



**Half Yearly Report  
December 31  
2022**

**DANDOT CEMENT COMPANY LIMITED**

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## COMPANY INFORMATION

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### 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 Yousuf Mandviwala	
Shafqaat Ahmed	

### Audit Committee

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

### Human Resources & Remuneration Committee

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

### Chief Financial Officer

Muhammad Kamran

### Statutory Auditors

Parker Russell –A.J.S.  
Chartered Accountants, Faisalabad.

### Company Secretary

Muhammad Kamran

### Legal Advisor

International Legal Services

### Bankers

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

### Registered Office / Postal Address

5-Zafar Ali Road, Gulberg V, Lahore.  
Telephone: +92-42-111 184 184

### Factory

Dandot R.S., Distt. Jhelum.  
Telephone: +92-544-232577

### 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](http://www.dandotcement.com)

## DIRECTORS' REPORT TO THE SHAREHOLDERS

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The Board of Directors presents the un-audited condensed financial statements of the company for the period ended December 31, 2022.

### 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. During the period under review, cement production & related sales volume remained suspended due to closure of plant operations for BMR activity since September 2019. Net loss for the period is Rs. 126.28 million (Dec 2021: Rs. 116.92 million) and loss per share is Rs. 0.51 (Dec 2021: Rs. 0.56). Due to closure of operations and financial losses, dividend has not been recommended by the board of directors for the current period.

### Future Prospects

#### Industry:

Pakistan's economy has been adversely affected due to the fact of political instability, destructive floods, economic instability, depreciating PKR against USD, super commodity cycle, and the Russia-Ukraine war. High inflation and interest rates have reduced purchasing power and high construction costs have waned demand. However, as some stability is found, cement demand will increase due to the growing population's need for basic infrastructure, and upgrading of the old.

### Principal Risks and Uncertainties

- Increasing coal, fuel and electricity prices.
- Higher Interest rates.
- Aggressive devaluation of Pak Rupee against the dollar.
- Increasing supply with stagnant demand.

### Company's Plan

In a period filled with uncertainties and volatility the company has progressed steadily towards the completion of the BMR. The project time line is maintained and expected completion is before the end of financial year 2022-23. The BMR aims to bring the carbon emission of the company on par with the Pakistan Emission Standard and improve production metrics. 5 MW solar has also been installed to optimize the power mix and also reduce carbon footprint. The company is achieving its milestones on the path to create value and stability for all stakeholders of the Company.

### Auditor's Observations

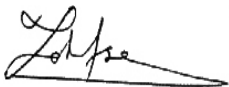
The company is in the process of Balancing, Modernization and Replacement (BMR) and the management is fully confident that the company shall commence commercial production in the end of financial year 2023 and will continue its operations as a going concern. Workers' compensation benefits in excess of statutory/legal requirements will be subject to recognition after final determination and verification by the Competent Authority. Due to suspension of operations for the purpose of BMR activity, depreciation relating to cost of sale and distribution has been directly charged to the statement of changes in equity. Letters for the balance confirmation have been circulated during the audit for the year ended June 30, 2022 but against that some replies have not been received. However, such balances have been verified by auditors' through alternative audit procedures.

### **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 03, 2023.



**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, 2022 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.

#### 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 10 to the condensed interim financial statements, the company had 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 not accounted for related expense and liability during the previous years and current period amounting Rs. 52.59 million and Rs. 2.28 million respectively. The company did not account for expense and liability of salaries and benefits pertaining to previous years aggregating amounting Rs. 118.63 million since September 01, 2019 for which petition was filed in Hon'ble Labour Court by the company for their retrenchment as referred to note 21 to the audited financial statements for the year ended June 30, 2022. 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. 2.28 million, current liabilities and accumulated loss as at December 31, 2022 would have been higher by Rs. 490.63 million.
- ii. We could not confirm carrying value of the liability in respect of loan from Economic Affairs Division (EAD) and accrued interest there on amounting to Rs. 35.23 million and Rs. 74.68 million respectively by performing alternative analytical procedures. Consequently, we were unable to determine whether adjustments to these balances were necessary.
- iii. The company has not charged depreciation expense to statement of profit or loss amounting Rs. 61.99 million and the same has been charged directly to accumulated loss in statement of changes in equity. Had the company charged the depreciation through statement of profit or loss, the loss for the period would have been higher by the aforesaid amount.

