stock at quarry		
1- Clay/Shale	19,693	57,936
2- Lime Stone	95,605	279,707
3- Gypsum		
TOTAL	115,298	337,643

B.Cost Statement

Cost	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne

Direct Departmental Cost:**Direct departmental cost:****a) Outside contract costs of transportation**

Clay/Shale	865	43.92	1,427	24.63
Lime Stone	5,088	53.22	14,074	50.32
Sub-Total :	5,953	51.63	15,501	45.91

b) Own transportation costs :

Duties (if any)				
Labour cost	-	-	-	-
Indirect material	-	-	-	-
Insurance	-	-	-	-
Repair and maintenance	-	-	-	-
Fuel Oil	-	-	-	-
Gas	-	-	-	-
Depreciation	-	-	-	-
Other overheads	-	-	-	-

Sub-Total (b)

-	-	-	-
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Indirect Departmental Cost:

Compressed Air (Annex-IX)	-	-	-	-
Power (Annex-X)	-	-	-	-
Other Factory Expenses(Annex-XI)	-	-	-	-
Sub-Total :	-	-	-	-
Total Transportation cost	5,953	51.63	15,501	45.91

C. Cost Distribution**Apportioned to**

1- Clay / Shale	865	43.92	1,427	24.63
2- Lime Stone	5,088	53.22	14,074	50.32
	5,953	51.63	15,501	45.91

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT - CRUSHING
FOR THE YEAR ENDED JUNE 30, 2010

A . Quantitative Data

	Clay / Shale – Tonne		Lime Stone – Tonne		Total	
	2010	2009	2010	2009	2010	2009
	Qty. in Tonne					
Opening stock (Uncrushed material)	-	-	-	-	-	-
Add : Received from quarry/ purchase	19,693	57,936	95,605	279,707	115,298	337,643
Total available for crushing	19,693	57,936	95,605	279,707	115,298	337,643
Less :Closing stock (Uncrushed material)	-	-	-	-	-	-
Crushed during period	19,693	57,936	95,605	279,707	115,298	337,643
Add : Opening stock (Crushed material)	10,584	19,970	19,458	50,747	30,042	70,717
Total crushed material	30,277	77,906	115,063	330,454	145,340	408,360
Less: Closing stock (Crushed Material)	-	10,584	-	19,458	-	30,042
Transferred to Raw Mill	30,277	67,322	115,063	310,996	145,340	378,318

B. Cost Statement

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne

a) Direct Departmental Cost

Direct material (If any)	-	-	-	-
Salaries	738	6.40	803	2.38
Repairs and maintenance	187	1.62	338	1.00
Depreciation	366	3.17	419	1.24
Stores and spares	437	3.79	9,794	29.01
Sub - Total (a)	1,728	14.99	11,354	33.63

b) Indirect Departmental Cost

Compressed Air (Annex-IX)	-	-	-	-
Power (Annex-X)	1,433	12.43	3,257	9.65
Other Factory Expenses (Annex-XI)	-	-	-	-
Sub - Total (b)	1,433	12.43	3,257	9.65
TOTAL COST (a + b)	3,161	27.42	14,611	43.27

C . Cost Distribution

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Clay Shale	540	4.68	2,507	7.43
Lime Stone	2,621	22.73	12,104	35.85
Gypsum	-	-	-	-
	3,161	27.42	14,611	43.27

D. Cost Transferred and Cost of Closing

	Rupees in '000					
	Clay / Shale	Lime Stone	Total	Clay / Shale	Lime Stone	Total
	2010			2009		
a) Opening stock (Uncrushed)	-	-	-	-	-	-
b) Cost received (During the year)	1,141	12,358	13,499	3,683	32,716	36,399
c) Total cost for uncrushed Material	1,141	12,358	13,499	3,683	32,716	36,399
d) Cost applicable to closing stock(Uncrushed)	-	-	-	-	-	-
e) Cost applicable to crushed material(c-d)	1,141	12,358	13,499	3,683	32,716	36,399
f) Cost of crushing process (from above)	540	2,621	3,161	2,507	12,104	14,611
g) Opening Stock (Crushed material)	912	3,134	4,046	1,735	5,812	7,547
h) Total cost applicable to crushed material (e+f+g)	2,593	18,113	20,706	7,925	50,632	58,557
l) Closing stock (Crushed material)	-	-	-	912	3,134	4,046
j) Cost transferred to Raw Mill	2,593	18,113	20,706	7,013	47,498	54,511

