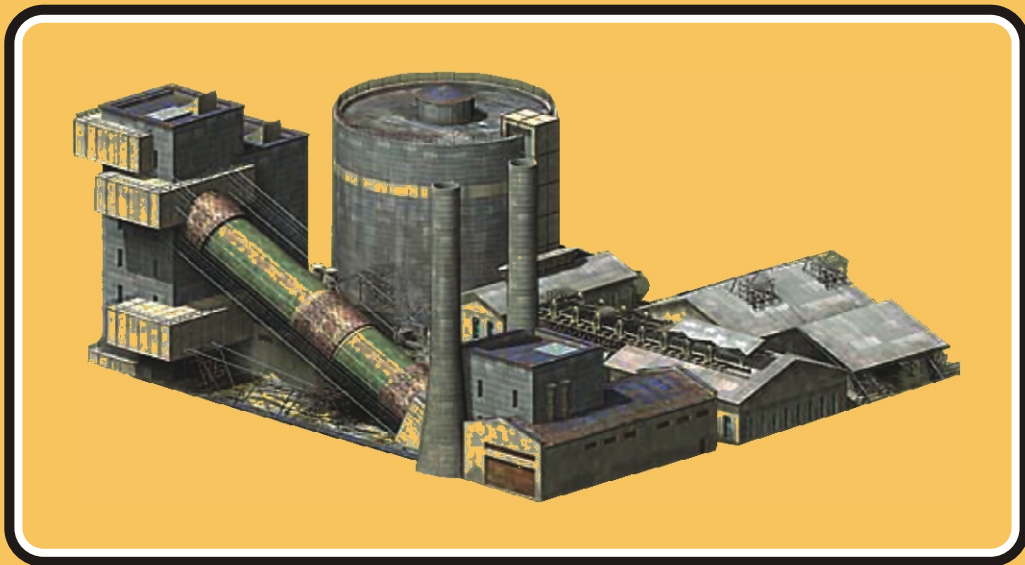




3RD QUARTER REPORT
March 31, 2015



DANDOT CEMENT COMPANY LIMITED

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COMPANY INFORMATION

Board of Directors

Mr. Muhammad Azhar Sher
Mr. Muhammad Sabir Sheikh
Mr. Imran Bashir
Mr. Muhammad Imran Iqbal
Mr. Muhammad Amjad Aziz
Syed Ansar Raza Shah
Mr. Gul Hussain

Chief Executive

Chairman

Audit Committee

Mr. Muhammad Sabir Sheikh
Syed Ansar Raza Shah
Mr. Gul Hussain

Member
Member / Chairman
Member

Human Resources & Remuneration Committee

Mr. Muhammad Azhar Sher
Syed Ansar Raza Shah
Mr. Gul Hussain

Member
Member
Member/Chairman

Chief Financial Officer

Mr. Muhammad Kamran

Company Secretary

Mr. Muhammad Kamran

Statutory Auditors

Amin, Mudassar & Co.
Chartered Accountants

Internal Auditors

Parker Randall - A.J.S.
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: +92-42-35911485, Fax: +92-42-35831846

Factory

DANDOT R.S., Distt. Jhelum.
Telephone: +92-544-211371, Fax: +92-544-211490

Share Registrar

Corplink (Pvt.) Limited.
Wings Arcade 1-K-Commercial, Model Town, Lahore.
Telephone: +92-42-35839182, Fax: +92-42-35869037

Website

www.dandotcement.com



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors would like to present the un-audited condensed interim financial statements for the period ended March 31, 2015.

Operational Performance

The comparative operational performance of the company for the period under review is as follows:

		Third Quarter ended		Nine Months ended		
		March 2015	March 2014	March 2015	March 2014	
-	Clinker production	M.Ton	58,813	47,804	192,883	65,876
-	Cement production	M.Ton	61,682	72,786	202,475	88,879
-	Sales	M.Ton	58,328	73,658	201,295	87,369

Operating Results

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

		Third Quarter ended		Nine Months ended	
		March 2015	March 2014	March 2015	March 2014
-	Net sales	423,435	502,007	1,432,476	595,605
-	Gross Loss	78,004	103,421	350,939	416,492
-	Net loss	115,799	117,911	458,044	498,334

Future Prospects

Industry:

It is anticipated that local demand of cement may increase due to expected government spending on infrastructure projects. Proper and efficient utilization of allocated development funds by the provinces would help the sector to grow. Some control of terrorism and continuous positive pressure of opposition on the government may also prove to be trigger point of the revival of industry and may contribute positively towards overall consumption.

