



Third Quarter Report
March 2010



Dandot Cement Company Limited



Company Information

Board of Directors

Mr. Muhammad Rasheed (Chairman)
Mrs. Tanveer Rasheed
Mr. Mansoor Rasheed
Mr. Saud Rasheed
Ms. Rizwana Rasheed
Mrs. Ayesha Mansoor
Mrs. Amina Saud

Chief Executive

Mr. Mansoor Rasheed

Audit Committee

Mr. Saud Rasheed (Chairman)
Mrs. Ayesha Mansoor
Mrs. Amina Saud

Chief Financial Officer

Mr. Muhammad Kamran

Company Secretary

Mr. Muhammad Kamran

Statutory Auditors

Amin, Mudassar & Co.
Chartered Accountants

Legal Advisor

International Legal Services

Bankers

United Bank Limited
National Bank of Pakistan
Habib Bank Limited
The Bank of Punjab
Bank Alfalah Limited
KASB Bank Limited
Silk Bank Limited
NIB Bank

Registered Office

30-Sher Shah Block, New Garden Town, Lahore
Telephone: 35869827, 35842316, Fax: 35831846

Factory

DANDOT R.S., Distt. Jhelum.
Telephone: (0544) 211371, 211491 Fax: (0544) 211490

Share Registrar

Corplink (Pvt.) Ltd.
Wings Arcade I-K-Commercial, Model Town, Lahore.
Telephone: 35839182, 35887262 Fax: 35869037

Website

www.dandotcement.com



Directors' Report to the Share Holders

The directors of your company would like to present the condensed financial statements for the nine months ended March 31, 2010.

Industry Overview

In 2009, the cement industry faced a difficult time due to poor economic conditions and low prices of the cement. However, situation is looking better in future after increase in local demand of cement with substantial rise in price which were at lowest level in 2009.

Business Performance

In October 2009, due to poor business conditions and financial crunch, management decided the temporary shutdown of the operations of the company. However, subsequent to the reviewed period with the increase in demand and rise in price of cement, the operations of the company have been resumed after arranging necessary funds by the management.

Following is the comparative data in M.Ton for the period under review:

Particulars	Third Quarter Ended		Nine Months Ended	
	Mar. 2010	Mar. 2009	Mar. 2010	Mar. 2009
Clinker production	-	55,658	69,150	184,169
Cement production	-	65,341	72,513	199,365
Cement dispatch	-	68,824	72,627	204,111

Financial Results

Highlights of the operating results for the period under review are summarized as under:

Particulars	Third Quarter Ended		Nine Months Ended	
	Mar. 2010	Mar. 2009	Mar. 2010	Mar. 2009
	(Rs. in '000)		(Rs. in '000)	
Gross Profit / (Loss)	(64,183)	(15,095)	(190,755)	27,056
Operating Loss	(66,834)	(38,376)	(213,829)	(57,701)
Loss before taxation	(123,447)	(95,679)	(395,771)	(247,065)
Loss after taxation	(123,447)	(95,679)	(327,902)	(203,804)

Future Prospects

The industry foresees improvements with the anticipation of rise in demand and price of the cement for reconstruction of damaged infrastructure. Subsequential growth with respect to export is also forecasted in near future.

Acknowledgement

The board of directors is thankful to all the stakeholders including but not limited to bankers, employees, suppliers, distributors as well as regulators and shareholders for their continued support, cooperation and trust especially in crises tenure faced by the company in the period under review.

For and on behalf of the Board

November 13, 2010
Lahore:

Mansoor Rasheed
Chief Executive



Balance Sheet

	Note	March 2010 (Rupees in Thousand)	June 2009
EQUITY AND LIABILITIES			
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 100,000,000 (June 2009: 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		(2,479,600)	(2,182,389)
		(1,499,399)	(1,202,188)
SURPLUS ON REVALUATION OF FIXED ASSETS			
		1,188,978	1,219,669
		(310,421)	17,481
NON CURRENT LIABILITIES			
Loan from banking companies		1,020,000	1,020,000
Other loans		382,617	384,415
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		182,037	251,086
Long term advances and deposits		7,365	7,269
		1,592,019	1,662,770
CURRENT LIABILITIES			
Trade and other payables		675,186	481,733
Mark up accrued		598,797	417,087
Short term finances- Secured		437,201	449,194
Current portion of long term loans and liabilities		50,133	46,638
Provision for taxation - income tax		16,969	15,790
		1,778,286	1,410,442
CONTINGENCIES AND COMMITMENTS 4			
		-	-
		3,059,884	3,090,693

The annexed notes form an integral part of these condensed financial statements.