### 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.

### Emphasis of matter

We draw attention to the following matter:

- i. As referred 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 as the company has commenced the Balancing, Modernization and Replacement (BMR) related activities. After arrangement of adequate facility limits from financial institutions, the company has made advance payments to import the equipment for Balancing, Modernization and Replacement (BMR) of existing Plant. As stated in note no. 1.2 to the financial statements, the company has sustained loss amounting Rs. 126.276 million during the period ended December 31, 2022 excluding the effects of matters as described in Basis for Qualified Conclusion section and as of that date its accumulated loss was amounting Rs. 5,611.253 million. As of December 31, 2022, the company's current liabilities exceeded its current assets by Rs. 608.795 million. 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 conclusion is not modified in respect of this matter.

### Other Matters

- i. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022
- ii. The condensed interim financial statements for the half year ended 31 December 2021 and financial statements for the year ended 30 June 2022 were reviewed / audited by another firm of chartered accountants whose review report dated March 01, 2022 and auditor's report dated November 4, 2022 expressed qualified conclusion / opinion.

The engagement partner on the review resulting in this independent auditor's review report is **Mr. Junaid Subhani - FCA**.

  
**CHARTERED ACCOUNTANTS**  
**FAISALABAD**

**DATE: MARCH 03, 2023**

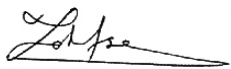
**UDIN: RR202210478GQsxgaL2c**



**CONDENSED STATEMENT OF FINANCIAL POSITION**

	Note	(Un-Audited) Dec 31, 2022	(Audited) June 30, 2022
(Rupees in thousand)			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital		<u>5,000,000</u>	<u>5,000,000</u>
Issued, subscribed and paid up share capital	4	2,481,733	2,481,733
Share premium reserve		787,988	787,988
Accumulated loss		(5,611,253)	(5,457,470)
Revaluation surplus on property, plant and equipment		2,236,347	2,270,834
Long term loan from holding company	5	<u>2,714,303</u>	<u>1,344,303</u>
		<u>2,609,118</u>	<u>1,427,388</u>
<b>NON CURRENT LIABILITIES</b>			
Long term financing from banking companies	6	3,063,901	2,136,351
Government grant	7	479,590	74,823
Payable to Provident fund trust		140,523	140,825
Other loans and liabilities	8	-	-
Deferred liabilities		886,805	900,891
Long term advances and deposits		<u>3,692</u>	<u>3,692</u>
		<u>4,574,511</u>	<u>3,256,582</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		520,358	448,185
Deposits, accrued liabilities and advances		60,204	61,867
Unclaimed dividend		1,082	1,082
Payable to provident fund trust		6,509	9,213
Mark up accrued	9	130,302	93,995
Current portion of non-current liabilities		245,722	110,930
Current portion of government grant		<u>80,026</u>	<u>14,214</u>
		<u>1,044,203</u>	<u>739,486</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10	<u>-</u>	<u>-</u>
		<u>8,227,832</u>	<u>5,423,456</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

**AS AT DECEMBER 31, 2022**

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	Note	(Un-Audited) Dec 31, 2022	(Audited) June 30, 2022
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	11	4,079,493	4,124,450
Capital work in progress	12	3,652,558	867,784
Intangible assets		1,183	1,258
Long term deposits & prepayments		59,190	54,421
		<u>7,792,424</u>	<u>5,047,913</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		216,805	212,514
Stock in trade		7,576	7,576
Loans and advances		10,568	10,608
Trade deposits, short term prepayments and current account balances with statutory authorities		104,867	76,290
Cash and bank balances		95,592	68,555
		<u>435,408</u>	<u>375,543</u>
		<u>8,227,832</u>	<u>5,423,456</u>



