



3RD QUARTER REPORT
March 31, 2013

DANDOT CEMENT COMPANY LIMITED

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COMPANY INFORMATION

Board of Directors

Mr. Muhammad Rasheed	
Mr. Mansoor Rasheed	Chief Executive
Mr. Saud Rasheed	
Mr. Muhammad Imran Iqbal	
Mr. Muhammad Amjad Aziz	Chairman
Syed Ansar Raza Shah	
Mr. Gul Hussain	

Audit Committee

Mr. Muhammad Rasheed	Member
Syed Ansar Raza Shah	Member / Chairman
Mr. Gul Hussain	Member

Human Resources & Remuneration Committee

Mr. Mansoor Rasheed	Member
Syed Ansar Raza Shah	Member
Mr. Gul Hussain	Member / Chairman

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
Bank Al-Habib 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



DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors presents the condensed interim financial statements of the company for the 3rd Quarter ended March 31, 2013.

Operational Performance

During the period operational performance of the company is as follows:

Particulars	Third Quarter ended		Nine Months ended	
	March 2013	March 2012	March 2013	March 2012
Clinker production	-	60,954	42,890	150,901
Cement production	-	66,300	42,507	162,137
Cement dispatch	-	66,011	25,814	164,753

Operating Results

The comparative financial results of the company for the period are summarized as below and all the figures are in Rupees in thousand;

Particulars	Third Quarter ended		Nine Months ended	
	March 2013	March 2012	March 2013	March 2012
Net sales	-	361,629	145,272	861,347
Gross loss	161,369	103,873	314,790	278,042
Loss before taxation	173,626	117,883	361,679	320,783
Net loss	173,626	117,883	361,679	320,783

Future Prospects

Industry:

Reduction in excise duty announced in budget 2012-2013 has positive impact on the cement demand. A substantial increase in demand of the cement was also seen from last quarter of the year 2012 which is mainly attributable to upcoming general elections for which Government is spending more on development projects for public interest which would keep the momentum going till year 2013. Further, construction of dams is also inevitable in near future to overcome the tremendous electricity crises faced by the country. Decreasing trend of State Bank of Pakistan's discount rate will have definite positive implication on development works in the country.

Company:

Energy efficiency, Labour efficiency & productivity and right financial modeling, 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.

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 period under review.



SAUD RASHEED
Chairman Board of Directors
Lahore: May 04, 2013.

Condensed Interim Balance Sheet

	(Un-Audited) March 31, 2013	(Audited) June 30, 2012
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 100,000,000 (June 2012:100,000,000) 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	(3,681,182)	(3,346,260)
	(2,700,981)	(2,366,059)
SURPLUS ON REVALUATION OF FIXED ASSETS	1,074,721	1,101,478
	(1,626,260)	(1,264,581)
NON CURRENT LIABILITIES		
Loan from banking companies	1,020,000	1,020,000
Other loans	300,964	299,966
Deferred liabilities	-	-
Long term advances and deposits	1,532	1,708
	1,322,496	1,321,674
CURRENT LIABILITIES		
Trade and other payables	1,548,927	1,417,185
Mark up accrued	707,697	693,998
Short term borrowings	621,954	526,646
Current portion of long term loans and liabilities	69,790	64,876
Provision for taxation - income tax	-	-
	2,948,368	2,702,705
CONTINGENCIES AND COMMITMENTS	-	-
5	2,644,604	2,759,798

The annexed notes form an integral part of this condensed interim financial information.


SAUD RASHEED
 Director



Statement u/s 241(2) of the Companies Ordinance, 1984

These financial statements have been signed by two Directors instead of Chief Executive and one Director as the Chief Executive is not in Pakistan for the time being.

