



Half Yearly Report
December 31,
2020

DANDOT CEMENT COMPANY LIMITED

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COMPANY INFORMATION

Board of Directors (BOD)

Taha Muhammad Naseem	Chief Executive
Muhammad Farooq Naseem	Chairman of BOD
Mrs. Roohi Farooq Naseem	
Zaka Muhammad Naseem	
Hamid Mahmood	
Murtaza Yousaf Mandviwala	
Shafqaat Ahmed	

Audit Committee

Shafqaat Ahmed	Member / Chairman / Secretary
Muhammad Farooq Naseem	Member
Hamid Mahmood	Member

Human Resources & Remuneration Committee

Murtaza Yousaf Mandviwala	Member / Chairman
Muhammad Farooq Naseem	Member
Taha Muhammad Naseem	Member

Chief Financial Officer

Muhammad Kamran

Statutory Auditors

Amin, Mudassar & Co.
Chartered Accountants, Lahore.

Company Secretary

Muhammad Kamran

Legal Advisor

International Legal Services

Bankers

The Bank of Punjab
United Bank Limited
National Bank of Pakistan
Habib Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Bank Al-Habib Limited
Askari Bank Limited

Registered Office

5-Zafar Ali Road, Gulberg V, Lahore.

Postal Address

43-A/S Zafar Ali Road, Gulberg V, Lahore.
Telephone: +92-42-35758614-15

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 presents the un-audited condensed financial statements of the company for the period ended December 31, 2020.

Principal Activity and Operational Performance

Dandot Cement Company Limited (the Company) is a Public Listed Company. The principal activity of the Company is production and sale of cement. The operational performance of the company for the period under review as compared with preceding period is as follows:

			Half Year ended		Second Quarter ended	
			Dec 2020	Dec 2019	Dec 2020	Dec 2019
-	Clinker production	M. Ton	-	19,019	-	-
-	Cement production	M. Ton	-	21,286	-	-
-	Sales	M. Ton	-	26,151	-	1,782

The comparative financial results of the company are summarized as below: (Rs. in `000`)

-	Gross sales	-	248,058	-	15,982
-	Net sales	-	153,889	-	9,448
-	Gross loss	-	255,197	-	98,867
-	Net loss	22,585	383,596	13,124	163,420
-	Loss per share (Rs.)	0.24	4.04	0.14	1.72

During the period under review, cement production & related sales volume remained suspended due to closure of plant operations in September 2019. Hence, dividend has not been recommended by the board of directors for the current period.

Future Prospects

Industry:

Due to pandemic COVID-19, the country is passing through the most difficult time of its history in economic terms and such economic distress has had a major impact on the cement industry. If corona virus spread beyond the control and stay for a longer period, there could be negative effect on the cement industry. However, this adverse factor can be mitigated to some extent due to the announcement of comprehensive package by the Federal Government to boost the construction activities which includes TERF loans, reduction in Federal Excise Duty on cement, amnesty scheme for investment in construction activities, downward revision of FBR's property valuation rates, incentives for builders and affordable housing schemes. Further, reduction in markup rates by SBP may also positively affect the profitability of the cement sector.

Principal Risks and Uncertainties

- Increasing supply with stagnant demand.
- Impact of pandemic of COVID-19.

Company

Energy efficiency, labour efficiency & productivity and right financial modeling and 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 Plan

In order to meet the legal standards and prevent sanctions from Environmental Department, the company decided to immediately close down the operations and move towards upgrading the plant through Balancing, Modernization and Replacement (BMR). The company signed a Memorandum of Understanding (MOU) with renowned cement EPC contractor from China for BMR. The substantial amount has been approved by a consortium of financial institutions under the TERF scheme of State Bank of Pakistan (SBP) and remaining amount shall be invested by the sponsors as fresh equity. As soon as the relevant Letters of Credit (LCs) for import of the said machinery under BMR is established, the company shall move for relevant approvals from SECP for equity additions and change in capital structure. The company hopes to complete the BMR within 14 months and bring it back to commercial operations.

Auditor's Observations

The new management of the company, within such short period of time after acquisition, injected significant funds, restructured liabilities of ex-management and financial institutions and signed MOU for Balancing, Modernization and Replacement (BMR) of its plant. On the basis of efforts of the new management in right direction, the company is fully confident that the company will continue its operations as a going concern. Workers' compensation benefits in excess of statutory/legal requirement will be subject to recognition after final determination and verification by the Competent Authority. Due to suspension of operation for BMR activity, depreciation has been charged on operating fixed assets which were in use during the relevant period. Letter for the balance confirmation has already been circulated to Economic Affairs Division (EAD) and no reply has been received. However, as mentioned in auditors' report, the balance has already been confirmed by external auditors' through alternative audit procedures. Furthermore, since order passed in 2009 by Securities and Exchange Commission of Pakistan (SECP), the company is providing markup on dues of provident fund in the books of account without any default and trying to contribute in stipulated time defined by relevant laws.

