



**1ST QUARTER REPORT**  
**September 30, 2012**

**DANDOT CEMENT COMPANY LIMITED**

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## COMPANY INFORMATION

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### Board of Directors

Mr. Muhammad Rasheed	
Mr. Mansoor Rasheed	Chief Executive
Mr. Saud Rasheed	
Mr. Muhammad Imran Iqbal	
Mr. Muhammad Amjad Aziz	Chairman
Syed Ansar Raza Shah	
Mr. Gul Hussain	

### Audit Committee

Mr. Muhammad Rasheed	Member
Syed Ansar Raza Shah	Member / Chairman
Mr. Gul Hussain	Member

### Human Resources & Remuneration Committee

Mr. Mansoor Rasheed	Member
Syed Ansar Raza Shah	Member
Mr. Gul Hussain	Member / Chairman

### 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  
United Bank Limited  
National Bank of Pakistan  
Habib Bank Limited  
Bank Alfalah Limited  
KASB Bank Limited  
Bank Al-Habib Limited

### 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 1-K-Commercial, Model Town, Lahore.  
Telephone: 35839182, 35887262 Fax: 35869037

### Website

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

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors presents the un-audited condensed interim financial statements of the company for the quarter ended September 30, 2012.

### **Operational Performance**

During the quarter under review the operational performance of the company has been decreased. Due to the fact mentioned in note no. 1 to the condensed interim financial statement.

### **Operating Results**

The comparative financial results of the company are summarized as below:

Particulars	Sep. 2012	Sep. 2011
	(Rupees in thousands)	
- Net sales	135,760	260,340
- Gross loss	72,304	95,130
- Loss before taxation	83,476	103,840
- Net loss	88,149	105,322

### **Future Prospects**

#### *Industry:*

Reduction in excise duty announced in the budget 2012-13 has a positive impact on the cement demand. A substantial increase in demand of the cement was also seen from the last quarter of the year 2012 which is mainly attributable to upcoming general elections for which Government is spending more on development projects for public interest which would keep the momentum going till the year 2013. Further, construction of Dams is also inevitable in near future to overcome the tremendous electricity crises faced by the country. Decreasing trend of State Bank of Pakistan's discount rate will have definite positive implication on development works in the country.

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*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.

### ***Future Plans & Decisions***

To overcome the financial crunch and low productivity, the management is working on various options to inject adequate funds and trying its level best to reschedule its statutory & financial obligation to optimize the production capacity of the plant by necessary maintenance.

### ***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.



**Muhammad Amjad Aziz**

Chairman Board of Directors

Lahore: November 27, 2012.

## Condensed Interim Balance Sheet

	Note	(Un-Audited) Sep. 30, 2012	(Audited) June 30, 2012
		(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized 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		(3,425,490)	(3,346,260)
		<b>(2,445,289)</b>	<b>(2,366,059)</b>
Surplus on revaluation of fixed assets		1,092,559	1,101,478
		<b>(1,352,730)</b>	<b>(1,264,581)</b>
<b>NON CURRENT LIABILITIES</b>			
Loan from banking companies		1,020,000	1,020,000
Other loans		299,209	299,966
Long term advances and deposits		1,532	1,708
		<b>1,320,741</b>	<b>1,321,674</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,550,083	1,417,185
Mark up accrued		698,438	693,998
Short term borrowings		526,009	526,646
Current portion of long term loans and liabilities		64,876	64,876
Taxation		-	-
		<b>2,839,406</b>	<b>2,702,706</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	5	-	-
		<b>2,807,417</b>	<b>2,759,798</b>

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

  
**MUHAMMAD IMRAN IQBAL**  
 Director



**Statement u/s 241(2) of the Companies Ordinance, 1984**

These financial statements have been signed by two Directors instead of Chief Executive and one Director as the Chief Executive is not in Pakistan for the time being.

## As at September 30, 2012

	(Un-Audited) Sep. 30, 2012	(Audited) June 30, 2012
Note	(Rupees in thousand)	
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	2,068,639	2,085,626
Operating fixed assets	-	-
Capital work in progress	2,068,639	2,085,626
Long term loan	16	20
Long term security deposits	10,385	10,435
	<b>2,079,040</b>	<b>2,096,081</b>
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	131,504	162,507
Stock in trade	167,178	104,949
Trade debts	17,825	9,899
Loans and advances	337,954	317,208
Balance with statutory Authorities	58,866	55,688
Interest accrued	9,389	9,389
Other receivables	778	531
Cash and bank balances	4,883	3,547
	<b>728,377</b>	<b>663,718</b>
	<b>2,807,417</b>	<b>2,759,798</b>

  
**MUHAMMAD AMJAD AZIZ**  
 Director





## Condensed Interim Profit And Loss Account (Un-Audited)

For the Quarter ended September 30, 2012

	Quarter Ended	
	Sep. 30, 2012	Sep. 30, 2011
	(Rupees in thousand)	
Sales - Net	135,760	260,340
Cost of Sales	208,063	355,470
Gross Loss	(72,304)	(95,130)
Operating Expenses		
Administrative Expenses	10,017	7,890
Distribution Cost	1,155	820
	(11,172)	(8,710)
Operating Loss for the period	(83,476)	(103,840)
Finance Cost	(4,676)	(1,499)
Other Income	3	17
	(88,149)	(105,322)
Taxation		
Current - For the period	-	-
Deferred	-	-
	-	-
Net Loss for the period	(88,149)	(105,322)
Loss per share - Basic & Diluted	(0.93)	(1.11)

