



**3RD QUARTER REPORT**  
**March 31, 2012**

**DANDOT CEMENT COMPANY LIMITED**

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

## DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors presents the condensed interim financial statements of the company for the 3rd Quarter ended March 31, 2012.

### Operational Performance

During the period, operational performance of the company is as follows:

Particulars	Third Quarter ended		Nine Months ended	
	March 2012	March 2011	March 2012	March 2011
Clinker production	60,954	67,640	150,901	122,535
Cement production	66,300	72,060	162,137	122,710
Cement dispatch	66,011	71,141	164,753	120,022

### 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 2012	March 2011	March 2012	March 2011
Net sales	361,629	296,297	861,347	485,599
Gross loss	103,873	83,974	278,042	220,403
Loss before taxation	117,883	133,940	320,783	405,642
Net loss	117,883	133,940	320,783	345,418

### Future Prospects

Industry:


Reduction in excise duty and sales tax announced in the budget 2011-12 is likely to have a positive impact on the cement consumption in the country. Domestic demand is picking up with the commencement of reconstruction activities in the flood affected areas of the country. The reconstruction work is expected to last for a couple of years which would augur well for the growth in cement consumption in the near term. However, prevailing economic conditions is not encouraging due to geo-political instability, out of control inflation, deteriorating Pak Rupee valuation, power shedding, rising utility prices and liquidity crunch.

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.

  
**MANSOOR RASHEED**  
 Chief Executive  
 Lahore: May 05, 2012.

## Condensed Interim Balance Sheet

	(Un-Audited) Mar 31, 2012	(Audited) June 30, 2011
Note	(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised capital	<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital	948,400	948,400
Share premium reserve	31,801	31,801
Accumulated loss	<u>(3,169,584)</u>	<u>(2,876,726)</u>
	<b>(2,189,383)</b>	<b>(1,896,525)</b>
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>		
	<u>1,110,793</u>	<u>1,138,718</u>
	<b>(1,078,590)</b>	<b>(757,807)</b>
<b>NON CURRENT LIABILITIES</b>		
Loan from banking companies	<u>1,020,000</u>	<u>1,020,000</u>
Other loans	356,785	365,995
Liabilities against assets subject to finance lease	-	-
Deferred liabilities	-	-
Long term advances and deposits	<u>1,685</u>	<u>1,983</u>
	<b>1,378,470</b>	<b>1,387,978</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<u>1,254,615</u>	<u>1,050,948</u>
Mark up accrued	689,755	677,881
Short term borrowings	466,270	488,367
Current portion of long term loans and liabilities	<u>62,052</u>	<u>62,343</u>
Provision for taxation - income tax	-	-
	<b>2,472,692</b>	<b>2,279,539</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	-	-
	<u>2,772,572</u>	<u>2,909,710</u>



**MANSOOR RASHEED**

Chief Executive



## As at March 31, 2012

Note	(Un-Audited) Mar 31, 2012	(Audited) June 30, 2011
	(Rupees in thousand)	
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment		
Operating fixed assets	2,102,814	2,155,354
Capital work in progress	-	-
	2,102,814	2,155,354
Long term loans	-	55
Long term security deposits	22,435	20,435
	<u>2,125,249</u>	<u>2,175,844</u>
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	146,001	139,953
Stock in trade	74,977	92,445
Loans and advances	343,695	427,684
Trade Debts	13,960	17,971
Balances with statutory authorities	52,250	42,440
Interest accrued	9,389	9,389
Other receivables	-	261
Cash and bank balances	7,051	3,723
	<u>647,323</u>	<u>733,866</u>
	<u><u>2,772,572</u></u>	<u><u>2,909,710</u></u>

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, 2012

	Third quarter ended		Nine months ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	(Rupees in thousand)		(Rupees in thousand)	
Sales (Net)	361,629	296,297	861,347	485,599
Cost of sales	465,502	380,271	1,139,389	706,002
Gross loss	(103,873)	(83,974)	(278,042)	(220,403)
Operating Expenses				
Distribution costs	557	952	2,265	2,134
Administrative expenses	9,071	9,403	27,760	18,941
Operating loss	9,628 (113,501)	10,355 (94,329)	30,025 (308,067)	21,075 (241,478)
Finance costs	(4,390)	(39,654)	(12,830)	(173,238)
Other income	8	43	114	9,074
Loss before taxation	(4,382) (117,883)	(39,611) (133,940)	(12,716) (320,783)	(164,164) (405,642)
Taxation:				
Current	-	-	-	-
Deferred	-	-	-	(60,224)
	-	-	-	(60,224)
Net Loss after taxation	(117,883)	(133,940)	(320,783)	(345,418)
Loss per weighted average shares- Basic (Rupees)	(1.24)	(1.41)	(3.38)	(3.64)

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, 2012

	Third quarter ended		Nine months ended	
	March 31, 2012 (Rupees in thousand)	March 31, 2011	March 31, 2012 (Rupees in thousand)	March 31, 2011
Loss for the period	(117,883)	(133,940)	(320,783)	(345,418)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(117,883)</u>	<u>(133,940)</u>	<u>(320,783)</u>	<u>(345,418)</u>