Subsequent Events

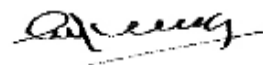
All subsequent events have been properly disclosed in the relevant notes of these un-audited condensed financial statements.

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.



TAHA MUHAMMAD NASEEM
Chief Executive
Lahore: March 22, 2021.



MUHAMMAD FAROOQ NASEEM
Director

INDEPENDENT AUDITOR'S REVIEW REPORT

Report On Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Dandot Cement Company Limited** as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- i. As explained in note 9 to the condensed interim financial statements, on the basis of legal opinion, the company has written back outstanding liability in respect of some Past Dues Payable, Payable against Gratuity and Interest on Workers’ Profit Participation Fund Payable retrospectively aggregating Rs. 317.12 million and has not accounted for related expense and liability during the previous years and current period amounting Rs.53.54 million and Rs.0.19 million respectively. The company has not accounted for expense and liability of salary and provident fund contribution during the previous years and current period amounting Rs.70.87 million and Rs.41.08 million respectively since September 01, 2019 for which petition had been filed in Hon’ble Labour Court by the company for their retrenchment as referred to note 9 to the condensed interim financial statements. However, basis of balances written back and non-provisioning of benefits remained un-substantiated in the absence of any agreement(s) or related approval(s). Had the company accounted for and not reversed the outstanding liability related to prior years, loss for the period would have been higher by Rs.41.27 million, current liabilities and accumulated loss as at December 31, 2020 would have been higher by Rs.482.81 million. Consequently, the company did not pay contributions amounting Rs.5.17 million to the provident fund trust in compliance with section 218 of the Companies Act, 2017.

-
- ii. The company has not accounted for depreciation expense in respect of class of assets of property, plant and equipment as described in note 10 to the condensed interim financial statements for the period approximating aggregating amounting Rs.67.98 million. Had the company accounted for the above mentioned depreciation, loss for the period and accumulated loss as at December 31, 2020 would have been higher by Rs.50.21 million and Rs.12.74 million respectively, and property, plant and equipment, revaluation surplus on property, plant and equipment and deferred liabilities as at December 31, 2020 would have been lower by Rs.67.98 million, Rs.37.46 million and Rs.17.77 million respectively.

Qualified Conclusion

Based on our review, with the exception of the matters described in the preceding paragraphs, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material Uncertainty relating to Going Concern

We draw attention to note no. 1.2 to the condensed interim financial statements, which indicates that the condensed interim financial statements have been prepared on going concern basis. The company sustained net loss amounting Rs. 22.59 million during the period ended December 31, 2020 and as of that date its accumulated loss was Rs. 5,223.94 million. As of December 31, 2020, the company's current liabilities exceeded its current assets by Rs.560.86 million. During the year ended June 30, 2020, the management of the company had decided to complete close down the Plant since October 30, 2019 with an intention of Balancing, Modernization and Replacement (BMR) of its plant. The management of the company has planned to execute the Balancing, Modernization and Replacement (BMR) activity in the near future. The company has managed to arrange substantial amount of facility limits from financial institutions which have been finalized/in process and received funds from the holding company subsequent to the period end as described in note no. 1.2. As stated in note no. 1.2, these events or conditions, along with other matters as set forth in note no. 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

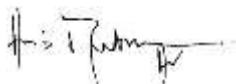
Emphasis of Matter

We draw attention to note 7 and note 8 to the condensed interim financial statements respectively which describes overdue liability in respect of loan from Economic Affairs Division (EAD) and accrued interest thereon amounting Rs.35.23 million and Rs.64.82 million respectively. We did not receive reply of direct balance confirmation circulated in respect of these balances, however, carrying amount of aforesaid balances has been confirmed through alternative procedures.

Further, we draw attention to note 6 to the financial statements which describes that the company did not pay past dues of provident fund within stipulated time in compliance with the requirements of the Companies Ordinance, 1984 (repealed).

Our opinion is not modified in respect of these matters.

The engagement partner on the review resulting in this independent auditor's report is Ghulam Mudassar.