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

  
**MUHAMMAD IMRAN IQBAL**  
 Director

  
**MUHAMMAD AMJAD AZIZ**  
 Director



Statement u/s 241(2) of the Companies Ordinance, 1984

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## Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Quarter ended September 30, 2012

	Quarter Ended	
	Sep. 30, 2012	Sep. 30, 2011
	(Rupees in thousand)	
Net Loss for the period	(88,149)	(105,322)
Other Comprehensive income - net of taxation	-	-
Total comprehensive loss for the period - net of tax	(88,149)	(105,322)

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

  
**MUHAMMAD IMRAN IQBAL**  
Director

  
**MUHAMMAD AMJAD AZIZ**  
Director

Statement u/s 241(2) of the Companies Ordinance, 1984

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## Condensed Interim Cash Flow Statement (Un-Audited)

For the Quarter ended September 30, 2012

	Quarter Ended	
	Sep. 30, 2012	Sep. 30, 2011
	(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(88,149)	(105,322)
Adjustments of items not involving movement of cash:		
Depreciation	17,253	18,106
Gratuity	6,318	-
Profit on deposits & PLS Accounts	(3)	-
Finance cost	4,676	1,498
	28,244	19,604
Operating cash flows before working capital changes	(59,905)	(85,718)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	31,002	3,718
Stock in trade	(62,229)	(5,717)
Trade debts	(7,926)	4,732
Loans and advances	(20,746)	11,324
Deposit and short term prepayments	-	(195)
Other Receivables	(246)	-
Increase in trade and other payables	126,459	83,460
	66,314	97,322
	6,409	11,604
Long term security deposits	50	(164)
Finance cost paid	(115)	(254)
Interest received	3	-
Income tax paid	(3,177)	(3,249)
<b>Net Cash Flows From Operating Activities</b>	3,169	7,937
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(266)	(1,426)
Long term loans	3	(1,989)
<b>Net Cash Flows From Investing activities</b>	(263)	(3,415)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loans	(757)	-
Long term advances and deposits	(176)	(859)
Short term borrowings	(637)	(2,924)
<b>Net Cash Flows From Financing Activities</b>	(1,570)	(3,783)
Net Increase / (Decrease) in Cash and Cash Equivalents	1,336	739
Cash and cash equivalents at beginning of the period	3,547	3,723
Cash and cash equivalents at end of the period	4,883	4,462

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

  
**MUHAMMAD IMRAN IQBAL**  
Director

  
**MUHAMMAD AMJAD AZIZ**  
Director



Statement u/s 241(2) of the Companies Ordinance, 1984

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

For the Quarter ended September 30, 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 June 30, 2011</b>	948,400	31,801	(2,876,726)	(1,896,525)	1,138,718	(757,807)
Total comprehensive loss for the year	-	-	(506,774)	(506,774)	-	(506,774)
Transferred from surplus on revaluation account:						
- Incremental depreciation due to revaluation charged to surplus - net of deferred tax	-	-	37,240	37,240	(37,240)	-
<b>Balance as at June 30, 2012</b>	<u>948,400</u>	<u>31,801</u>	<u>(3,346,260)</u>	<u>(2,366,059)</u>	<u>1,101,478</u>	<u>(1,264,581)</u>
Total comprehensive loss for the year	-	-	(88,149)	(88,149)	-	(88,149)
Transferred from surplus on revaluation account:						
- Incremental depreciation due to revaluation charged to surplus - net of deferred tax	-	-	8,919	8,919	(8,919)	-
<b>Balance as at September 30, 2012</b>	<u>948,400</u>	<u>31,801</u>	<u>(3,425,490)</u>	<u>(2,445,289)</u>	<u>1,092,559</u>	<u>(1,352,730)</u>

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

  
**MUHAMMAD IMRAN IQBAL**  
Director

  
**MUHAMMAD AMJAD AZIZ**  
Director

Statement u/s 241(2) of the Companies Ordinance, 1984

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

For the Quarter ended September 30, 2012

### 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.

During the quarter, the operations of the company were interrupted due to technical maintenance problems resulting the operations of the company have been suspended subsequent to the quarter end.

### 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 compliance with the Annual Financial Report for the year ended June 30, 2012. These 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, 2012.

### 4. SIGNIFICANT ESTIMATES

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

- Depreciation methods, residual values 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.

### 6. TRANSACTIONS WITH RELATED PARTIES

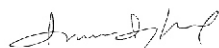
There is no significant transactions with related parties during the period.

### 7. CORRESPONDING FIGURES

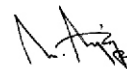
Figures have been rounded off to the nearest thousand of rupees.

### 8. 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 November 27, 2012.



**MUHAMMAD IMRAN IQBAL**  
Director



**MUHAMMAD AMJAD AZIZ**  
Director

Statement u/s 241(2) of the Companies Ordinance, 1984

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