



1ST QUARTER REPORT
September 30, 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

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors presents the un-audited condensed interim financial statements of the company for the quarter ended September 30, 2013.

Operational Performance

During the quarter under review, the operations of the company had been suspended as mentioned in note no. 1.1 of these condensed interim financial statements.

Operating Results

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

Particulars	Sep. 2013	Sep. 2012
	(Rupees in thousands)	
- Net sales	-	135,760
- Gross loss	73,930	72,304
- Operating loss	82,807	83,476
- Net loss	88,073	88,149

Future Prospects

Industry:

It is expected that local demand of cement may increase due to expected government spending on infrastructure projects. Proper and efficient utilization of allocated development budget would help cement sector to grow. In recent announcement of federal budget, government has kept record Public Sector Development Budget together with an announcement of building housing colonies. This may prove to be trigger point of the revival of industry and may contribute positively towards overall local consumption. However, increase in electricity tariff and uninterrupted power supply will be critical for industry.

Company:

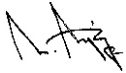
Energy efficiency, Labour efficiency & productivity and right financial modeling, smooth plant operations are key factors to success of any cement plant. The management is committed for a balanced delivery of long term values to all stake holders including financiers, employees and shareholders.

Future Plans & Decisions

As mentioned in note 1.1 of these condensed interim financial statements, the management has arranged funds from an investor for the necessary maintenance of the plant. However, the terms and conditions of such investment/loan have not yet been finalized. Due to this funds injection, operations of the company have been resumed in December 2013.

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 previous year.



Muhammad Amjad Aziz

Chairman Board of Directors
Lahore: January 16, 2014.

Condensed Interim Balance Sheet

	Note	(Un-Audited) Sep. 30, 2013 (Rupees in thousand)	(Audited) June 30, 2013
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		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		(3,856,359)	(3,776,843)
		(2,876,158)	(2,796,642)
Surplus on revaluation of fixed assets		1,056,697	1,065,253
		(1,819,461)	(1,731,389)
NON CURRENT LIABILITIES			
Loan from banking companies		1,020,000	1,020,000
Other loans and Liabilities	5	125,196	37,995
Long term advances and deposits		1,587	1,532
		1,146,783	1,059,527
CURRENT LIABILITIES			
Trade and other payables		1,677,197	1,675,931
Mark up accrued		717,699	712,598
Short term borrowings		901,735	899,551
Current portion of long term loans and liabilities		74,611	74,611
Taxation		-	-
		3,371,242	3,362,691
CONTINGENCIES AND COMMITMENTS	6	-	-
		2,698,564	2,690,829

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.


MUHAMMAD IMRAN IQBAL
 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 September 30, 2013

	(Un-Audited) Sep. 30, 2013	(Audited) June 30, 2013
Note	(Rupees in thousand)	
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	2,031,057	2,016,895
Operating fixed assets	-	-
Capital work in progress	2,031,057	2,016,895
Long term loan	2	4
Long term security deposits	10,375	10,375
	<u>2,041,434</u>	<u>2,027,274</u>
CURRENT ASSETS		
Stores, spares and loose tools	118,749	118,749
Stock in trade	217,026	217,026
Trade debts	2,352	3,038
Loans and advances	263,238	274,279
Balance with statutory Authorities	38,163	37,485
Interest accrued	9,389	9,389
Other receivables	387	387
Cash and bank balances	7,826	3,202
	657,130	663,555
	<u>2,698,564</u>	<u>2,690,829</u>


MUHAMMAD AMJAD AZIZ
 Director



Condensed Interim Profit And Loss Account (Un-Audited)

For the Quarter ended September 30, 2013

	Quarter Ended	
	Sep. 30, 2013	Sep. 30, 2012
	(Rupees in thousand)	
Sales - Net	-	135,760
Cost of Sales	73,930	208,063
Gross Loss	(73,930)	(72,304)
Operating Expenses		
Administrative Expenses	8,420	10,017
Distribution Cost	457	1,155
	(8,877)	(11,172)
Operating Loss for the period	(82,807)	(83,476)
Finance Cost	(5,284)	(4,676)
Other Income	18	3
	(88,073)	(88,149)
Taxation		
Current - For the period	-	-
Deferred	-	-
	-	-
Net Loss for the period	(88,073)	(88,149)
Loss per share - Basic & Diluted	(0.93)	(0.93)

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.


MUHAMMAD IMRAN IQBAL
 Director


MUHAMMAD AMJAD AZIZ
 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.

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Quarter ended September 30, 2013

	Quarter Ended	
	Sep. 30, 2013	Sep. 30, 2012
	(Rupees in thousand)	
Net Loss for the period	(88,073)	(88,149)
Other Comprehensive income - net of taxation	-	-
Total comprehensive loss for the period - net of tax	(88,073)	(88,149)

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.