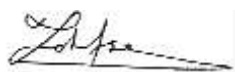
CHARTERED ACCOUNTANTS

Faisalabad: March 22, 2021

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	(Un-Audited) Dec 31, 2020	(Audited) June 30, 2020
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		1,000,000	1,000,000
Issued, subscribed and paid up share capital		948,400	948,400
Share premium reserve		31,801	31,801
Accumulated loss		(5,223,939)	(5,201,977)
Revaluation surplus on property, plant and equipment		2,419,010	2,419,633
		(1,824,728)	(1,802,143)
Long term loan from holding company	4	2,576,327	2,532,527
		751,599	730,384
NON CURRENT LIABILITIES			
Long term financing from banking companies	5	2,047,905	2,022,114
Payable to Provident fund trust	6	-	-
Other loans and liabilities	7	-	-
Deferred liabilities		991,965	989,710
Long term advances and deposits		3,563	3,563
		3,043,433	3,015,388
CURRENT LIABILITIES			
Trade and other payables		644,352	699,142
Deposits, accrued liabilities and advances		43,007	62,544
Unclaimed dividend		1,082	1,082
Payable to provident fund		90,208	90,208
Mark up accrued	8	223,009	215,320
Current portion of non current liabilities		60,822	92,082
Provision for taxation		-	-
		1,062,480	1,160,377
CONTINGENCIES AND COMMITMENTS	9	-	-
		4,857,512	4,906,149

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



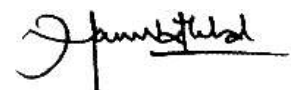
TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer

AS AT DECEMBER 31, 2020

	Note	(Un-Audited) Dec 31, 2020	(Audited) June 30, 2020 (Rupees in thousand)
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	10	4,305,607	4,306,965
Un-allocated capital expenditure - BMR	11	34,436	19,095
LONG TERM DEPOSITS AND ADVANCES		<u>15,844</u>	<u>10,329</u>
		4,355,887	4,336,390
CURRENT ASSETS			
Stores, spares and loose tools		232,860	232,860
Stock in trade	12	119,154	119,154
Trade debts		-	11,442
Loans and advances		11,500	11,373
Trade deposits, short term prepayments and current account balances with statutory authorities		85,777	188,166
Cash and bank balances		52,334	6,764
		501,625	569,759
		<u>4,857,512</u>	<u>4,906,149</u>




HAMID MAHMOOD
Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For The Half Year Ended December 31, 2020

	Half year ended		Second quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Rupees in thousand)		(Rupees in thousand)	
Sales - Net	-	153,889	-	9,448
Cost of sales	-	(409,086)	-	(108,315)
Gross loss	-	(255,197)	-	(98,867)
Operating expenses				
Distribution cost	-	(3,581)	-	(1,900)
Administrative expenses	(17,504)	(20,976)	(11,780)	(11,233)
	(17,504)	(24,557)	(11,780)	(13,133)
Operating loss	(17,504)	(279,754)	(11,780)	(112,000)
Other income	190	7,717	74	7,538
Other operating expenses	(754)	(7,481)	(754)	(7,481)
	(18,068)	(279,518)	(12,460)	(111,943)
Finance costs	(2,259)	(118,175)	1,592	(59,183)
Loss before taxation	(20,327)	(397,693)	(10,868)	(171,126)
Taxation				
Current	(3)	(2,312)	(1)	(498)
Deferred	(2,255)	16,409	(2,255)	8,204
	(2,258)	14,097	(2,256)	7,706
Net loss after taxation	(22,585)	(383,596)	(13,124)	(163,420)
Earnings Per Share- Basic and Diluted	(0.24)	(4.04)	(0.14)	(1.72)

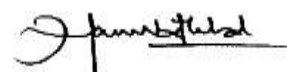
The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



HAMID MAHMOOD
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For The Half Year Ended December 31, 2020

	Half year ended		Second quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Rupees in thousand)		(Rupees in thousand)	
Loss for the period	(22,585)	(383,596)	(13,124)	(163,420)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(22,585)</u>	<u>(383,596)</u>	<u>(13,124)</u>	<u>(163,420)</u>

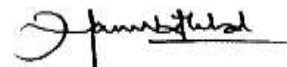
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TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



HAMID MAHMOOD
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For The Half Year Ended December 31, 2020