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT - STOCK HALL
FOR THE YEAR ENDED JUNE 30, 2010

A. Quantitative Data

	Shale/ Clay		Lime Stone		Total	
	For the year tonnes	Last year tonnes	For the year tonnes	Last year tonnes	For the year tonnes	Last year tonnes
Opening Stock						
Received from crusher						
Total						
Issued to Mix/Slurry						
Closing Stock						

B. Cost Statement

	For the year		Last year	
	Rs. 000	per tonne	Rs. 000	per tonne
Labour Costs :				
Salaries.				
Employees' other benefits.				
Indirect materials.				
Repairs and maintenance				
Insurance				
Fuel-Oil				
Gas				
Depreciation				
Other Overheads				
Sub-Total (a) :				
Indirect Departmental Costs :				
Compressed Air (Annexure IX).				
Power (Annexure X)				
Other Expenses (Annexure XI).				
Sub-Total (b) :				
Total Cost (a+b) :				

C: Cost Distribution

	Quantity issued (in Million tonne)	Cost of Stock Hall Applicable to issues		Cost of Applicable to Closing Stock	
		Rupees	Rs. / Tonne	Rupees	Rs. / Tonne
Shale					
Lime Stone.					
Gypsum.					
Total.					

D. Cost Summary (Upto Stock Hall Stage)**Cost Transferred and Cost of closing Stock:**

	Shale		Lime Stone		Total	
	Rs.	Rs. / Tonne	Rupees	Rs. / Tonne	Rupees	Rs. / Tonne
Opening Stock.						
Add : Received from Crusher/ purchase Stock Hall						
Total						
Less: Cost of closing stock.						
Cost applicable to quantities issued to Raw Mill						

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT – RAW MILL
FOR THE YEAR ENDED JUNE 30, 2010

A. Quantitative Data

	CLAY/SHALE		LIME STONE		Raw Mix	
	2010	2009	2010	2009	2010	2009
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes
Opening stock	-	-	-	-	11,160	4,126
Received from crusher (Annex-III)	30,277	67,322	115,063	310,996	145,340	378,318
Add : Iron Ore	-	-	-	-	1,046	8,517
Add : Slag	-	-	-	-	1,859	-
Total :	30,277	67,322	115,063	310,996	159,405	390,961
Transferred					159,405	379,801
Closing stock					Nil	11,160

B. Cost Statement

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Direct Departmental Costs				
Material consumed - Iron ore	4,468	30.14	6,014	15.90
Material consumed - Slag	1,925	12.99	-	-
Salaries	147	0.99	160	0.42
Repairs and maintenance	1,876	12.65	2,068	5.47
Depreciation	2,992	20.18	3,498	9.25
Stores and spares	4,095	27.62	3,542	9.36
Sub-Total (a)	15,503	104.58	15,282	40.38
Indirect Departmental Cost				
Compressed Air (Annex IX)	-	-	-	-
Power (Annex X)	24,190	163.18	60,734	160.54
Other Factory Expenses (Annex XI)	18,526	108.62	21,567	57.01
Sub-Total (b)	42,716	250.44	82,301	217.54
1) Opening stock	4,722	-	1,647	-
2) Received from Crushing	20,706	142.47	54,511	144.09
3) Sub-Total (c)	25,428	162.48	56,158	146.84
TOTAL (a + b + c)	83,647	524.74	153,741	393.24

C. Cost Distribution

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Transferred to Kiln	83,647	524.74	149,019	392.36
Closing stock	-	-	4,722	-
Total	83,647	524.74	153,741	393.24

