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COMPANY INFORMATION

BOARD OF DIRECTORS

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

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

The Bank of Punjab
KASB Bank Limited
United Bank Limited
National Bank of Pakistan
Habib Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited

REGISTERED OFFICE

30-Sher Shah Block, New Garden Town, Lahore.
Telephone: 042-35869827, 35842316, Fax: 042-35831846

FACTORY

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

SHARE REGISTRAR

Corplink (Pvt.) Ltd.
Wings Arcade 1-K-Commerical, Model Town, Lahore.
Telephone: 042-35839182, 35887262, Fax: 042-35869037

WEBSITE

www.dandotcement.com

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors presents the condensed interim financial statements of the company for the nine months ended March 31, 2011.

Operational Performance

As disclosed in note no. 1 of these interim financial statements, the operations of the company were temporarily suspended during the first quarter of the period which were resumed in October, 2010. Following is the comparative data in M. Ton for the period under review:

Particulars	Third Quarter ended		Nine Months ended	
	March 2011	March 2010	March 2011	March 2010
Clinker production	67,640	-	122,535	69,150
Cement production	72,060	-	122,710	72,513
Cement dispatch	71,141	-	120,022	72,627

Operating Results

The comparative financial results of the company for the period are summarized as below and all the figures are in Rupees in thousand:

Particulars	Third Quarter ended		Nine Months ended	
	March 2011	March 2010	March 2011	March 2010
Net sales	296,297	-	485,599	233,269
Gross loss	(83,974)	(64,183)	(220,403)	(190,755)
Loss before taxation	(133,940)	(123,447)	(405,642)	(395,771)
Net loss	(133,940)	(123,447)	(345,418)	(327,902)

Future Prospects

Industry:

The prospects of returning to macro-economic stability improved in initial months of the financial year 2011 with most key indicators continuing the positive trend that began in closing months of financial year 2010. However, steep rise in input cost is more than offsetting improvement in cement prices. Prevailing general inflation in the country has bolstered all input cost including raw material, packing material and transportation cost. The impact is more pronounced in an unabated rise in electricity cost and the rise in prices of local coal.

Company:

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

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.



MANSOOR RASHEED

Chief Executive

Lahore: May 04, 2011.

Condensed Interim Balance Sheet

	Note	(Un-Audited) Mar 31, 2011 (Rupees in thousand)	(Audited) June 30, 2010
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		1,000,000	1,000,000
Issued, subscribed and paid-up capital		948,400	948,400
Share premium reserve		31,801	31,801
Accumulated loss		(2,892,709)	(2,576,474)
		(1,912,508)	(1,596,273)
SURPLUS ON REVALUATION OF FIXED ASSETS			
		1,148,446	1,177,629
		(764,062)	(418,644)
NON CURRENT LIABILITIES			
Loan from banking companies		1,020,000	1,020,000
Other loans		372,508	378,366
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		-	60,224
Long term advances and deposits		7,368	7,358
		1,399,876	1,465,948
CURRENT LIABILITIES			
Trade and other payables		980,998	801,321
Mark up accrued		836,290	664,113
Short term borrowings		494,770	446,066
Current portion of long term loans and liabilities		65,444	56,170
Provision for taxation - income tax		15,790	15,790
		2,393,292	1,983,460
CONTINGENCIES AND COMMITMENTS			
	5	-	-
		3,029,106	3,030,764



MANSOOR RASHEED
Chief Executive



As at March 31, 2011

	(Un-Audited) Mar 31, 2011 (Rupees in thousand)	(Audited) June 30, 2010 (Rupees in thousand)
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment		
Operating fixed assets	2,174,164	2,230,649
Capital work in progress	190,681	190,681
	2,364,845	2,421,330
Long term loans	176	202
Long term security deposits	16,825	10,325
	2,381,846	2,431,857
CURRENT ASSETS		
Stores, spares and loose tools	147,482	141,276
Stock in trade	76,254	41,860
Loans and advances	348,088	348,035
Deposits and short term prepayments	-	-
Balances with statutory authorities	60,125	53,970
Interest accrued	9,389	9,408
Other receivables	514	569
Cash and bank balances	5,408	3,789
	647,260	598,907
	3,029,106	3,030,764

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



SAUD RASHEED
Director

Condensed Interim Profit And Loss Account (Un-Audited)

For the Period ended March 31, 2011

	Note	Third quarter ended		Nine months ended	
		March 2011 (Rupees in thousand)	March 2010 (Rupees in thousand)	March 2011 (Rupees in thousand)	March 2010 (Rupees in thousand)
Sales (Net)		296,297	-	485,599	233,269
Cost of sales		380,271	64,183	706,002	424,024
Gross loss		(83,974)	(64,183)	(220,403)	(190,755)
Operating Expenses					
Distribution costs		952	33	2,134	1,309
Administrative expenses		9,403	2,618	18,941	21,765
		10,355	2,651	21,075	23,074
Operating loss		(94,329)	(66,834)	(241,478)	(213,829)
Finance costs		(39,654)	(56,694)	(173,238)	(182,189)
Other income	6	43	81	9,074	247
		(39,611)	(56,613)	(164,164)	(181,942)
Loss before taxation		(133,940)	(123,447)	(405,642)	(395,771)
Taxation:					
Current		-	-	-	1,180
Deferred		-	-	(60,224)	(69,049)
		-	-	(60,224)	(67,869)
Net Loss after taxation		(133,940)	(123,447)	(345,418)	(327,902)
Loss per weighted average shares- Basic (Rupees)		(1.41)	(1.33)	(3.64)	(3.46)