As at March 31, 2013

	(Un-Audited) March 31, 2013	(Audited) June 30, 2012
Note	(Rupees in thousand)	
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment		
Operating fixed assets	2,034,149	2,085,626
Long term loans	12	19
Long term security deposits	10,375	10,435
	<u>2,044,536</u>	<u>2,096,080</u>
CURRENT ASSETS		
Stores, spares and loose tools	124,732	162,507
Stock in trade	89,485	104,949
Trade debts	3,901	9,899
Loans and advances	307,537	317,208
Balances with statutory authorities	59,630	55,688
Interest accrued	9,389	9,389
Other receivables	452	531
Cash and bank balances	4,942	3,547
	<u>600,068</u>	<u>663,718</u>
	<u>2,644,604</u>	<u>2,759,798</u>



MUHAMMAD IMRAN IQBAL
Director




Condensed Interim Profit And Loss Account (Un-Audited)

For the Period ended March 31, 2013

	Third quarter ended		Nine months ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	(Rupees in thousand)		(Rupees in thousand)	
Sales (Net)	-	361,629	145,272	861,347
Cost of sales	161,369	465,502	460,062	1,139,389
Gross loss	(161,369)	(103,873)	(314,790)	(278,042)
Operating expenses				
Distribution costs	439	557	2,509	2,265
Administrative expenses	7,042	9,071	26,223	27,760
	7,481	9,628	28,732	30,025
Operating loss	(168,850)	(113,501)	(343,522)	(308,067)
Finance costs	(4,778)	(4,390)	(14,214)	(12,830)
Other operating income	2	8	102	114
Other operating expenses	-	-	(4,045)	-
	(4,776)	(4,382)	(18,157)	(12,716)
Loss before taxation	(173,626)	(117,883)	(361,679)	(320,783)
Taxation :				
Current	-	-	-	-
Deferred	-	-	-	-
	-	-	-	-
Net Profit / (Loss) after taxation	(173,626)	(117,883)	(361,679)	(320,783)
Profit / (Loss) per weighted average shares- Basic (Rupees)	(1.83)	(1.24)	(3.81)	(3.38)

The annexed notes form an integral part of this condensed interim financial information.


SAUD RASHEED
Director


MUHAMMAD IMRAN IQBAL
Director



Statement u/s 241(2) of the Companies Ordinance, 1984

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Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Period ended March 31, 2013

	Third quarter ended		Nine months ended	
	March 31, 2013 (Rupees in thousand)	March 31, 2012 (Rupees in thousand)	March 31, 2013 (Rupees in thousand)	March 31, 2012 (Rupees in thousand)
Loss for the period	(173,626)	(117,883)	(361,679)	(320,783)
Other comprehensive income	-	-	-	-
Total comprehensive profit/ (loss) for the period	<u>(173,626)</u>	<u>(117,883)</u>	<u>(361,679)</u>	<u>(320,783)</u>

The annexed notes form an integral part of this condensed interim financial information.


SAUD RASHEED
Director


MUHAMMAD IMRAN IQBAL
Director

Statement u/s 241(2) of the Companies Ordinance, 1984

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Condensed Interim Cash Flow Statement (Un-Audited)

For the Period ended March 31, 2013

	Nine months ended	
	March 31, 2013	March 31, 2012
(Rupees in thousand)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(361,679)	(320,783)
Adjustments of items not involving movement of cash:		
Depreciation	51,760	54,001
Provision for gratuity	18,927	18,482
Profit on deposit and PLS accounts	(102)	-
Finance cost	14,214	12,830
	84,799	85,313
Operating cash flows before working capital changes	(276,880)	(235,470)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	37,775	(6,048)
Stock in trade	15,463	17,468
Trade debts	5,999	4,011
Loans and advances	9,670	83,989
Other receivables	79	261
Increase/(Decrease) in trade and other payables	112,471	185,185
	181,457	284,866
	(95,423)	49,396
Long term advances and deposits	(176)	(298)
Bank charges paid	(172)	(956)
Interest received	102	-
Income tax paid	(3,941)	(9,811)
Net Cash Flows From Operating Activities	(99,610)	38,331
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(283)	(1,461)
Long term security deposits	60	(2,000)
Long term loans	8	56
Net Cash Flows From Investing Activities	(215)	(3,405)
CASH FLOWS FROM FINANCING ACTIVITIES		
Other Loan	5,912	(9,501)
Sponsors loans	92,794	-
Short term borrowings	2,514	(22,097)
Net Cash Flows From Financing Activities	101,220	(31,598)
Net Increase in Cash and Cash Equivalents	1,395	3,328
Cash and Cash Equivalents at Beginning of the Period	3,547	3,723
Cash and Cash Equivalents at End of the Period	4,942	7,051

The annexed notes form an integral part of this condensed interim financial information.


