



First Quarter Report
September 30, 2009



Dandot Cement Company Limited

Company Information

Board of Directors

Mr. Muhammad Rasheed (Chairman)
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. Dawood Ahmad

Company Secretary

Mr. Abdul Khabir

Statutory Auditors

Amin, Mudassar & Co.
Chartered Accountants

Legal Advisor

International Legal Services

Bankers

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

Registered Office

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

Factory

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

Share Registrar

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

Website

www.dandotcement.com



Directors' Report to the Share Holders

On behalf of the Board of Directors of your company, I would like to present the unaudited accounts of the Company for the first quarter ended September 30, 2009.

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

	September 2009 Tonnes	September 2008 Tonnes
Clinker Production	54,332	71,075
Cement:		
Production	55,785	75,624
Dispatches	55,299	79,343

During the quarter under review the Company's production of clinker and cement decreased by 23.6% and 26.2% respectively whereas the Company's dispatches of cement decreased 31.3% in comparison with the previous corresponding quarter capacity utilization was 44.2% during the quarter under review in comparison with 60.0% in the previous comparable quarter. The decrease in operating performance of the Company is mainly attributed to frequent stoppages of plant (17 days in the quarter) due to shortages of working capital, fuel supply and interruption/load shedding of electric supply.

Despite reduction in administrative expenses and distribution cost from 23.9 million & 3.3 million in the corresponding quarter of proceeding year to 13.2 million and 0.7 million respectively, the Company suffered operating Loss of Rs.65.6 million in the quarter under review, as against operating profit of Rs.13.8 million in the corresponding quarter of proceeding year. Further the Company loss after taxation is Rs.127.4 million for the first quarter under review as against loss after taxation of Rs.47.9 million in the comparable previous quarter. There was decrease in the operational performance of the Company due to drastic decline in net retention and sale price of cement decreases to Rs.3,410 per ton as against Rs.4,446 per ton in the previous corresponding quarter, resulted in the operating loss.

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

For and on behalf of the Board

Mansoor Rasheed
Chief Executive

Lahore: December 10, 2009



Balance Sheet

	September 2009 (Rupees in Thousand)	June 2009
CAPITAL AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital 100,000,000 ordinary shares of Rs. 10/- each	1,000,000	1,000,000
Issued, subscribed and paid up capital	948,400	948,400
Share premium reserve	31,801	31,801
Accumulated loss	(2,294,989)	(2,182,389)
	(1,314,788)	(1,202,188)
SURPLUS ON REVALUATION OF FIXED ASSETS	1,203,930	1,219,669
	(110,858)	17,481
NON CURRENT LIABILITIES		
Loan from banking companies	1,020,000	1,020,000
Other loans	387,992	384,415
Deferred liabilities	251,086	251,086
Long term advances and deposits	7,365	7,269
	1,666,443	1,662,770
CURRENT LIABILITIES		
Trade and other payables	579,360	481,733
Mark up accrued	478,588	417,087
Short term borrowings	434,234	449,194
Current portion of long term loans and liabilities	44,418	46,638
Taxation	16,741	15,790
	1,553,341	1,410,442
CONTINGENCIES AND COMMITMENTS 3	-	-
	3,108,926	3,090,693

MANSOOR RASHEED
Chief Executive



As At September 30, 2009 (un-audited)

	September 2009	June 2009
PROPERTY AND ASSETS		
NON CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	2,293,908	2,313,958
Capital work in progress	190,681	190,681
	2,484,589	2,504,639
LONG TERM LOANS	386	231
LONG TERM SECURITY DEPOSITS	10,312	10,325
	2,495,287	2,515,195
CURRENT ASSETS		
Stores, spares and loose tools	142,931	139,793
Stock in trade	33,153	19,224
Loans and advances	368,509	355,101
Deposits and short term prepayments	85	607
Balance with statutory authorities	52,091	46,774
Interest Accrued	9,422	9,449
Other receivables	1,206	683
Cash and bank balances	6,242	3,867
	613,639	575,498
	3,108,926	3,090,693


SAUD RASHEED
Director



Profit and Loss Account

for the period ended September 30, 2009 (un-audited)