	December 31, 2020	December 31, 2019
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(20,327)	(397,693)
Adjustment of items not involving movement of cash:		
Depreciation	1,358	72,155
Reversal of provision for doubtful balances	(5)	(7,456)
Profit on deposit / saving accounts	(185)	(260)
Balances written off	-	7481
Provision for doubtful debts	754	-
Short term lease payment	1,950	-
Finance cost-net	2,221	117,860
	6,093	189,780
Operating cash used before working capital changes	(14,234)	(207,913)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	-	44,722
Stock in trade	-	25,925
Trade debts	10,688	65,302
Loans and advances	(122)	10,580
Sales tax due from statutory authorities	-	(3,564)
Increase / (decrease) in current liabilities		
Trade and other payables	(54,790)	40,967
Deposits, accrued liabilities and advances	(19,862)	(67,989)
Payable to provident fund	-	(134)
	(64,086)	115,809
Cash used in operating activities	(78,320)	(92,104)
Finance cost paid	-	(25,339)
interest received	185	260
Short term lease payment	(1,625)	-
Income taxes refunded / (paid) - net	102,387	(9,061)
Net Cash Inflows From/(Outflows In) Operating Activities	22,627	(126,244)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(1,980)
Long term deposits and advances	(5,516)	-
Un-allocated capital expenditure	(15,341)	-
Net Cash Used Investing activities	(20,857)	(1,980)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan received from holding company	43,800	130,799
Long term loan repaid to banking companies	-	(35,131)
Long term loan from related party- net	-	(8,446)
Other loans and liabilities repaid- net	-	(5)
Net Cash Inflows From Financing Activities	43,800	87,217
Net Increase / (Decrease) in Cash and Cash Equivalents	45,570	(41,007)
Cash and Cash Equivalents at Beginning of the Period	6,764	48,910
Cash and Cash Equivalents at End of the Period	52,334	7,903

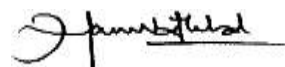
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TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



HAMID MAHMOOD
Director


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For The Half Year Ended December 31, 2020

	Issued, subscribed and paid- up capital	Capital Reserve Share premium	Revenue Reserves Accumulated loss	Revaluation surplus on property, plant and equipment	Sub Total	Loan From Holding Company	Total
	<----- Rupees in thousand ----->						
Balance as at June 30, 2019 - Audited	948,400	31,801	(4,587,511)	2,500,224	(1,107,086)	1,773,441	666,355
Loss for the six months ended December 31, 2019	-	-	(383,596)	-	(383,596)	-	(383,596)
Other comprehensive income for the period-net of deferred tax	-	-	-	-	-	-	-
Total comprehensive loss	-	-	((383,596)	-	(383,596)	-	(383,596)
Incremental depreciation on revaluation surplus on property, plant and equipment-net of deferred tax	-	-	42,468	(42,468)	-	130,800	130,800
Loan received during the period	-	-	-	-	-	-	-
Balance as at December 31, 2019 - Unaudited	<u>948,400</u>	<u>31,801</u>	<u>(4,928,639)</u>	<u>2,457,756</u>	<u>(1,490,682)</u>	<u>1,904,241</u>	<u>413,559</u>
Balance as at June 30, 2020-Audited	948,400	31,801	(5,201,977)	2,419,633	(1,802,143)	2,532,527	730,384
Loss for the six months ended December 31, 2020	-	-	(22,585)	-	(22,585)	-	(22,585)
Other comprehensive income for the period-net of deferred tax	-	-	-	-	-	-	-
Total comprehensive loss	-	-	(22,585)	-	(22,585)	-	(22,585)
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax	-	-	623	(623)	-	-	-
Loan received during the period	-	-	-	-	-	43,800	43,800
Balance as at December 31, 2020 -Unaudited	<u>948,400</u>	<u>31,801</u>	<u>(5,223,939)</u>	<u>2,419,010</u>	<u>(1,824,728)</u>	<u>2,576,327</u>	<u>751,599</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


TAHA MUHAMMAD NASEEM
 Chief Executive


MUHAMMAD KAMRAN
 Chief Financial Officer


HAMID MAHMOOD
 Director

1. THE COMPANY AND ITS OPERATIONS

- 1.1** The Company is a public limited Company incorporated in Pakistan and is listed on Pakistan Stock Exchange. The Company started its production on 1983 and has been engaged in production and marketing of cement. The company is a subsidiary of Calicom Industries (Pvt.) Limited (CIPL). The registered office of the company is situated at 5-Zafar Ali Road, Gulberg - V, Lahore. The factory is situated at Dandot Railway Station, District Jhelum, Pakistan.
- 1.2** In October 2018, the company received a firm intention from Calicom Industries (Pvt.) Limited (CIPL) to acquire the company and on May 2019, CIPL formally acquired the company under the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017. After acquisition and up to reporting date, CIPL managed to arrange funds of Rs. 880 million to address the deficits of cash flows. Despite comprehensive annual maintenance and others repairs, the company could not achieve feasible production levels which could control financial losses and more importantly, the plant's emission levels could not meet the environmental levels prescribed under the law. Earlier, the Provincial Cabinet of the Government of Punjab also directed the company to upgrade the plant on both economical viable scale and on modern technology to mitigate environmental risks.