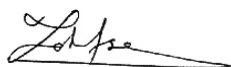
**ZAKA MUHAMMAD NASEEM**  
Director

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

**For The Half Year Ended December 31, 2022**

	Half year ended		Second quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(Rupees in thousand)		(Rupees in thousand)	
Sales - Net	-	-	-	-
Cost of sales	-	-	-	-
<b>Gross loss</b>	-	-	-	-
<b>Operating expenses</b>				
Administrative expenses	<b>(19,481)</b>	(23,826)	<b>(8,138)</b>	(14,882)
<b>Operating loss</b>	<b>(19,481)</b>	(23,826)	<b>(8,138)</b>	(14,882)
Other operating (expense)/income - net	<b>(1,695)</b>	160	<b>(1,918)</b>	97
	<b>(21,176)</b>	(23,666)	<b>(10,056)</b>	(14,785)
Finance costs	<b>(119,173)</b>	(108,159)	<b>(61,571)</b>	(91,189)
<b>Loss before taxation</b>	<b>(140,349)</b>	(131,825)	<b>(71,627)</b>	(105,974)
Taxation				
Current	<b>(13)</b>	(2)	<b>(1)</b>	(1)
Deferred	<b>14,086</b>	14,912	<b>14,086</b>	14,912
	<b>14,073</b>	14,910	<b>14,085</b>	14,911
<b>Net loss after taxation</b>	<b>(126,276)</b>	(116,915)	<b>(57,542)</b>	(91,063)
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Earnings Per Share- Basic and Diluted</b>	<b>(0.51)</b>	(0.56)	<b>(0.23)</b>	(0.43)

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



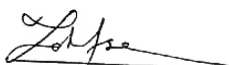
**ZAKA MUHAMMAD NASEEM**  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

**For The Half Year Ended December 31, 2022**

	Half year ended		Second quarter ended	
	<b>December 31, 2022</b>	December 31, 2021	<b>December 31, 2022</b>	December 31, 2021
	(Rupees in thousand)		(Rupees in thousand)	
Loss for the period	(126,276)	(116,915)	(57,542)	(91,063)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(126,276)	(116,915)	(57,542)	(91,063)

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



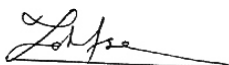
**ZAKA MUHAMMAD NASEEM**  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**

**For The Half Year Ended December 31, 2022**

	December 31, 2022	December 31, 2021
	(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(140,349)	(131,825)
<b>Adjustment of items not involving movement of cash:</b>		
Depreciation	1,019	1,162
Amortization	75	75
Reversal of provision for doubtful balances	(3,000)	-
Reversal of balances written back	4,816	-
Short term lease payment	2,200	1,950
Unwinding of provident fund mark up	5,698	-
Unwinding of long term finances	63,843	60,282
Finance cost	49,450	47,646
	<b>124,101</b>	<b>111,115</b>
<b>Operating cash used before working capital changes</b>	<b>(16,248)</b>	<b>(20,710)</b>
<b>(Increase)/Decrease in operating assets:</b>		
Stores, spares and loose tools	(4,291)	300
Trade debts	3,000	-
Loans and advances	40	(3,282)
Trade deposits, short term prepayments and current account balances with statutory authorities	(25,016)	-
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	67,355	(94,517)
Deposits, accrued liabilities and advances	(1,663)	2,807
Payable to Provident fund trust	(8,704)	-
	<b>30,721</b>	<b>(94,692)</b>
<b>Cash generated from/(used in) operating activities</b>	<b>14,473</b>	<b>(115,402)</b>
Finance cost paid	(76,345)	(46,212)
Short term lease payment	(2,200)	(1,950)
Income taxes paid	(3,574)	(24)
<b>Net Cash used in Operating Activities</b>	<b>(67,646)</b>	<b>(163,588)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(18,056)	(64,221)
Capital work in progress	(2,721,572)	(541,234)
Long term deposits and advances	(4,769)	(7,750)
<b>Net Cash Used Investing activities</b>	<b>(2,744,397)</b>	<b>(613,205)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan received from associated companies	1,370,000	230,883
Long term loan repaid to banking companies	(12,648)	-
Long term loan received from banking companies	1,481,728	288,390
Receipts against issuance of paid up capital	-	293,922
Right subscription expenditures	-	(6,272)
<b>Net Cash Inflows From Financing Activities</b>	<b>2,839,080</b>	<b>806,923</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>27,037</b>	<b>30,130</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b>68,555</b>	<b>21,118</b>
<b>Cash and Cash Equivalents at End of the Period</b>	<b>95,592</b>	<b>51,248</b>