SAUD RASHEED
 Director


MUHAMMAD IMRAN IQBAL
 Director



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Condensed Interim Statement of Changes in Equity (Un-Audited)

For the Period ended March 31, 2013

	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, 2011	948,400	31,801	(2,876,726)	(1,896,525)	1,138,718	(757,807)
Total comprehensive loss for the half year ended						
March 31, 2012	-	-	(320,783)	(320,783)	-	(320,783)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	27,925	27,925	(27,925)	-
Balance as at March 31, 2012	948,400	31,801	(3,169,584)	(2,189,383)	1,110,793	(1,078,590)
Balance as at July 01, 2012	948,400	31,801	(3,346,259)	(2,366,059)	1,101,478	(1,264,581)
Total comprehensive loss for the period ended						
March 31, 2013	-	-	(361,679)	(361,679)	-	(361,679)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	26,757	26,757	(26,757)	-
Balance as at March 31, 2013	948,400	31,801	(3,681,182)	(2,700,981)	1,074,721	(1,626,260)

The annexed notes form an integral part of this condensed interim financial information.


SAUD RASHEED
Director


MUHAMMAD IMRAN IQBAL
Director

Statement u/s 241(2) of the Companies Ordinance, 1984

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Notes to the Condensed Interim Financial Information (Un-Audited)

For the Period ended March 31, 2013

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 During the quarter ended March 31, 2013, operations of the company were temporary suspended due to severe financial crunch. However, to resume the operations of the company, the management is working on various options to inject adequate funds for the necessary maintenance of the plant and to make the operations smooth and profitable. The management of the company is fully confident that the operations of the company will be resumed in near future and 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 condensed interim financial information have been prepared on going concern basis.

2 STATEMENT OF COMPLIANCE

These condensed interim financial information have been prepared in accordance with International Financial Reporting Standard 'IAS-34 - Interim Financial Reporting and provisions of and directives issued under the companies ordinance, 1984. In case where the requirement differ, the provisions of or directives issued under the companies ordinance, 1984 have been followed.

These condensed interim financial information should be read in conjunction with the annual audited financial statements for the year ended June 30, 2012. These condensed interim financial information are being submitted to the shareholders as required by Section 245 of the companies ordinance, 1984 and the listing regulations of Karachi and Lahore Stock Exchanges.

3 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial information are the same as those adopted in preparation of financial statements for the year ended June 30, 2012, except as follow:

The company has adopted the following amended IFRS which became effective during the period:

IAS 1 - Presentation of financial statements
IAS 12 - Income Taxes

The adoption of the above amendments did not have any effect on these condensed interim financial information.

3.1 Standards, Interpretations and Amendments to Approved Accounting Standards that are not yet effective

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

Standard of Interpretation	Effective date (Accounting periods beginning on or after)
IAS 19 - Employee Benefits	01 January 2013
IFRS 7 - Financial Instruments: Disclosures	01 January 2013
Annual improvements to IFRSs 2011	01 January 2013
IAS 32 - Financial Instruments: Presentation	01 January 2014

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

4 SIGNIFICANT ESTIMATES

The preparation of these condensed interim financial information requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and related disclosures at the date of financial information. Actual results may differ from these estimates. In preparing these financial information, the significant judgments made by the management in applying accounting policies. Key estimates and uncertainty includes, but not limited to:

- Depreciation methods, residual values and useful life of depreciable assets
- Taxation
- Provisions and Contingencies

5 CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitments of the company since the last audited annual balance sheet date and reviewed half yearly financial statements.

6 TRANSACTION WITH RELATED PARTIES

There is no significant transactions with related parties during the quarter.

7 CORRESPONDING FIGURES

Figures have rounded off to the nearest thousands of Rupees.

8 DATE OF AUTHORIZATION FOR ISSUE

These un-audited condensed interim financial information were authorized to issue by the board of directors of the company on May 04, 2013.



SAUD RASHEED
Director



MUHAMMAD IMRAN IQBAL
Director



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