MANSOOR RASHEED
Chief Executive



As At March 31, 2010 (un-audited)

	Note	March 2010 (Rupees in Thousand)	June 2009
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Tangible assets	5	2,253,809	2,313,958
Capital work in progress		190,681	190,681
		2,444,490	2,504,639
Long term loans		382	231
Long term security deposits		10,312	10,325
		2,455,184	2,515,195
CURRENT ASSETS			
Stores, spares and loose tools		141,416	139,793
Stock in trade		30,320	19,224
Loans and advances		364,770	355,101
Deposits and short term prepayments		85	607
Balances with statutory authorities		53,963	46,774
Interest accrued		9,481	9,449
Other receivables		677	683
Cash and bank balances		3,988	3,867
		604,700	575,498
		3,059,884	3,090,693


SAUD RASHEED
Director



Profit and Loss Account

for the period ended March 31, 2010 (un-audited)

	Third quarter ended		Nine months ended	
	Mar 2010	Mar 2009	Mar 2010	Mar 2009
	(Rupees in thousand)		(Rupees in thousand)	
Sales (Net)	-	293,235	233,269	902,533
Cost of sales	64,183	308,330	424,024	875,477
Gross Profit/(loss)	(64,183)	(15,095)	(190,755)	27,056
Operating Expenses:				
Distribution costs	33	595	1,309	5,113
Administrative expenses	2,618	22,686	21,765	79,644
	2,651	23,281	23,074	84,757
Operating loss	(66,834)	(38,376)	(213,829)	(57,701)
Finance costs	(56,694)	(57,845)	(182,189)	(190,116)
Other income	81	542	247	752
	(56,613)	(57,303)	(181,942)	(189,364)
Loss before taxation	(123,447)	(95,679)	(395,771)	(247,065)
Taxation :				
Current	-	-	1,180	-
Deferred	-	-	(69,049)	(43,261)
	-	-	(67,869)	(43,261)
Net Loss after taxation	(123,447)	(95,679)	(327,902)	(203,804)
Loss per weighted average shares- Basic (Rupees)	(1.33)	(1.01)	(3.46)	(2.15)

The annexed notes form an integral part of these condensed financial statements.

MANSOOR RASHEED
Chief Executive

SAUD RASHEED
Director

Statement of Comprehensive Income

for the period ended March 31, 2010 (un-audited)

	Third quarter ended		Nine months ended	
	Mar 2010	Mar 2009	Mar 2010	Mar 2009
	(Rupees in thousand)		(Rupees in thousand)	
Loss for the period	(123,447)	(95,679)	(327,902)	(203,804)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(123,447)	(95,679)	(327,902)	(203,804)

The annexed notes form an integral part of these condensed financial statements.

MANSOOR RASHEED
Chief Executive

SAUD RASHEED
Director



Cash Flow Statement

for the period ended March 31, 2010 (un-audited)

	March 2010	March 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(395,771)	(247,065)
Adjustments of items not involving movement of cash :		
Depreciation	60,149	63,020
Amortization of deferred cost	-	28,384
Gain on disposal of Fixed Assets	-	(388)
Finance cost	182,189	190,116
	242,338	281,132
Operating cash flows before working capital changes	(153,433)	34,067
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	(1,623)	(24,538)
Stock in trade	(11,096)	27,693
Loans and advances	(9,669)	(75,819)
Deposits and short term prepayments	522	549
Other receivables	(26)	(1,417)
Increase/(Decrease) in trade and other payables	193,828	80,078
	171,936	6,546
	18,503	40,613
Long term advances and deposits	96	77
Gratuity paid	(376)	(467)
Finance cost paid	(479)	(9,388)
Income tax paid	(7,188)	(2,544)
Net Cash Flows From Operating Activities	10,556	28,291
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(4,281)
Sale Proceed of Fixed Assets	-	524
Long term loans	(139)	(132)
Net Cash Flows From Investing Activities	(139)	(3,889)
CASH FLOWS FROM FINANCING ACTIVITIES		
Other loans	1,697	1,436
Repayment of lease liability (Net)	-	(617)
Short term borrowings	(11,993)	(23,170)
Net Cash Flows From Financing Activities	(10,296)	(22,351)
Net Increase in Cash and Cash Equivalents	121	2,051
Cash and Cash Equivalents at Beginning of the Period	3,867	10,335
Cash and Cash Equivalents at End of the Period	3,988	12,386

The annexed notes form an integral part of these condensed financial statements.