In order to meet the legal standards and prevent sanctions from Environmental Department, the company decided to immediately close down the operations and move towards upgrading it through Balancing, Modernization and Replacement (BMR). The company signed a Memorandum of Understanding (MOU) with renowned cement EPC contractor from China for BMR. The total financial outlay of the BMR is estimated at PKR 3.5 billion including PKR 2.5 billion (\$15 million) for import of new machinery & equipment. For this purpose an amount of PKR 1.8 billion has already been approved by a consortium of financial institutions under the TERF scheme of State Bank of Pakistan (SBP) and remaining amount shall be invested by the sponsors as fresh equity. As soon as the relevant Letters of Credit (LCs) for import of the said machinery under BMR is established, the company shall move for relevant approvals from SECP for equity additions and change in capital structure. The company hopes to complete the BMR within 14 months and bring it back to commercial operations.

The management of the company is fully confident that the company will continue its operations as a going concern on the basis of facts stated above despite the company sustained net loss amounting Rs. 22.59 million during the period ended December 31, 2020 and as of that date its accumulated loss was Rs. 5,223.94 million. As of December 31, 2020, the company's current liabilities exceeded its current assets by Rs. 560.86 million. These matters indicate a material uncertainty that may cast a significant doubt on the company's ability to continue as

a going concern, and therefore, the company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, these condensed interim financial statements have been prepared on a going concern basis for reasons disclosed above and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary if the company is unable to continue as a going concern.

2. BASIS OF PREPARATION

2.1 Statement Of Compliance

These condensed interim financial statements of the Company for the half year ended December 31, 2020 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2020.

2.3 The figures included in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2020 and December 31, 2019.

2.4 Accounting Estimates, Judgments And Financial Risk Management

The preparation of these condensed interim financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on

historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimation and uncertainty were the same as those that were applied to the annual audited financial statements as at and for the year ended June 30, 2020.

2.5 Functional And Presentation Currency

These condensed interim financial statements have been prepared and presented in Pakistani Rupee which is the Company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2020 except those that stated in note 3.2 (a) below:

3.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards:

(a) Standards and amendments to published accounting and reporting standards which were effective during the half year ended December 31, 2020.

There were certain amendments to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

(b) Standards and amendments to approved accounting and reporting standards that are not yet effective.

There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2021. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

		December 31, 2020	June 30, 2020
		(Rupees in thousand)	
	Note	(Un-Audited)	(Audited)
4. LONG TERM LOAN FROM HOLDING COMPANY			
	Aggregate % of Shareholding		
Loan from Calicom Industries (Pvt.) Ltd	(71%)	<u>2,576,327</u>	<u>2,532,527</u>
5. LONG TERM FINANCING FROM BANKING COMPANIES			
Secured - From Bank of Punjab Limited (BOP)			
Demand finance facility - DF 1		1,476,574	1,549,334
Demand finance facility - DF 2		596,627	505,717
Demand finance facility - DF 3		-	23,619
	5.1	<u>2,073,201</u>	<u>2,078,670</u>
Less: Current Portion			
- Payable within next 12 months		<u>(25,296)</u>	<u>(56,556)</u>
		<u>2,047,905</u>	<u>2,022,114</u>

5.1 These loans are secured against 1st pari passu charge of Rs. 3,326 million over projects assets (Land, Building, Plant & Machinery), 1st charge of Rs. 268 million on current assets, debt subordination agreement of Calicom Industries Pvt. Ltd. (CIPL) amounting to Rs. 2,117 million, pledge of 11,650,000 shares of DCCL by new sponsors, corporate guarantee of CIPL and personal guarantee of directors of CIPL. Subsequent to the reporting date, the company renegotiated and managed to reschedule the outstanding liabilities at December 31, 2020 as under:

DF-1 This represents the outstanding principal of Rs. 1,774.78 million which shall be paid in 98 installments commencing from January 31, 2023. Further, markup shall be paid at the rate 4.15% p.a upto February 28, 2025 and after that markup shall be paid at the rate 03 month KIBOR without any floor or cap using KIBOR rate at the last working day of previous quarter. The finance has been presented at amortized cost by using effective rate of markup.

DF-2 This represents the outstanding past markup of Rs. 1,291.46 million which shall be paid in 98 installments commencing from January 31, 2021. The finance has been presented at amortized cost by using effective rate of markup.