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT – KILN
FOR THE YEAR ENDED JUNE 30, 2010

A . Quantitative Data

	2010		2009
	Tonne		Tonne
Opening stock	-		-
Quantity received from Raw Mill – (Annex V)	159,405		379,801
Less: Burnt into process	(54,385)		(149,614)
Clinker produced	105,020		230,187
Clinker purchase	15,467		57,285
Add: Opening stock of clinker	7,540		38,681
Total available for use	128,027		326,153
Less :Clinker transferred to grinding	128,027		318,613
Clinker sold	-		-
Closing stock of clinker	Nil		7,540

B. Cost Statement

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Direct Departmental Cost :				
Material added (if any)	-	-	-	-
Salaries	6,763	64.40	7,352	31.94
Gas	169,555	1,614.50	473,014	2,054.92
Repair and maintenance	2,044	19.46	2,129	9.25
Depreciation	4,717	44.92	5,741	24.94
Fire bricks	724	6.89	14,262	61.96
Stores and spares	2,408	22.93	10,714	46.54
Sub total	186,211	1,773.10	513,212	2,229.55
Indirect Departmental Costs :				
Compressed Air (Annex IX)	-	-	-	-
Power (Annex X)	19,844	188.95	49,303	214.19
Other Factory Expenses (Annex XI)	26,590	253.19	30,954	134.47
Sub Total (b)	46,434	442.14	80,257	348.66
1) Opening stock	27,726	-	99,280	-
2) Received during the year (Annex V)	83,647	796.49	149,019	647.38
3) Sub-Total (c)	111,373	796.49	248,299	647.38
Add: Value of Clinker Purchase	48,471	3,133.83	221,588	3,868.16
TOTAL (a + b + c)	392,489	3,065.67	1,063,356	3,260.30

C . Cost Distribution

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Cost transferred to Grinding	392,489	3,065.67	1,035,630	3,250.43
Cost of clinker sold	-	-	-	-
Cost of closing stock of Clinker	-	-	27,726	-
Total	392,489	3,065.67	1,063,356	3,260.30

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT – GRINDING (CEMENT)
FOR THE YEAR ENDED JUNE 30, 2010

A . Quantitative Data (OPC+SLAG+SRC) TOTAL

	2010		2009	
	Tonne		Tonne	
Opening stock of cement		15,021		12,959
Add: Cement produced (Clinker 128,027 + Gypsum 7,205 + Slag 13,766)		148,998		368,357
Total available		164,019		381,316
Less: Cement transferred		164,019		366,295
Closing stock of cement		Nil		15,021

B. Cost Statement

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne

Direct Departmental Cost

Material Added :

Gypsum	22,235	149.23	27,445	74.50
Slag	14,254	95.67	38,402	104.25
Salaries	4,300	28.86	4,675	12.69
Repair and maintenance	771	5.17	697	1.89
Depreciation	2,930	19.66	3,355	9.11
Grinding media	-	-	4,558	12.37
Linning plates	1,266	8.50	827	2.24
Store and spare	4,771	32.02	6,328	17.18
Sub Total (a)	50,527	339.11	86,287	234.24

Indirect Departmental Costs

Compressed Air (Annex-IX)	-	-	-	-
Power (Annex-X)	50,406	338.30	95,288	258.68
Other Factory Expenses(Annex-XI)	32,872	220.62	38,266	103.89
Sub Total (b)	83,278	558.92	133,554	362.57

1) Opening Stock	54,431	-	36,131	-
2) Received during the year	392,489	2,634.19	1,035,630	2,811.48
3) Sub-Total (c)	446,920	2,724.80	1,071,761	2,810.69

TOTAL (a + b + c)	580,724	3,540.59	1,291,602	3,387.22
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C. Cost distribution

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Cost transferred to Pack House	580,724	3,540.59	1,237,171	3,377.53
Cost of closing stock of cement	-	-	54,431	-
Total :	580,724	3,540.59	1,291,602	3,387.22

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT – GRINDING (CEMENT)
FOR THE YEAR ENDED JUNE 30, 2010