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



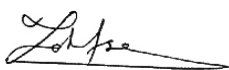
**ZAKA MUHAMMAD NASEEM**  
Director

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

**For The Half Year Ended December 31, 2022**

Share Capital	Capital Reserve	Share Deposit Money			Revenue Reserves	Capital Reserve	Loan from Holding Company	Total	
	Share premium reserve	Face value	Premium	Total Value	Accumulated loss	Revaluation surplus on property, plant and equipment			
----- Rupees in thousand ----->									
<b>Balance as at June 30, 2021 - Audited</b>	948,400	31,801	1,337,385	664,485	2,001,870	(5,203,552)	2,343,466	738,420	860,405
Total comprehensive loss for the period	-	-	-	-	-	(116,915)	-	-	(116,915)
Share deposit money received/adjusted during the period	-	-	195,948	97,974	293,922	-	-	-	293,922
Loan received during the period - net	-	-	-	-	-	-	-	230,883	230,883
Right subscription expenditures	-	-	-	(6,272)	(6,272)	-	-	-	(6,272)
Right shares issued during the period	1,533,333	756,187	(1,533,333)	(756,187)	(2,289,520)	-	-	-	-
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax	-	-	-	-	-	36,214	(36,214)	-	-
Depreciation related to cost of sale and distribution	-	-	-	-	-	(64,907)	-	-	(64,907)
<b>Balance as at December 31, 2021 - Unaudited</b>	<b>2,481,733</b>	<b>787,988</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,349,160)</b>	<b>2,307,252</b>	<b>969,303</b>	<b>1,197,116</b>
<b>Balance as at June 30, 2022 - Audited</b>	<b>2,481,733</b>	<b>787,988</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,457,470)</b>	<b>2,270,834</b>	<b>1,344,303</b>	<b>1,427,388</b>
Total comprehensive loss for the period	-	-	-	-	-	(126,276)	-	-	(126,276)
Loan received during the period - Net	-	-	-	-	-	-	-	1,370,000	1,370,000
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax	-	-	-	-	-	34,487	(34,487)	-	-
Depreciation related to cost of sale and distribution	-	-	-	-	-	(61,994)	-	-	(61,994)
<b>Balance as at December 31, 2022 - Unaudited</b>	<b>2,481,733</b>	<b>787,988</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,611,253)</b>	<b>2,236,347</b>	<b>2,714,303</b>	<b>2,609,118</b>

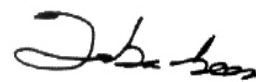
The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer



**ZAKA MUHAMMAD NASEEM**  
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. Since 2019, the company is a subsidiary of Calicom Industries (Pvt.) Limited (Holding Company) and acquired under the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.
- 1.2** After acquisition, the company could not achieve feasible production levels which could control financial losses and more importantly plant's emission levels as prescribed by relevant environmental standards. 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 the environmental risks. In order to meet the legal standards and to avoid any adverse action from Environmental Department, the company decided to close down the operations during the financial year 2019-20 and move towards upgrading it through Balancing, Modernization and Replacement (BMR). For the purpose, the Company signed a Memorandum of Understanding (MOU) with a renowned cement contractor namely Tianjin Cement Industry Design and Research Institute Company Limited (TCDRI) from China for BMR. The revised total financial outlay of the BMR is estimated at PKR 6.62 billion including \$14.92 million for import of new machinery and equipment. Up to signing of these Condensed Interim financial statements, an amount of PKR 1.69 billion has been disbursed by the financial institutions under the DF / TERF scheme of State Bank of Pakistan (SBP) and an aggregated amount of PKR 3.03 billion has been arranged by the sponsors of the Company. Hopefully, the Company will complete BMR activities within its time lines and will resume its commercial operations in current financial year 2022-23. Hence, the management of the company is fully confident that the company will continue its operations as a going concern. Accordingly, these Condensed Interim financial statements have been prepared on a going concern basis 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. However, company's current period net loss amounting PKR 126.28 million, accumulated loss was PKR 5,611.25 million and the company's current liabilities are exceeding its current assets by PKR 608.79 million that indicate a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern, and the company may not be able to realize its assets and discharge its liabilities in the normal course of business.

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

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### 2. BASIS OF PREPARATION

#### 2.1 Statement Of Compliance

These condensed interim financial statements of the Company for the half year ended December 31, 2022 have been prepared in accordance with the accounting and reporting standards 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 34, 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Where the provisions of and directives issued under the Companies Act, 2017.

Where the provisions of or directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act 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 the Company's annual audited financial statements for the year ended June 30, 2022.

#### 2.3 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, 2022 except those which are disclosed in these financial statements.

#### 3.2 Government Grant

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with. It is recognized as income on a systematic basis over the periods in which the related costs, for which it is intended to compensate, are recorded.