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, 2012

	Nine months ended	
	Mar 31, 2012	Mar 31, 2011
	(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(320,783)	(405,642)
Adjustments of items not involving movement of cash:		
Depreciation	54,001	56,602
Provision for Gratuity	18,482	-
Finance cost	12,830	173,238
	85,313	229,840
Operating cash flows before working capital changes	(235,470)	(175,802)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	(6,048)	(6,206)
Stock in trade	17,468	(34,394)
Trade Debts	4,011	-
Loans and advances	83,989	(53)
Deposits and short term prepayments	-	-
Other receivables	261	54
Increase/(Decrease) in trade and other payables	185,185	179,278
	284,866	138,679
	49,396	(37,123)
Long term advances and deposits	(298)	10
Gratuity paid	-	(51)
Finance cost paid	(956)	(591)
Income tax paid	(9,811)	(6,155)
<b>Net Cash Flows From Operating Activities</b>	38,331	(43,910)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(1,461)	(117)
Long term security deposits	(2,000)	(6,500)
Long term loans	56	26
<b>Net Cash Flows From Investing Activities</b>	(3,405)	(6,591)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loans	(9,501)	3,416
Short term borrowings	(22,097)	48,704
<b>Net Cash Flows From Financing Activities</b>	(31,598)	52,120
<b>Net Increase in Cash and Cash Equivalents</b>	3,328	1,619
<b>Cash and Cash Equivalents at Beginning of the Period</b>	3,723	3,789
<b>Cash and Cash Equivalents at End of the Period</b>	7,051	5,408

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, 2012

	SHARE CAPITAL	SHARE PREMIUM RESERVE	ACCUMULATED LOSS	TOTAL SHARE CAPITAL AND RESERVES	SURPLUS ON REVALUATION OF FIXED ASSETS	TOTAL
	(Rupees in thousand)					
<b>Balance as at July 01, 2010</b>	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)	-
<b>Balance as at March 31, 2011</b>	<b>948,400</b>	<b>31,801</b>	<b>(2,892,709)</b>	<b>(1,912,508)</b>	<b>1,148,446</b>	<b>(764,062)</b>
<b>Balance as at July 01, 2011</b>	948,400	31,801	(2,876,726)	(1,896,525)	1,138,718	(757,807)
Total comprehensive loss for the period ended March 31, 2012	-	-	(320,783)	(320,783)	-	(320,783)
Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax	-	-	27,925	27,925	(27,925)	-
<b>Balance as at March 31, 2012</b>	<b>948,400</b>	<b>31,801</b>	<b>(3,169,584)</b>	<b>(2,189,383)</b>	<b>1,110,793</b>	<b>(1,078,590)</b>

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, 2012

### 1. THE COMPANY AND ITS OPERATIONS

1.1 The Company is a public limited Company incorporated in Pakistan and is listed on Karachi and Lahore Stock Exchanges. The Company started its production on March 01, 1983 and has been engaged in production and marketing of cement. The company is a subsidiary of Three Stars Cement (Pvt) Ltd. The registered office of the company is situated at 30-Sher Shah Block, New Garden Town, Lahore.

1.2 Due to the reason of better business conditions after the increase in price and demand of cement, the management of the company is confident that the company will continue its operations as going concern and they are fully committed to promote the company's objectives in the long run.

### 2 STATEMENT OF COMPLIANCE

These condensed interim financial information have been prepared in accordance with International Financial Reporting Standard 'IAS-34 - Interim Financial Reporting' and provisions of and directives issued under the companies Ordinance, 1984. In case where the requirement differ, the provisions of or directives issued under the companies Ordinance, 1984 have been followed.

These condensed interim financial information should be read in conjunction with the Annual Audited Financial Statements for the year ended June 30, 2011. These condensed interim financial information are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi and Lahore Stock Exchange.

### 3 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial information are the same as those adopted in preparation of financial statements for the year ended June 30, 2011, except as follow:

#### **New and amended standards and interpretations**

The company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

IFRS 7-Financial Instruments and Disclosures

IAS 24-Related Parties Disclosures ( Revised)

IFRIC 14-Prepayments of a Minimum Funding Requirement ( Amendment)

In May 2010, International Accounting Standards Board ( IASB ) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wordings. These improvements are listed below:

- IFRS 7-Financial Instruments and Disclosures ( Clarification of disclosures)
- IAS 1- Presentation of Financial Statements ( Clarification of statement of changes in equity)
- IAS 34- Interim Financial Reporting ( Significant events and transactions)
- IFRIC 13-Customers Loyalty Programmes ( Fair Value of award credits)

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on the condensed interim financial information of the company.

#### **4. 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, 2011.

#### **5. 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

#### **6. 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.

**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 5, 2012.



**MANSOOR RASHEED**

Chief Executive



**SAUD RASHEED**

Director