DF-3 This represents the outstanding mark-up on DF-1 which had been consolidated in DF-2 with effect from December 31, 2020.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

		December 31, 2020	June 30, 2020
		(Rupees in thousand)	
	Note	(Un-Audited)	(Audited)
6. PAYABLE TO PROVIDE FUND TRUST			
Principal	6.1	<u>18,416</u>	<u>18,416</u>
		18,416	18,416
Less: Current maturity		<u>18,416</u>	<u>18,416</u>
		<u>-</u>	<u>-</u>

6.1 The Securities & Exchange Commission of Pakistan (SECP) had passed an order in 2009 that the company should provide mark-up on all outstanding principal amount to that date and will pay an installment of Rs. 0.5 million per month to clear these dues from October, 2009. Since that order, the company is providing markup in the books of account without any default.

		December 31, 2020	June 30, 2020
		(Rupees in thousand)	
	Note	(Un-Audited)	(Audited)
7. OTHER LOANS AND LIABILITIES -Uncured			
LOAN			
Economic Affairs Division, Government of Pakistan (EAD)		35,232	35,232
OTHER LIABILITIES			
Peace agreement arrears		<u>294</u>	<u>294</u>
		35,526	35,526
Less: Current maturity		<u>(35,526)</u>	<u>(35,526)</u>
		<u>-</u>	<u>-</u>

8 MARK UP ACCRUED

This includes mark up payable on loans or balances payable to Economic Affairs Division (EAD) and Provident Fund Trust of amounting Rs. 64.82 million (2020: Rs. 62.33 million) and Rs. 158.19 million (2020: Rs.152.99 million) respectively.

9 CONTINGENCIES AND COMMITMENTS

- 9.1** On November 11, 2019, the company filed a petition in Honorable Labour Court under standing order 11-A of the Industrial and Commercial Employment Ordinance, 1968 to "Close Down" the factory for the purpose of comprehensive Balancing, Modernization and Replacement (BMR) and to seek permission for retrenchment of workers at factory. Subsequent to the reporting date on January 29, 2021, Honorable Labour Court has accepted the company's petition. After that, all workmen employed by the company has filed an appeal in Punjab Labour Appellate Tribunal and the matter is pending adjudication.
- 9.2** During the year ended June 30, 2019, the company reversed the contractual liabilities of the workers amounting Rs.317.12 million in respect of provision against some Past Dues Payable, interest on Workers' Profit Participation Fund Payable and Payable against Gratuity and ceased to account for the aforesaid benefits on the basis of opinion of its Legal Advisor. Accordingly, the company has not accounted for accumulated provision against interest on Workers' Profit Participation Fund Payable, Payable against Gratuity, provision of salary and employee benefits amounting Rs.1.04 million (2020: Rs. 0.85 million), Rs. 52.69 million (2020: Rs. 52.69 million), Rs. 106.78 million (2020: Rs. 67.68 million) and Rs. 5.17 million (2020: Rs. 3.19 million) respectively. Workers' compensation benefits in excess of statutory benefits will be subject to final determination by the employees and management and the company undertakes to comply with the consequential implications of such determination.
- 9.3** Except the above there has been no significant change in contingencies and commitments since the date of preceding published annual financial statements as at June 30, 2020.

	December 31,	June 30,
	2020	2020
	(Rupees in thousand)	
Note	(Un-Audited)	(Audited)

10 OPERATING FIXED ASSETS

Opening fixed assets at W.D.V		4,306,965	4,383,558
Additions		-	69,722
(Deletions)		-	(1,232)
		<u>4,306,965</u>	<u>4,452,048</u>
Less: Depreciation:			
For the period/year	10.1	1,358	145,906
On disposal		-	(823)
		<u>1,358</u>	<u>145,083</u>
		<u><u>4,305,607</u></u>	<u><u>4,306,965</u></u>

- 10.1** Due to suspension of operation for BMR activity, depreciation has not been charged on operating fixed assets except on some assets in use during the period.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

	December 31, 2020 (Rupees in thousand) (Un-Audited)	June 30, 2020 (Un-Audited)
11 UN-ALLOCATED CAPITAL EXPENDITURE		
-BMR		
Salaries, wages and benefits	26,550	14,820
Travelling and daily allowances	314	89
Vehicle running and maintenance	2,303	1,187
Printing and stationery	35	25
Entertainment	4,538	2,582
Others	696	394
	<u>34,436</u>	<u>19,095</u>
12 STOCK IN TRADE		
Raw Material	89,993	89,993
Work in process	29,161	29,161
Finished Goods	1,643	1,643
	<u>120,797</u>	<u>120,797</u>
Provision for obsolete stock	(1,643)	(1,643)
	<u>119,154</u>	<u>119,154</u>

13 TRANSACTIONS WITH RELATED PARTIES

During the period under review, Calicom Industries (Private) Limited (holding company) has injected funds Rs. 43.80 million to meet the expenses of the company.