Company:

Energy efficiency, labour efficiency & productivity and right financial modelling, 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, creditors, employees and shareholders.

Company's Plans

Sponsors of the company are considering various options to arrange/inject some funds to support negative cashflows of the company especially for the repayment of past dues of the company and for replacement of old electric infrastructure to reduce the power and fuel cost which is the major cause of loss sustained by the company in past years.

Change in management

After the period under review, on May 11, 2015 all the directors of the company have been reappointed after their retirement.

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 current period.



MUHAMMAD AZHAR SHER
Chief Executive
Lahore: May 15, 2015.

Condensed Interim Balance Sheet

	Note	(Un-Audited) March 31, 2015	(Audited) June 30, 2014
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 100,000,000 (June 2014:100,000,000) 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		(4,667,926)	(4,235,124)
		(3,687,725)	(3,254,923)
SURPLUS ON REVALUATION OF FIXED ASSETS			
		1,004,868	1,030,110
		(2,682,857)	(2,224,813)
NON CURRENT LIABILITIES			
Loan from banking companies		1,352,810	1,343,118
Other loans		13,998	26,016
Deferred liabilities		-	-
Long term advances and deposits		1,882	1,882
		1,368,690	1,371,016
CURRENT LIABILITIES			
Trade and other payables		1,950,518	1,940,435
Mark up accrued		529,670	514,095
Short term borrowings		1,539,604	1,185,699
Current portion of long term loans and liabilities		93,140	81,359
Provision for taxation - income tax		-	-
		4,112,932	3,721,588
CONTINGENCIES AND COMMITMENTS			
	5	-	-
		2,798,765	2,867,791

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


MUHAMMAD AZHAR SHER
 Chief Executive



As at March 31, 2015

	(Un-Audited) March 31, 2015	(Audited) June 30, 2014
Note	(Rupees in thousand)	
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment		
Operating fixed assets	1,974,110	2,022,858
Long term loans	4	3
Long term security deposits	10,675	10,675
	1,984,789	2,033,536
CURRENT ASSETS		
Stores, spares and loose tools	114,809	149,040
Stock in trade	180,386	216,117
Trade debts	89,103	56,745
Loans and advances	302,224	292,219
Balances with statutory authorities	100,254	69,895
Interest accrued	9,389	9,389
Other receivables	387	387
Cash and bank balances	17,424	40,463
	813,976	834,255
	2,798,765	2,867,791


MUHAMMAD AMJAD AZIZ
Director



Condensed Interim Profit And Loss Account (Un-Audited)

For the Period ended March 31, 2015

	Third quarter ended		Nine months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rupees in thousand)		(Rupees in thousand)	
Sales (Net)	423,435	502,007	1,432,476	595,605
Cost of sales	501,439	605,428	1,783,415	1,012,097
Gross loss	(78,004)	(103,421)	(350,939)	(416,492)
Operating expenses				
Distribution cost	893	567	2,754	1,370
Administrative expenses	12,931	8,462	31,682	24,987
	13,824	9,029	34,436	26,357
Operating loss	(91,828)	(112,450)	(385,375)	(442,849)
Finance cost	(24,126)	(5,484)	(73,007)	(16,271)
Other operating income	155	23	338	231
Other operating expenses	-	-	-	(39,445)
	(23,971)	(5,461)	(72,669)	(55,485)
Loss before taxation	(115,799)	(117,911)	(458,044)	(498,334)
Taxation:				
Current	-	-	-	-
Deferred	-	-	-	-
	-	-	-	-
Net Profit / (Loss) after taxation	(115,799)	(117,911)	(458,044)	(498,334)
Profit / (Loss) per weighted average shares- Basic (Rupees)	(1.22)	(1.24)	(4.83)	(5.25)

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


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director



Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Period ended March 31, 2015

	Third quarter ended		Nine months ended	
	March 31, 2015 (Rupees in thousand)	March 31, 2014	March 31, 2015 (Rupees in thousand)	March 31, 2014
Loss for the period	(115,799)	(117,911)	(458,044)	(498,334)
Other comprehensive income	-	-	-	-
Total comprehensive profit/(loss) for the period	<u>(115,799)</u>	<u>(117,911)</u>	<u>(458,044)</u>	<u>(498,334)</u>

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


MUHAMMAD AZHAR SHER
Chief Executive


MUHAMMAD AMJAD AZIZ
Director

Condensed Interim Cash Flow Statement (Un-Audited)