#### 3.3 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, 2022.



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

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

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

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However, these amendments 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.

### 3.4 Accounting Estimates and Judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the annual audited financial statements of the Company for the year ended June 30, 2022.

	December 31, 2022 (Rupees in thousand) (Un-Audited)	June 30, 2022 (Audited)
<b>4. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
239,423,314 (2022: 239,423,314) ordinary shares of Rs.10 each fully paid in cash	2,394,233	2,394,233
8,750,000 (2022: 8,750,000) ordinary shares of Rs.10 each issued as bonus shares	87,500	87,500
	2,481,733	2,481,733
<b>5. LONG TERM LOAN FROM HOLDING COMPANY</b>		
<b>Un-secured and interest free</b>		
Balance as at July 01,	1,344,303	738,420
Add: Loan obtained during the period - net	1,370,000	605,883
	2,714,303	1,344,303

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

		December 31, 2022	June 30, 2022
		(Rupees in thousand)	
	Note	(Un-Audited)	(Audited)
<b>6. LONG TERM FINANCING FROM BANKING COMPANIES</b>			
Demand finance facility-From Bank of Punjab (BOP)	6.1	2,148,889	2,010,994
Temporary economic refinance facility (TERF)	6.2	1,038,416	200,761
Payments against documents		86,792	-
		3,274,097	2,211,755
Less: Current portion		(210,196)	(75,404)
		<u>3,063,901</u>	<u>2,136,351</u>
<b>6.1 Demand finance facility - From The Bank of Punjab Limited (BOP)</b>			
Demand finance facility - DF 1		1,434,736	1,405,463
Demand finance facility - DF 2		614,122	592,200
Demand finance facility - DF 3 (For BMR)		100,031	13,331
		2,148,889	2,010,994
Less: Current Portion		(123,404)	(75,404)
		<u>2,025,485</u>	<u>1,935,590</u>
<b>6.2 Temporary Economic Refinance Facility (TERF)</b>			
Loan from:			
- The Bank of Punjab		750,000	150,000
- Bank Islami Pakistan Limited		300,000	50,148
- Bank Al-Habib Limited		249,995	41,152
- JS Bank Limited		298,038	48,498
		1,598,033	289,798
Less: Transferred to Government Grant		(579,759)	(96,784)
Add: Un-winding for the period		20,142	7,747
Less: Current portion		-	-
		<u>1,038,416</u>	<u>200,761</u>
<b>6.3</b>			
There is no change in terms and condition of these loans which are disclosed in financial statements for the year ended June 30, 2022.			
<b>7. GOVERNMENT GRANT</b>			
Balance as at July 01,		89,037	-
Received/adjusted during the period		490,721	96,784
Charged during the period		(20,142)	(7,747)
		559,616	89,037
Current portion of government grant		(80,026)	(14,214)
		<u>479,590</u>	<u>74,823</u>
<b>7.1</b>			
Government Grants have been recorded against subsidized loans obtained from the financial institutions under temporary economic refinance facility (TERF) introduced by the State Bank of Pakistan (SBP).			

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

	December 31, 2022 (Rupees in thousand) (Un-Audited)	June 30, 2022 (Audited)
<b>8 OTHER LOAN AND LIABILITIES-Unsecured</b>		
<b>LOANS:</b>		
From Economic Affairs Division, Government of Pakistan (EAD)	35,232	35,232
<b>OTHER LIABILITIES:</b>		
Peace agreement arrears	294	294
	35,526	35,526
<b>Less: Current Portion</b>		
Payable within next 12 month	-	-
Overdue	(35,526)	(35,526)
	-	-
<b>9 ACCRUED MARKUP</b>		

This includes the accrued mark up on loan payable to Economic Affairs Division (EAD) amounting Rs. 74.68 million.