14 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended June 30, 2020.

15 CORRESPONDING FIGURES


Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangements or reclassifications have been made in this condensed interim financial statements.

16 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on March 22, 2021 by the Board of Directors of the company.

17 FIGURES

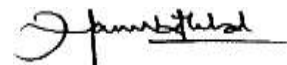
Figures in this condensed interim financial statements have been rounded off to the nearest thousand of Rupee unless otherwise stated.



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



HAMID MAHMOOD
Director

آڈیٹر کے مشاہدات

انتظام سنبھالنے کے بعد کمپنی کی موجودہ انتظامیہ نے اس قلیل مدت میں نمایاں سرمایہ لگایا، سابقہ انتظامیہ اور مالیاتی اداروں کے واجبات کو منظم کیا اور اپنے پلانٹ کے توازن، جدت اور تبدیلی (BMR) کے لئے سمجھوتہ کی یادداشت پر دستخط کئے۔ درست سمت تعین کرنے کے لئے نئی انتظامیہ کی کاوشوں کی بدولت کمپنی پر اعتماد ہے کہ کمپنی کاروبار جاری رکھنے کی اپنی صلاحیت برقرار رکھے گی۔ لازمی/قانونی معیارات سے زائد مزدوروں کی مراعات مجاز اتھارٹی کے حتمی تعین اور تصدیق سے مشروط ہیں۔ بی ایم آر سرگرمی کے لئے آپریشن معطل ہونے کی وجہ سے اس مدت کے دوران جو استعمال ہونے والے اثاثوں پر فرسودگی کی گئی ہے۔ اکنامک افیئرز ڈویژن (EAD) کو بقیہ جات کے دستاویزات فراہم کر دینے گئے ہیں اور ابھی تک کوئی جواب موصول نہ ہوا ہے۔ تاہم، آڈیٹرز رپورٹ کے مطابق متبادل آڈٹ پروسیجر کے ذریعے بیرونی آڈیٹرز نے بقایا رقم کی تصدیق کر دی ہے۔ مزید یہ کہ چونکہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے 2009 میں آرڈر منظور ہوا تھا، اس کے بعد کمپنی بغیر کسی ڈیفالٹ کے اکاؤنٹ کی کتابوں میں پراویڈنٹ فنڈ کے واجبات پر مارک اپ فراہم کر رہی ہے اور رائج قوانین کے تحت مقررہ مدت میں اپنا حصہ ڈال رہی ہے۔

مابعد واقعات

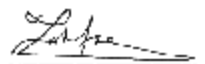
کمپنی کی غیر پڑتال شدہ مالیاتی اسٹیٹمنٹس کے متعلقہ نوٹس میں تمام مابعد واقعات کا باقاعدگی سے ذکر کیا گیا ہے۔

اعتراف

بورڈ آف ڈائریکٹرز اپنے بینکرز، ملازمین، سپلائرز، ڈسٹری بیوٹرز، ریگولیٹرز اور حصص داران کی مسلسل حمایت، تعاون، بھروسہ اور رواں سال بحرانی کیفیت میں خصوصی ساتھ پران کا تہہ دل سے شکریہ ادا کرتا ہے۔



محمد فاروق نسیم
ڈائریکٹر



طاہر محمد نسیم
چیف ایگزیکٹو

لاہور: 22 مارچ 2021ء

مستقبل کے امکانات

صنعت:

Covid-19 وباء کے پھیلاؤ کے باعث ملکی معیشت تاریخ کے مشکل ترین بحران سے گزر رہی ہے اور اس معاشی دباؤ نے سینٹ کی صنعت کو زیادہ متاثر کیا ہے۔ اگر کرونا وائرس کا پھیلاؤ بے قابو ہو جاتا ہے اور زیادہ عرصے تک قائم رہتا ہے تو سینٹ کی صنعت پر منفی اثرات مرتب ہو سکتے ہیں۔ تاہم، TERF قرضہ جات، سینٹ پرفیڈرل ایکسٹرنل ڈیویٹی میں کمی، تعمیراتی سرگرمیوں پر سرمایہ داری کے لئے اینسٹی سکیم، FBR کی جانب سے پراپرٹی کی قیمت میں نظر ثانی شدہ کمی، بلڈرز کے لئے مراعات اور موافق ہاؤسنگ سکیموں جیسے وفاقی حکومت کے اقدامات کی وجہ سے تعمیراتی سرگرمیوں پر منفی اثرات کو کچھ حد تک کم کیا جا سکتا ہے۔ مزید برآں، SBP کی جانب سے مارک اپ کی شرح میں کمی سے سینٹ کا شعبہ مزید منافع بخش ہو سکتا ہے۔