MANSOOR RASHEED
Chief Executive

SAUD RASHEED
Director



Statement of Changes in Equity
for the period ended March 31, 2010 (un-audited)

	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, 2008	948,400	31,801	(1,915,158)	(934,957)	1,262,615	327,658
Loss for the period	-	-	(203,804)	(203,804)	-	(203,804)
Incremental depreciation due to revaluation charged to surplus:	-	-	32,209	32,209	(32,209)	-
Balance as at March 31, 2009	948,400	31,801	(2,086,753)	(1,106,552)	1,230,406	123,854
Balance as at July 01, 2009	948,400	31,801	(2,182,389)	(1,202,188)	1,219,669	17,481
Loss for the period	-	-	(327,902)	(327,902)	-	(327,902)
Incremental depreciation due to revaluation charged to surplus:	-	-	30,691	30,691	(30,691)	-
Balance as at March 31, 2010	948,400	31,801	(2,479,600)	(1,499,399)	1,188,978	(310,421)

The annexed notes form an integral part of these condensed financial statements.

MANSOOR RASHEED
Chief Executive

SAUD RASHEED
Director

Notes to the Accounts
for the period ended March 31, 2010 (un-audited)

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 sale of cement. The company is a subsidiary of Three Stars Cement (Pvt) Ltd.

1.2 The company has continued financial support from its sponsoring directors as they are planning to inject further working capital in the company. In October 2009, due to poor economic conditions, low prices of cement and financial crunch, management has decided the temporarily shutdown of the operations of the company. However, subsequent to the balance sheet date, with the increase in cement prices and rise in demand of cement, the operations of the company have been resumed after arranging necessary funds by the management. Accordingly, these condensed financial statements have been prepared on going concern basis.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed financial information have been prepared in accordance with the requirements of international Accounting Standard (IAS) 34 'Interim Financial Reporting' as applicable in Pakistan and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi and Lahore Stock Exchanges.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies adopted in these condensed financial statements are the same as those applied in the preparation of the preceding annual published accounts.



Notes to the Accounts

3.1 Statement of Comprehensive Income

IAS-1 (Revised), 'Presentation of financial statements' which become applicable from the financial periods beginning on or after January 01, 2009. The application of this standard has resulted in certain increased disclosures including the statement of other comprehensive income which has been reflected in these company's condensed financial statement.

3.2 Estimates

The preparation of condensed financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2009.

4. CONTINGENCIES AND COMMITMENTS

There has been no significant change in contingencies and commitments since the date of preceding published annual financial statements.

5. OPERATING FIXED ASSETS

	March 2010	June 2009
	(Rupees in thousand)	
Opening fixed assets at WDV	2,313,958	2,382,119
Additions	-	19,040
(Deletions)	-	(3,629)
	2,313,958	2,397,530
Less: depreciation for the period		
For the period	60,149	84,290
On disposal	-	(718)
	60,149	83,572
	2,253,809	2,313,958

6. TRANSACTIONS WITH RELATED PARTIES

Three Stars Hosiery Mill (Pvt) Ltd Expenses paid on behalf of associated company	-	36
Active Apparels International (Pvt) Limited Expenses paid on behalf of associated company	-	6
The Forwarder (Pvt) Ltd. (Associated company due to common directorship) Funds received back	3,400	-

7. CORRESPONDING FIGURES

Corresponding figures, wherever necessary, have been rearranged. However, there was no material reclassification to report.

Figures have been rounded off to the nearest thousand rupees.

8. DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on November 13, 2010 by the Board of Directors of the company.

MANSOOR RASHEED
Chief Executive

SAUD RASHEED
Director