	September 2009	September 2008
	(Rupees in thousand)	
SALES (Net)	188,595	352,764
COST OF SALES	240,190	311,690
GROSS PROFIT \ (LOSS)	(51,595)	41,074
OPERATING EXPENSES		
Administrative expenses	13,263	23,943
Distribution cost	710	3,315
	(13,973)	(27,258)
OPERATING LOSS	(65,568)	13,816
Finance Cost	(61,839)	(61,741)
Other income / (charges)	20	-
LOSS BEFORE TAXATION	(127,387)	(47,925)
TAXATION - Current	952	-
NET LOSS AFTER TAXATION	(128,339)	(47,925)
Accumulated loss brought forward	(2,182,389)	(1,915,158)
Incremental depreciation due to revaluation of fixed assets for the period	15,739	16,518
Accumulated loss carried to balance sheet	(2,294,989)	(1,946,565)
Loss per share - Basic (Rupees)	(1.35)	(0.51)

MANSOOR RASHEED
Chief Executive

SAUD RASHEED
Director



Cash Flow Statement

for the period ended September 30, 2009 (un-audited)

	September 2009 (Rupees in thousand)	September 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(127,387)	(47,925)
Adjustments of items not involving movement of cash:		
Depreciation	20,049	22,014
Amortization of deferred cost	-	7,000
Financial charges	61,839	61,741
	81,888	90,755
Operating cash flows before working capital changes	(45,499)	42,830
(Increase)/Decrease in operating asset :		
Stores, spares and loose tools	(3,137)	(18,760)
Stock in trade	(13,929)	13,087
Loans and advances	(13,409)	(38,808)
Deposits and short term prepayments	522	493
Other receivables	(495)	(4,317)
Increase/(Decrease) in trade and other payables	97,927	20,151
	67,479	(28,154)
	21,980	14,676
Long term advances and deposits	96	144
Gratuity paid	(301)	(57)
Financial charges paid	(338)	(1,654)
Income tax paid	(5,317)	(117)
Net Cash Flows From Operating Activities	16,120	12,992
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets - Tangible	-	(513)
Long term loans and deposits	(142)	34
Net Cash Flows From Investing Activities	(142)	(479)
CASH FLOWS FROM FINANCING ACTIVITIES		
Other Loans	1,357	3,345
Repayment of lease liability (Net)	-	(142)
Short term borrowings	(14,960)	(15,830)
Net Cash Flows From Financing Activities	(13,603)	(12,627)
Net Increase /(Decrease) in Cash and Cash Equivalents	2,375	(114)
Cash and cash equivalents at beginning of the period	3,867	10,335
Cash and cash equivalents at end of the period	6,242	10,221

MANSOOR RASHEED
Chief Executive

SAUD RASHEED
Director



Statement of Changes in Equity

for the period ended September 30, 2009 (un-audited)

	Share capital	Share premium reserve	Accumulated Loss	Total share capital and reserves	Surplus on revaluation of fixed assets	Total
(Rupees in Thousand)						
Balance as at July 01, 2008	948,400	31,801	(1,915,158)	(934,957)	1,262,615	327,658
Loss for the period	-	-	(47,925)	(47,925)	-	(47,925)
Incremental depreciation transferred to surplus on revaluation of fixed assets' account	-	-	16,518	16,518	(16,518)	-
Balance as at September 30, 2008	948,400	31,801	(1,946,565)	(966,364)	1,246,097	279,733
Balance as at July 01, 2009	948,400	31,801	(2,182,389)	(1,202,188)	1,219,669	17,481
Loss for the period	-	-	(128,339)	(128,339)	-	(128,339)
Incremental depreciation due to revaluation charged to surplus:	-	-	15,739	15,739	(15,739)	-
Balance as at September 30, 2009	948,400	31,801	(2,294,989)	(1,314,788)	1,203,930	(110,858)

MANSOOR RASHEED
Chief Executive

SAUD RASHEED
Director

Notes to the Accounts

for the period ended September 30, 2009 (un-audited)

1. These interim condensed financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi and Lahore Stock Exchanges. The accounting policies adopted in these interim condensed financial statements are the same as those applied in the preparation of the preceding annual published accounts.
2. Figures have been rounded off to the nearest thousand rupees and figures of previous year have been rearranged wherever necessary to facilitate the comparison.
3. **CONTINGENCIES AND COMMITMENTS**
Contingencies and commitments are unchanged since last published audited accounts of the Company.
4. **DATE OF AUTHORISATION**
These financial statements were authorised for issue on December 10, 2009 by the Board of Directors of the Company.

MANSOOR RASHEED
Chief Executive

SAUD RASHEED
Director