A . Quantitative Data (O.P.C)

	2010 Tonne	2009 Tonne
Opening stock of cement	9,287	8,649
Add: Cement produced (Clinker 88,185 + Gypsum 4,641)	<u>92,826</u>	<u>226,210</u>
Total available	102,113	234,859
Less: Cement transferred	<u>102,113</u>	<u>225,572</u>
Closing stock of cement	<u>Nil</u>	<u>9,287</u>

B. Cost Statement

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne

Direct Departmental Cost

Material Added :

Gypsum	15,015	161.75	18,533	81.93
Salaries	2,679	28.86	3,157	13.96
Repair and maintenance	480	5.17	471	2.08
Depreciation	1,825	19.66	2,266	10.02
Grinding media	-	-	3,078	13.61
Lining plates	789	8.50	558	2.47
Store and Spare	2,972	32.02	4,273	18.89
Sub Total (a)	23,760	255.97	32,336	142.94

Indirect Departmental Costs

Compressed Air (Annex-IX)	-	-	-	-
Power (Annex-X)	31,403	338.30	64,348	284.46
Other Factory Expenses(Annex-XI)	20,479	220.62	25,841	114.24
Sub Total (b)	51,882	558.92	90,189	398.70

1) Opening stock	34,225	-	25,048	-
2) Received during the year	270,346	2,912.40	699,531	3,092.40
3) Sub-Total (c)	304,571	2,982.68	724,579	3,085.17
TOTAL (a + b + c)	380,213	3,723.46	847,104	3,606.86

C. Cost distribution

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Cost transferred to Pack House	380,213	3,723.46	812,879	3,603.64
Cost of closing stock of cement	-	-	34,225	-
Total	380,213	3,723.46	847,104	3,606.86

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT – GRINDING (CEMENT)
FOR THE YEAR ENDED JUNE 30, 2010

A . Quantitative Data (S.R.C)

	2010 Tonne	2009 Tonne
Opening stock of cement	4,965	1,265
Add: Cement produced (Clinker 11,966 + Gypsum 630)	12,596	36,453
Total available	17,561	37,718
Less: Cement transferred	17,561	32,753
Closing stock of cement	Nil	4,965

B. Cost Statement

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne

Direct Departmental Cost

Material Added :

Gypsum	2,420	192.12	2,987	81.93
Salaries	364	28.86	509	13.96
Repair and maintenance	65	5.17	76	2.08
Depreciation	248	19.66	365	10.02
Grinding media	-	-	496	13.61
Lining plates	107	8.50	90	2.47
Stores and spare	403	32.02	689	18.89
Sub Total (a)	3,607	286.34	5,212	142.94

Indirect Departmental Costs

Compressed Air (Annex-IX)**Power (Annex-X)****Other Factory Expenses(Annex-XI)**

Sub Total (b)	7,040	558.92	14,533	398.70
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1) Opening stock

2) Received during the year

3) Sub-Total (c)

1) Opening stock	18,402	-	3,705	-
2) Received during the year	36,684	2,912.35	112,466	3,085.23
3) Sub-Total (c)	55,086	3,136.83	116,171	3,080.02

TOTAL (a + b + c)

TOTAL (a + b + c)	65,733	3,743.11	135,916	3,603.50
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C. Cost distribution

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Cost transferred to Pack House	65,733	3,743.11	117,514	3,587.92
Cost of closing stock of cement	-	-	18,402	-
Total :	65,733	3,743.11	135,916	3,603.50

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT – GRINDING (CEMENT)
FOR THE YEAR ENDED JUNE 30, 2010

A . Quantitative Data (Slag Cement)

	2010 Tonne	2009 Tonne
Opening stock of cement	769	3,044
Add: Cement produced (Clinker 27,876 + Gypsum 13,766 + Slag 1,934)	43,576	105,694
Total available	44,345	108,738
Less: Cement transferred	44,345	107,969
Closing stock of cement	Nil	769

B. Cost Statement

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne

Direct Departmental Cost

Material Added :