For the Period ended March 31, 2015

	Nine months ended	
	March 31, 2015	March 31, 2014
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(458,044)	(498,334)
Adjustments of items not involving movement of cash:		
Depreciation	49,006	49,422
Provision for gratuity	35,938	18,091
Gain on disposal of Fixed Assets	-	(111)
Profit on deposit and PLS accounts	(338)	(120)
Finance cost	73,007	16,271
	157,613	83,553
Operating cash flows before working capital changes	(300,431)	(414,781)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	34,231	(13,288)
Stock in trade	35,731	13,511
Trade debts	(32,358)	(29,467)
Loans and advances	(10,005)	(37,516)
Increase/(Decrease) in trade and other payables	(25,277)	116,252
	2,322	49,492
	(298,109)	(365,289)
Long term advances and deposits	-	(226)
Gratuity Paid	(813)	-
Finance cost paid	(57,196)	(386)
Interest received	338	120
Income tax paid	(30,360)	(17,887)
Net Cash Flows From Operating Activities	(386,140)	(383,668)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(257)	(947)
Sale Proceed of Fixed Assets	-	168
Long term loans	(2)	1
Net Cash Flows From Investing Activities	(259)	(778)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	9,455	129,123
Long term advances and deposits	-	350
Short term borrowings	353,905	270,242
Net Cash Flows From Financing Activities	363,360	399,715
Net Increase in Cash and Cash Equivalents	(23,039)	15,270
Cash and Cash Equivalents at Beginning of the Period	40,463	3,202
Cash and Cash Equivalents at End of the Period	17,424	18,471

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


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director



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

For the Period ended March 31, 2015

	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, 2013	948,400	31,801	(3,748,791)	(2,768,590)	1,065,253	(1,703,337)
Total comprehensive loss for the period ended						
March 31, 2014	-	-	(498,334)	(498,334)	-	(498,334)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	26,063	26,063	(26,063)	-
Balance as at March 31, 2014	948,400	31,801	(4,221,062)	(3,240,861)	1,039,190	(2,201,671)
Balance as at July 01, 2014	948,400	31,801	(4,235,124)	(3,254,923)	1,030,110	(2,224,813)
Total comprehensive loss for the period ended						
March 31, 2015	-	-	(458,044)	(458,044)	-	(458,044)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	25,242	25,242	(25,242)	-
Balance as at March 31, 2015	948,400	31,801	(4,667,926)	(3,687,725)	1,004,868	(2,682,857)

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


MUHAMMAD AZHAR SHER
 Chief Executive


MUHAMMAD AMJAD AZIZ
 Director

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

For the Period ended March 31, 2015

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 Company had effectively done comprehensive plant's maintenance in 2014 and also managed to reschedule the liability of The Bank of Punjab (BOP) amounting Rs. 1,857 million. Furthermore, outstanding dues of Large Taxpayer Unit (LTU) amounting Rs. 459.50 million and IESCO of Rs. 166.70 million had also been rescheduled. Up to the date of signing of these condensed interim financial statements, company has not defaulted even in a single installment of its rescheduled dues. Furthermore sponsors of the company are also considering various options to arrange/inject further funds to support negative cash flows of the company especially for repayment of past dues of the company and for replacement of old electric infrastructure to reduce the power and fuel cost which is the major cause of loss sustained by the company in past years. The management of the company is confident that the company will continue its operations as a going concern, inspite of the fact of accumulated loss of Rs. 4,667.93 million and current liabilities exceed its current assets by Rs. 3,298.96 million as at March 31, 2015.

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, 2014. 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, 2014.

There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on company's operations and, therefore, not disclosed.

In addition to the above, following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 01, 2015 :

Standard of Interpretation	Effective date (Accounting periods beginning on or after)
- IAS 38 - Intangible Assets	01 January 2016
- IAS 16 - Property, Plant and Equipment	01 January 2016
- IAS 41 - Agriculture	01 January 2016
- IFRS 10 - Consolidated Financial Statements	01 January 2015
- IFRS 11 - Joint Arrangements	01 January 2015
- IFRS 12 - Disclosure of Interest in Other Entities	01 January 2015
- IFRS 13 - Fair Value Measurement	01 January 2015
- IAS 27 - Separate Financial Statements	01 January 2016
- Annual Improvements to IFRSs 2010-2012 and 2011-2013 Cycles	01 July 2015
- Annual Improvements to IFRSs 2012-2014 Cycles	01 January 2016

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

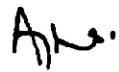
There is no significant transactions with related parties during the period under review.

7 CORRESPONDING FIGURES

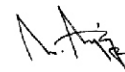
Figures have rounded off to he nearest thousands of Rupees.

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 15, 2015.



MUHAMMAD AZHAR SHER
Chief Executive



MUHAMMAD AMJAD AZIZ
Director