اہم خدشات اور بے یقینی

☆ جامد طلب کے ساتھ رسد میں اضافہ کرنا

☆ Covid-19 وباء کے اثرات

کمپنی

توانائی، افرادی قوت اور پیداوار میں بہتری، مربوط مالیاتی اقدامات اور پلانٹ آپریشنز میں روانی کسی بھی سینٹ پلانٹ کی کامیابی کے بنیادی عوامل ہیں۔ انتظامیہ سرمایہ داران، قرض خواہان، ملازمین اور حصص داران کو طویل مدتی فوائد کی متوازن فراہمی کے لئے پر عزم ہے۔

کمپنی کا منصوبہ

محکمہ ماحولیات سے قانونی معیارات کو پورا کرنے اور پابندیوں سے بچنے کے لئے کمپنی نے فوری طور پر کام بند کرنے اور توازن، جدید کاری اور تبدیلی (BMR) کے ذریعے پلانٹ کو اپ گریڈ کرنے کی طرف بڑھنے کا فیصلہ کیا۔ کمپنی نے BMR کے لئے چین کے نامور سینٹ ای پی سی کے ٹھیکیدار کے ساتھ مفاہمت کی یادداشت پر دستخط کیے۔ اسٹیٹ بینک آف پاکستان (SBP) کی TERF اسکیم کے تحت مالیاتی اداروں کے کنسورشیم کے ذریعے خاطر خواہ رقم کی منظوری دی گئی ہے اور بقیہ رقم اسپانسرز کے ذریعے تازہ ایکویٹی کے طور پر لگائی جائے گی۔ جیسے ہی بی ایم آر کے تحت مذکورہ مشینری کی درآمد کے لئے متعلقہ لیٹر آف کریڈٹ (ایل سی) قائم ہو جائے گی، کمپنی متعلقہ منظور یوں کے لئے ایکویٹی ایڈیشن اور کیپٹل ڈھانچے میں تبدیلی کے SECP سے رابطہ کرے گی۔ کمپنی بی ایم آر کو 14 ماہ کے اندر مکمل کرنے اور اسے تجارتی کاموں میں واپس لانے کی امید کر رہی ہے۔

شراکت داروں کے متعلق ڈائریکٹر حضرات کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے بغیر پڑتال کیے گئے گوشوارہ جات مالی بیانات برائے کمپنی بابت سال کے نصف عرصہ کے دوران ہونے والے کاروبار کے اختتام 31 دسمبر 2020 کو پیش کیا گیا۔

بنیادی سرگرمیاں اور آپریشنل کارکردگی

ڈنڈوٹ سیمنٹ کمپنی لمیٹڈ (کمپنی) پبلک لمیٹڈ کمپنی ہے۔ کمپنی کے بنیادی کاروباری امور میں سیمنٹ کی تیاری اور فروخت شامل ہیں۔ گذشتہ برس کے مقابلہ میں زیر جائزہ سال کے دوران کمپنی کی آپریشنل کارکردگی حسب ذیل ہے:

ششماہی ختم عرصہ معیاد		دوسرا چوتھائی ختم عرصہ معیاد	
دسمبر 2020	دسمبر 2019	دسمبر 2020	دسمبر 2019
-	-	19,019	-
-	-	21,286	-
-	-	26,151	1,782

کمپنی کے متقابل مالیاتی نتائج کا خلاصہ حسب ذیل ہے: (000 روپوں میں)

-	-	248,058	-	کل آمدنی
-	-	153,889	-	خالص آمدنی
-	-	255,197	-	کل نقصان
-	22,585	383,596	13,124	خالص نقصان
-	0.24	4.04	0.14	نقصان فی حصص
-	-	15,982	-	
-	-	9,448	-	
-	-	98,867	-	
-	163,420	13,124	163,420	
-	1.72	0.14	1.72	

زیر جائزہ سال کے دوران سیمنٹ کی پیداوار اور فروخت میں کمی واقع ہوئی ہے اور اس کی بنیادی وجہ ستمبر 2019ء سے پلانٹ آپریشن کی بندش ہے۔ پس بھاری مالیاتی خسارہ کی وجہ سے رواں سال کے لئے بورڈ آف ڈائریکٹرز نے منافع منقسمہ تجویز نہ کیا ہے۔