Gypsum	4,800	110.16	5,925	56.06
Slag	14,254	327.11	38,402	363.33
Salaries	1,258	28.86	1,009	9.55
Repair and maintenance	225	5.17	150	1.42
Depreciation	857	19.66	724	6.85
Grinding media	-	-	984	9.31
Linning plates	370	8.50	179	1.69
Store and Spare	1,395	32.02	1,366	12.93
Sub Total (a)	23,160	531.48	48,739	461.13

Indirect Departmental Costs

Compressed Air (Annex-IX)**Power (Annex-X)****Other Factory Expenses(Annex-XI)**

Sub Total (b)	24,355	558.92	28,832	272.79
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1) Opening stock

2) Received during the year

3) Sub-Total (c)

1) Opening stock	1,804	-	7,378	-
2) Received during the year	85,459	1,961.14	223,633	2,115.85
3) Sub-Total (c)	87,263	2,002.55	231,011	2,185.66

TOTAL (a + b + c)

TOTAL (a + b + c)	134,778	3,039.31	308,582	2,837.85
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C. Cost distribution

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Cost transferred to Pack House	134,778	3,039.31	306,778	2,841.35
Cost of closing stock of cement	-	-	1,804	-
Total	134,778	3,039.31	308,582	2,837.85

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT – PACK HOUSE
FOR THE YEAR ENDED JUNE 30, 2010

A . Quantitative Data (OPC+SLAG+SRC)

	2010 Tonne		2009 Tonne	
Opening stock of cement	-		-	
Add : Cement received from grinding dept (Annex-VII)	164,019		366,295	
Total	164,019		366,295	
Less: Closing stock of cement	-		-	
	164,019		366,295	
Cement sold during the period - Packed	122,100		295,175	
- Bulk	41,919		71,120	
Total	164,019		366,295	
Quantity sold - packed (No of bags)	2,442,000		5,903,500	

B. Cost Statement

	2010		2009	
	Rupees	Rs. Per Tonne	Rupees	Rs. Per Tonne
Direct Departmental Costs				
Packing material	39,057	319.88	91,303	309.32
Salaries	1,093	6.66	1,187	3.24
Repair and maintenance	956	5.83	1,095	2.99
Depreciation	854	5.21	979	2.67
Stores and spare	474	2.89	1,190	3.25
Sub-Total (a)	42,434	340.47	95,754	321.47
Indirect Department Cost				
Compressed Air (Annex-IX)	-	-	-	-
Power (Annex-X)	1,197	7.30	1,675	4.57
Other Factory Expense (Annex-XI)	32,872	200.41	38,267	104.47
Sub: Total (b)	34,069	207.71	39,942	109.04
Cost transferred in from Cement Grinding dept (Annex-VII)	580,724	3,540.59	1,237,171	3,377.53
Total Cost of Goods Sold (a + b)	657,227	4,007.02	1,372,867	3,808.04
Cost of packed cement sold	491,480	4,025.22	1,108,770	3,756.31
Cost of loose cement sold (if any)	165,747	3,953.98	264,097	3,713.40
Cost of Goods Sold	657,227	4,007.02	1,372,867	3,808.04

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT – PACK HOUSE
FOR THE YEAR ENDED JUNE 30, 2010

A . Quantitative Data (OPC)

	2010 Tonne	2009 Tonne
Opening stock of cement		
Add : Cement received from grinding dept. (Annex-VII)	102,113	225,572
Total	102,113	225,572
Cement sold during the period - Packed	64,955	159,220
- Bulk	37,158	66,352
Total	102,113	225,572
Quantity sold - packed (No of bags)	1,299,100	3,184,400