### 10 CONTINGENCIES AND COMMITMENTS

There has been no significant change in contingencies and commitments since the date of preceding published annual financial statements as at June 30, 2022 except the following:

- 10.1** 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. On January 29, 2021, Honorable Labour Court has decided the case in favor of the company along with particular directions. Later on, the appeal filed by workmen under Section 46(3) of the Punjab Industrial Relations Act, 2010 has been dismissed by the Honorable Punjab Labour Appellate Tribunal, Lahore at Rawalpindi vide order dated 25.03.2022. Afterwards, the Honorable Lahore High Court, Rawalpindi Bench also dismissed the Writ Petition being filed by workmen vide order dated 23.01.2023.
- 10.2** During the year ended June 30, 2019, the company reversed the contractual liabilities of the workers amounting PKR. 317.12 million in respect of provision against some Past Dues Payable, interest on Workers' Profit Participation Fund Payable and Payable against workers 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 past dues payable, interest on Workers' Profit Participation Fund Payable, Payable against workers Gratuity, provision of salary and employee benefits amounting PKR. 6.68 million (2022: PKR. 8.55 million), PKR. 2.28 million (2022: PKR. 1.92 million), PKR. 45.91 million (2022: PKR. 48.86 million), PKR. 113.29 (2022: PKR.113.29 million) and PKR. 5.34 (2022: PKR. 5.34 million) respectively. As per opinion of the management, these liabilities are not valid and based on unjustified agreements. However, worker's compensation benefits will be subject to final determination by the competent authority and the company undertakes to comply with the consequential implications of such determination.

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

		<b>December 31, 2022</b>	<b>June 30, 2022</b>
		(Rupees in thousand)	
	<b>Note</b>	<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>10.3 Capital Commitments against</b>			
Letters of credit		<u>663,888</u>	<u>2,378,145</u>
<b>11 OPERATING FIXED ASSETS</b>			
Opening fixed assets at W.D.V.		4,124,450	4,182,494
Additions		18,056	74,421
Deletions		<u>-</u>	<u>(1,775)</u>
		4,142,506	4,255,140
Less: Depreciation:			
- For the period	<b>11.1</b>	<u>63,013</u>	<u>132,118</u>
- On Disposal		<u>-</u>	<u>(1,428)</u>
		63,013	130,690
		<u>4,079,493</u>	<u>4,124,450</u>

**11.1** Due to suspension of operation for BMR activity, depreciation relating to cost of sale and distribution has been directly charged to the statement of changes in equity.

**12 CAPITAL WORK IN PROGRESS**

Plant and machinery	<b>12.1</b>	2,982,788	626,892
Building		295,120	15,208
Un-allocated capital expenditure-BMR		<u>374,650</u>	<u>225,684</u>
		3,652,558	867,784

**12.1 Plant & machinery**

Advances against letters of credit from:

The Bank of Punjab	<u>850,031</u>	<u>163,331</u>
BankIslami Pakistan Limited	343,229	50,161
Bank Al-Habib Limited	249,995	41,152
JS Bank Limited	341,618	48,498
Management equity	<u>478,567</u>	<u>45,444</u>
	2,263,440	348,586
Margin against letters of credit and bank guarantee	532,337	246,403
Immature letters of credit (LCs charges and arrangement fee)	43,922	31,903
Duties and taxes	<u>143,089</u>	<u>-</u>
	<u>2,982,788</u>	<u>626,892</u>

**13 TRANSACTIONS WITH RELATED PARTIES**

All transactions with related parties have been properly disclosed in the relevant notes of these un-audited condensed financial statements except for the loan received and repaid to holding company amounting to PKR 1,595 million and PKR 225 million respectively.

**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, 2022.

**15 CORRESPONDING FIGURES**

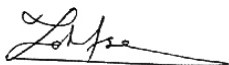
Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangements or reclassifications have been made in this condensed interim financial statements.

**16 DATE OF AUTHORISATION**

These condensed interim financial statements were authorized for issue on March 03, 2023 by the Board of Directors of the company.

**17 FIGURES**

Figures have been rounded off the nearest thousands of Pakistan Rupee (PKR / Rupees).



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer



**ZAKA MUHAMMAD NASEEM**  
Director

کرنے اور کاربن اخراج کو کم کرنے کے لئے 5 میگاواٹ کا سولر پلانٹ بھی نصب کیا گیا ہے۔ کمپنی اپنے تمام اسٹیک ہولڈرز کو قدر اور استحکام دینے کے لئے اپنے سنگ میل عبور کرنے کی جانب گامزن ہے۔