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



MANSOOR RASHEED
Chief Executive



SAUD RASHEED
Director



Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Period ended March 31, 2011

	Third quarter ended		Nine months ended	
	March 31, 2011 (Rupees in thousand)	March 31, 2010 (Rupees in thousand)	March 31, 2011 (Rupees in thousand)	March 31, 2010 (Rupees in thousand)
Loss for the period	(133,940)	(123,447)	(345,418)	(327,902)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(133,940)</u>	<u>(123,447)</u>	<u>(345,418)</u>	<u>(327,902)</u>

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



MANSOOR RASHEED
Chief Executive



SAUD RASHEED
Director

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

For the Period ended March 31, 2011

	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, 2009	948,400	31,801	(2,182,389)	(1,202,188)	1,219,669	17,481
Total comprehensive loss for the period ended March 31, 2010	-	-	(327,902)	(327,902)	-	(327,902)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	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)
Balance as at July 01, 2010	948,400	31,801	(2,576,474)	(1,596,273)	1,177,629	(418,644)
Total comprehensive loss for the period ended March 31, 2011	-	-	(345,418)	(345,418)	-	(345,418)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	29,183	29,183	(29,183)	-
Balance as at March 31, 2011	948,400	31,801	(2,892,709)	(1,912,508)	1,148,446	(764,062)

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


MANSOOR RASHEED
 Chief Executive


SAUD RASHEED
 Director

Condensed Interim Cash Flow Statement (Un-Audited)

For the Period ended March 31, 2011

	Nine months ended	
	Mar 31, 2011	Mar 31, 2010
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(405,642)	(395,771)
Adjustments of items not involving movement of cash:		
Depreciation	56,602	60,149
Finance cost	173,238	182,189
	<u>229,840</u>	<u>242,338</u>
Operating cash flows before working capital changes	(175,802)	(153,433)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	(6,206)	(1,623)
Stock in trade	(34,394)	(11,096)
Loans and advances	(53)	(9,669)
Deposits and short term prepayments	-	522
Other receivables	54	(26)
Increase/(Decrease) in trade and other payables	179,278	193,828
	<u>138,679</u>	<u>171,936</u>
	(37,123)	18,503
Long term advances and deposits	10	96
Gratuity paid	(51)	(376)
Finance cost paid	(591)	(479)
Income tax paid	(6,155)	(7,188)
Net Cash Flows From Operating Activities	<u>(43,910)</u>	<u>10,556</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(117)	-
Long term security deposits	(6,500)	-
Long term loans	26	(139)
Net Cash Flows From Investing Activities	<u>(6,591)</u>	<u>(139)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	3,416	1,697
Short term borrowings	48,704	(11,993)
Net Cash Flows From Financing Activities	<u>52,120</u>	<u>(10,296)</u>
Net Increase in Cash and Cash Equivalents	<u>1,619</u>	<u>121</u>
Cash and Cash Equivalents at Beginning of the Period	<u>3,789</u>	<u>3,867</u>
Cash and Cash Equivalents at End of the Period	<u>5,408</u>	<u>3,988</u>

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


MANSOOR RASHEED
 Chief Executive


SAUD RASHEED
 Director

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

For the Period ended March 31, 2011

1. THE COMPANY AND ITS OPERATIONS

The Company is a public limited company incorporated in Pakistan and is listed on Karachi and Lahore Stock Exchanges. The Company started its production on March 01, 1983 and has been engaged in production and making of cement. The company is a subsidiary of Three Stars Cement (Pvt.) Limited.

In October 2009, due to poor economic conditions, low prices of cement and financial crunch, management decided the temporary shutdown of the operations of the company. However, in October 2010, 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.

2. STATEMENT OF COMPLIANCE

These financial statements are un-audited and have been prepared in accordance with International Financial Reporting Standard 'IAS-34 - Interim Financial Reporting' and should be read in conjunction with the Annual audited Financial Report for the year ended June 30, 2010. These Financial Statements are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

3. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these financial statements are the same as those adopted in preparation of financial statements for the year ended June 30, 2010.

4. SIGNIFICANT ESTIMATES

The preparation of these financial statements requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and related disclosures at the date of financial statements. Actual results may differ from these estimates. In preparing these financial statements, the significant judgments made by management in applying accounting policies. Key estimates and uncertainty includes, but not limited to:

- Depreciation methods and useful life of depreciable assets
- Taxation
- Provisions and Contingencies

5. CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitments of the company since the last audited annual balance sheet date and reviewed half yearly financial statements.

6. OTHER INCOME

Other income includes an amount of Rs. 8.950 million with respect to tenderable gain surrendered by the two directors of the company under section 224 of the Companies Ordinance, 1984.

7. TRANSACTION WITH RELATED PARTIES

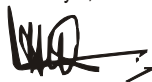
There is no significant transactions with related parties during this quarter.

8. CORRESPONDING FIGURES

Figures have been rounded off to the nearest thousand of Rupees.

9. DATE OF AUTHORIZATION FOR ISSUE

These un-audited condensed interim financial statements were authorized for issue by the board of directors of the company on May 4, 2011.



MANSOOR RASHEED
Chief Executive



SAUD RASHEED
Director