B. Cost Statement

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Direct Departmental Costs				
Packing material	20,778	319.88	50,111	314.73
Salaries	680	6.66	729	3.23
Repair and maintenance	595	5.83	673	2.98
Depreciation	532	5.21	601	2.66
Store and Spare	295	2.89	731	3.24
Sub-Total (a)	22,880	340.47	52,845	326.84
Indirect Department Cost				
Compressed Air (Annex-IX)	-	-	-	-
Power (Annex-X)	745	7.30	1,029	4.56
Other Factory Expense (Annex-XI)	20,465	200.41	23,500	104.18
Sub: Total (b)	21,210	207.71	24,529	108.74
Cost transferred in from Cement Grinding dept (Annex-VII)	380,213	3,723.46	812,879	3,603.64
Total Cost of Goods Sold (a + b)	424,304	4,271.64	890,253	4,039.22
Cost of packed cement sold	277,465	4,271.64	643,125	4,039.22
Cost of loose cement sold (if any)	146,839	3,951.75	247,128	3,724.50
Cost of Goods Sold :	424,304	4,271.64	890,253	4,039.22

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT – PACK HOUSE
FOR THE YEAR ENDED JUNE 30, 2010

A . Quantitative Data (S.R.C)

	2010 Tonne	2009 Tonne
Opening stock of cement		
Add : Cement received from grinding dept. (Annex-VII)	17,561	32,753
Total	17,561	32,753
Cement sold during the period - Packed	12,800	28,194
- Bulk	4,761	4,559
Total	17,561	32,753
Quantity sold - packed (No of bags)	256,000	563,880

B. Cost Statement

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Direct Departmental Costs				
Packing material	4,094	319.84	9,563	339.19
Salaries	117	6.66	117	3.59
Repair and maintenance	102	5.83	108	3.31
Depreciation	91	5.21	97	2.96
Store and Spare	51	2.89	118	3.60
Sub-Total (a)	4,456	340.43	10,003	352.64
Compressed Air (Annex-IX)	-	-	-	-
Power (Annex-X)	128	7.30	166	5.06
Other Factory Expense (Annex-XI)	3,519	200.41	3,787	115.62
Sub: Total (b)	3,648	207.71	3,953	120.68
Cost transferred in from Cement Grinding dept (Annex-VII)	65,733	3,743.11	117,514	3,587.92
Total Cost of Goods Sold (a + b)	73,836	4,291.25	131,470	4,061.24
Cost applicable to packed closing stock				
Cost of packed cement sold	54,928	4,291.24	114,501	4,061.25
Cost of loose cement sold (if any)	18,908	3,971.43	16,969	3,722.01
Cost of Goods Sold :	73,836	4,291.25	131,470	4,061.24

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT – PACK HOUSE
FOR THE YEAR ENDED JUNE 30, 2010

A . Quantitative Data (SLAG)

	2010 Tonne	2009 Tonne
Opening stock of cement		
Add : Cement received from grinding dept. (Annex-VII)	44,345	107,969
Total	44,345	107,969
Cement sold during the period - Packed	44,345	107,760
- Bulk	-	209
Total	44,345	107,969
Quantity sold - packed (No of bags)	886,900	2,155,200

B. Cost Statement

	2010		2009	
	Rs. in '000	Rs. Per Tonne	Rs. in '000	Rs. Per Tonne
Direct Departmental Costs				
Packing material	14,185	319.88	31,629	292.95
Salaries	296	6.66	341	3.15
Repair and maintenance	258	5.83	314	2.91
Depreciation	231	5.21	281	2.60
Store and Spare	128	2.89	341	3.16
Sub-Total (a)	15,098	340.47	32,906	304.78
Indirect Department Cost				
Compressed Air (Annex-IX)	-	-	-	-
Power (Annex-X)	324	7.30	481	4.45
Other Factory Expense (Annex-XI)	8,887	200.41	10,980	101.70
Sub: Total (b)	9,211	207.71	11,461	106.15
Cost transferred in from Cement Grinding dept (Annex-VII)	134,778	3,039.31	306,778	2,841.35
Total Cost of Goods Sold (a + b)	159,087	3,587.49	351,145	3,252.27
Cost of packed cement sold	159,087	3,587.49	351,145	3,252.27
Cost of loose cement sold (if any)	-	-	-	-
Cost of Goods Sold :	159,087	3,587.49	351,145	3,252.27