### آڈیٹرز کے مشاہدات

کمپنی توازن، جدت اور تبادله (BMR) کے عمل میں ہے اور انتظامیہ پر امید ہے کہ کمپنی مالیاتی سال 2023ء میں اپنی تجارتی پیداوار کا آغاز کر دے گی اور بطور جاری کاروبار اپنے آپریشنز جاری رکھے گی۔ لازمی/قانونی ضروریات سے زائد ورکرز کمپنیشن مراعات مجاز محکمے کے حتمی تعین اور توثیق کے بعد منظوری سے مشروط ہے۔ BMR سرگرمی کے مقصد کے لئے کارروائیوں کی معطلی کی وجہ سے فروخت اور تقسیم کی لاگت سے متعلق فرسودگی تو براہ راست ایکویٹی میں چارج کیا گیا ہے۔ توازن کی تصدیق کے خطوط کو سال 2022ء کے دوران گردش میں لایا جائے گا لیکن کچھ جگہ سے ابھی جواب موصول نہیں ہوا ہے۔ البتہ، آڈیٹرز نے متبادل آڈٹ طریقہ کار کے ذریعے بیلنس کی تصدیق کر دی ہے۔

### مابعد واقعات

کمپنی کی 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 تہ دل سے شکر یہ ادا کرتا ہے۔



محمد فاروق نسیم  
ڈائریکٹر



طاہر نسیم  
چیف ایگزیکٹو

## حصص داران کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے بغیر پڑتال کئے کو شوارہ جات مالی بیانات برائے کمپنی بابت سال کے چوتھائی عرصہ کے دوران ہونے والے کاروبار کے اختتام 31 دسمبر 2022ء کو پیش کیا گیا۔

## بنیادی کاروباری سرگرمی اور آپریشنل کارکردگی

ڈنڈوت سیمنٹ کمپنی لمیٹڈ (کمپنی) ایک پبلک لسٹڈ کمپنی ہے۔ کمپنی کی بنیادی سرگرمی سیمنٹ کی پیداوار اور فروخت ہے۔ زیر جائزہ مدت کے دوران ستمبر 2019ء سے BMR سرگرمی کے لئے پلانٹ کے آپریشنز بند ہونے کی وجہ سے سیمنٹ کی پیداوار اور متعلقہ فروخت کا حجم معطل رہا۔ اس مدت کے لئے خالص نقصان 126.28 ملین روپے ہے (دسمبر 2021ء: 116.92 ملین روپے) اور فی شیئر نقصان 0.51 روپے ہے۔ (دسمبر 2021ء: 0.56 روپے)۔ آپریشنز کی بندش اور مالی نقصانات کی وجہ سے بورڈ آف ڈائریکٹرز نے موجودہ مدت کے لئے ڈیویڈنڈ کی سفارش نہیں کی ہے۔

## مستقبل کے امکانات

### صنعت

پاکستان کی معیشت سیاسی عدم استحکام، تباہ کن سیلاب، افراط زر، معاشی ابتری اور ڈالر کے مقابلے میں روپے کی قدر میں کمی، سپر کموڈٹی سائیکل اور روس یوکرائن جنگ کے باعث بری طرح متاثر ہوئی ہے۔ اعلیٰ افراط زر اور شرح سود میں اضافے کے بعد عوام کی قوت خرید میں کمی واقع ہوئی اور تعمیراتی لاگت میں اضافے نے طلب کو بھی شدید متاثر کیا۔ جو نہی حالات بہتر ہوں گے تو بڑھتی ہوئی انسانی ضروریات اور بنیادی ڈھانچے کی تعمیر اور پرانی عمارات کی مرمت کے لئے طلب میں اضافہ ہوگا۔

## بنیادی خطرات اور غیر یقینی صورت حال

☆ کولے، ایندھن اور بجلی کی قیمتوں میں اضافہ

☆ بلند شرح سود

☆ ڈالر کے مقابلے میں روپے کی قدر میں شدید کمی

☆ مستحکم طلب کے ساتھ رسد میں اضافہ

## کمپنی کا منصوبہ

بے یقینی اور عدم استحکام سے بھرپور سال میں کمپنی BMR کی تکمیل کی جانب گامزن ہے۔ منصوبے کی مقررہ مدت کو ملحوظ خاطر رکھا گیا ہے اور اگلے مالیاتی سال سے قبل منصوبہ مکمل ہونے کے امکانات ہیں۔ BMR کے مقاصد میں پاکستان امیشن اسٹینڈرڈ کے مطابق کمپنی کے کاربن اخراج کو معقول سطح پر لانا اور پیداواری اشاریوں کو بہتر کرنا شامل ہے۔ درکار توانائی کو تقسیم