MUHAMMAD IMRAN IQBAL
Director


MUHAMMAD AMJAD AZIZ
Director

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Condensed Interim Cash Flow Statement (Un-Audited)

For the Quarter ended September 30, 2013

	Quarter Ended	
	Sep. 30, 2013	Sep. 30, 2012
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(88,073)	(88,149)
Adjustment of items not involving movement of cash:		
Depreciation	16,702	17,253
Gratuity	6,030	6,318
Profit on deposits & PLS Accounts	(18)	(3)
Finance cost	5,284	4,676
	27,998	28,244
Operating cash flows before working capital changes	(60,075)	(59,905)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	-	31,002
Stock in trade	-	(62,229)
Trade debts	686	(7,926)
Loans and advances	11,041	(20,746)
Other receivables	-	(246)
Increase in trade and other payables	(4,879)	126,459
	6,848	66,314
	(53,227)	6,409
Long term security deposits	-	50
Bank charges paid	(69)	(115)
Interest received	18	3
Income tax paid	(678)	(3,177)
Net Cash Flows From Operating Activities	(53,956)	3,169
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(30,863)	(266)
long term loans	2	3
Net Cash Flows From Investing activities	(30,861)	(263)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	87,202	(757)
Sponsors loans	1,100	-
Long term advances and deposits	55	(176)
Short term borrowings	1,084	(637)
Net Cash Flows From Financing Activities	89,441	(1,570)
Net Increase/(Decrease) in Cash and Cash Equivalents	4,624	1,336
Cash and cash equivalents at beginning of the period	3,202	3,547
Cash and cash equivalents at end of the period	7,826	4,883

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MUHAMMAD IMRAN IQBAL
Director


MUHAMMAD AMJAD AZIZ
Director



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

For the Quarter ended September 30, 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 June 30, 2012	948,400	31,801	(3,346,260)	(2,366,059)	1,101,478	(1,264,581)
Total comprehensive loss for the year	-	-	(466,807)	(466,807)	-	(466,807)
Transferred from surplus on revaluation account:						
- Incremental depreciation due to revaluation charged to surplus - net of deferred tax	-	-	36,225	36,225	(36,225)	-
Balance as at June 30, 2013	948,400	31,801	(3,776,842)	(2,796,641)	1,065,253	(1,731,388)
Total comprehensive loss for the year	-	-	(88,073)	(88,073)	-	(88,073)
Transferred from surplus on revaluation account:						
- Incremental depreciation due to revaluation charged to surplus - net of deferred tax	-	-	8,556	8,556	(8,556)	-
Balance as at September 30, 2013	948,400	31,801	(3,856,359)	(2,876,158)	1,056,697	(1,819,461)

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.


MUHAMMAD IMRAN IQBAL
 Director


MUHAMMAD AMJAD AZIZ
 Director

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

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

For the Quarter ended September 30, 2013

1. THE COMPANY AND ITS OPERATIONS

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) Limited.

- 1.1 The Company has accumulated loss of Rs. 3,856 million and its current liabilities exceeds its current assets by Rs. 2,714 million as at September 30, 2013. In spite of the adverse current ratio and large accumulated loss, the company has continued financial support from its sponsoring directors. Due to non availability of financial support from any source, the company was unable to manage the working capital requirement resulting the temporary closure of the mill operation in October 2012. However, to resume the operations of the company, the management has arranged funds from an investor for the necessary maintenance of the plant. The terms and conditions of such investment/loan have not yet been finalized. Further, the operations of the company have been resumed in December 2013. On the basis of these facts the management of the company is fully confident that the company will continue its operations as going concern and they are fully committed to promote the company's objectives in the long run.

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

2. STATEMENT OF COMPLIANCE

These financial statements are un-audited and have been prepared in accordance with International Financial Reporting Standard 'IAS -34-interim Financial Reporting and should be read in compliance with the Annual Financial Report for the year ended June 30, 2013. These are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

3. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these financial statements are the same as those adopted in preparation of financial statements for the year ended June 30, 2013.

4. SIGNIFICANT ESTIMATES

The preparation of these financial statements requires management to make judgment estimates and assumptions that effect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and related disclosure at the date of financial statements. Actual results may differ from these estimates. In preparing these financial statements, the significant judgment made by 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. OTHER LOANS AND LIABILITIES

This includes an amount of Rs. 88.257 million received for the necessary maintenance of the plant as mentioned in note no. 1.1 of these condensed financial statements.

6. CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitments of the company since the last audited annual balance sheet date.

7. TRANSACTIONS WITH RELATED PARTIES

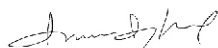
There is no significant transactions with related parties during the period.

8. CORRESPONDING FIGURES

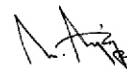
Figures have been rounded off the nearest thousand of Rupees.

9. DATE OF AUTHORIZATION FOR ISSUE

These un-audited condensed interim financial statements were authorized for issue by the board of directors of the company on January 16, 2014.



MUHAMMAD IMRAN IQBAL
Director



MUHAMMAD AMJAD AZIZ
Director



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

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