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
DEPARTMENTAL COST STATEMENT – AIR COMPRESSING
FOR THE YEAR ENDED JUNE 30, 2010

A . QUANTITATIVE DATA

	2010 Kg/Per Centimeter	2009 Kg/Per Centimeter
Compressed Air Produced		

B. Cost Statement

	2010 Rupees	2009 Rupees
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Cost Opening Stock		
Cost transferred in from Cement Grinding dept		
Direct Departmental Costs		
Packing material		
Other material		
Salaries		
Insurance		
Repair and maintenance		
Depreciation		
Other Overhead		
Sub-Total (a):		
Indirect Material Costs		
Power (Annex-X)		
Other Expenses (Annex-XI)		
Sub-Total (b) :		
Total Cost (a+b)		

C. Cost Distribution

	2010		2009	
	Quantity Compressed Air	Cost Rupees	Quantity Compressed Air	Cost Rupees
Departments Using Compressed air :				
Raw Mill (Annex-V)				
Kiln				
Cement				
Pack House				
TOTAL				

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
STATEMENT SHOWING THE COST OF POWER GENERATED / PURCHASED AND CONSUMED
FOR THE YEAR ENDED JUNE 30, 2010

A. Quantitative Data

	2010 Qty in KWH	2009 Qty. in KWH
Installed Capacity KWH		
No of Units Generated	-	-
No. of Units Purchased	16,112,478	34,001,370
Total	<u>16,112,478</u>	<u>34,001,370</u>
Self -Consumption in Power house	-	-
Losses	-	-
Net units consumed by various other department	-	-
1. Percentage of loss to total power generated and purchased	-	-
2. % of power generated to installed capacity	-	-

B. Cost Statement

S.No	Description	Quantity in Units	Rate Per Unit	Amount Rs. in '000	Cost per units of power Generated & purchased	
					2010	2009
1	Fuel Oil / Steam Consumed	-	-	-	-	-
2	Electricity	-	-	-	-	-
3	Consumable Stores.	-	-	-	-	-
4	Repair and Maintanance	-	-	-	-	-
5	Salaries and Wages	-	-	-	-	-
6	Transportation	-	-	-	-	-
7	Other Overheads	-	-	-	-	-
8	Depreciation	-	-	-	-	-
	Total	-	-	-	-	-
	Less: Supplies to other units of the company (Not engaged in the manufacture of Cement)					
	Net Cost of Power Generated.	-	-	-	-	-
	Purchased Power (on actual consumption basis)	16,112,478	6.68	107,607	6.68	6.52
	(Deduction) Revover from Employees A.C Charges & Others	-	-	-	-	-
	Total Cost of Power:	<u>16,112,478</u>	<u>6.68</u>	<u>107,607</u>	<u>6.68</u>	<u>6.52</u>

Cost per units (average)

Quantity in Units	Rate Per Unit	Amount Rs. in '000	Quantity in Units	Amount Rs. in '000
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C: Cost Distribution**Consumed in:**

Lime stone and shale	(Annex-I)	31,444	6.68	210	22,928	150
Crushing	(Annex-III)	214,570	6.68	1,433	499,552	3,257
Raw mill	(Annex-V)	3,622,077	6.68	24,190	9,314,307	60,734
Kiln	(Annex-VI)	2,971,331	6.68	19,844	7,561,310	49,303
Cement grinding	(Annex-VII)	7,547,516	6.68	50,406	14,613,721	95,288
Cement pack house	(Annex-VIII)	179,232	6.68	1,197	256,921	1,675
Air compressing	(Annex-IX)	-	-	-	-	-
Other factory expenses	(Annex-XI)	1,546,308	6.68	10,327	1,732,631	11,297
Total cost distributed		<u>16,112,478</u>		<u>107,607</u>	<u>34,001,370</u>	<u>221,704</u>

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
OTHER FACTORY EXPENSES - FACTORY GENERAL
FOR THE YEAR ENDED JUNE 30, 2010

A . Cost Statement

	2010	2009
	Rs. in '000	Rs. in '000
DIRECT DEPARTMENTAL COST		
Salaries Wages & Other Benefit	55,148	61,110
Store and Spares	2,362	9,693
Repair and Maintanance	6,897	9,727
Vehicle Running Expenses	2,028	2,594
Electricity	10,327	11,297
Utilities	4,954	4,663
Miscellaneous	29,143	29,971
Total	110,859	129,055

B . Cost Distribution

	2010	2009
	Rs. in '000	Rs. in '000
Lime stone quarry	-	-
Clay / Shale	-	-
Transpotation charges	-	-
Crushing	-	-
Raw mill	18,526	21,567
Kilns	26,590	30,954
Cement mill	32,872	38,267
Packing and storage	32,872	38,267
Air compressor(if any)	-	-
Power generation (if any)	-	-
Total :	110,859	129,055

Chief Executive

Chief Financial Officer

JAVEDAN CEMENT LIMITED
SUMMARY OF COST REPORT
FOR THE YEAR ENDED JUNE 30, 2010

											Rs. in '000
Department	Power House	Factory General	Quarry	Clay / Shale	Transpotation	Crushing	Raw Mill	Kiln	Grinding	Pack House	Total
Departmental Cost											
Opening	-	-	-	-	-	4,046	4,722	27,726	54,431	-	90,925
Clinker purchase	-	-	-	-	-	-	-	48,471	-	-	48,471
For the period	107,607	100,532	7,090	246	5,953	1,728	15,503	186,211	50,527	42,434	517,831
Total :	107,607	100,532	7,090	246	5,953	5,774	20,225	262,408	104,958	42,434	657,227
Cost Allocation:											
Transfer in / (Out)											
Compressed Air (Annex-IX)	-	-	-	-	-	-	-	-	-	-	-
Factory General (Annex-XI)	-	(110,860)	-	-	-	-	18,526	26,590	32,872	32,872	-
Quarry (Annex-I)	-	-	(7,270)	-	-	7,270	-	-	-	-	-
Clay / Shale (Annex-II)	-	-	-	(276)	-	276	-	-	-	-	-
Transpotation (Annex-II)	-	-	-	-	(5,953)	5,953	-	-	-	-	-
Crushing (Annex-III)	-	-	-	-	-	-	-	-	-	-	-
Stock Hall	-	-	-	-	-	-	-	-	-	-	-
Raw Mill (Annex-V)	-	-	-	-	-	(20,706)	20,706	-	-	-	-
Kiln (Annex-VI)	-	-	-	-	-	-	(83,647)	83,647	-	-	-
Grinding (Annex-VII)	-	-	-	-	-	-	-	(392,489)	392,489	-	-
Packing & Storage (Annex-VIII)	-	-	-	-	-	-	-	-	(580,725)	580,725	-
Power House (Annex-X)	(107,607)	10,327	180	30	-	1,433	24,190	19,844	50,406	1,197	-
Total :	(107,607)	(100,532)	(7,090)	(246)	(5,953)	(5,774)	(20,225)	(262,408)	(104,958)	614,794	-
Cost of closing stock	-	-	-	-	-	-	-	-	-	-	-
Cost of good sold	-	-	-	-	-	0	-	-	(0)	657,227	657,227

											Qty. in tonne
QUANTITATIVE DATA											
Opening Stock	-	-	-	-	-	30,042	11,160	7,540	15,021	-	-
Purchases/Cost added (Iron Ore & Slag)	-	-	3,918	-	-	-	2,905	15,467	-	-	-
Quantity produced	-	-	91,687	19,693	-	115,298	145,340	105,020	148,998	164,019	-
Total available	-	-	95,605	19,693	-	145,340	159,405	128,027	164,019	164,019	-
Quantity Consumption	-	-	95,605	19,693	-	145,340	159,405	128,027	164,019	164,019	-
Quantity Adjustment	-	-	-	-	-	-	-	-	-	-	-
Closing Stock :	-	-	-	-	-	-	-	-	-	-	-

Chief Executive

Chief Financial Officer