



**1st Quarter Report
September 30
2022**

DANDOT CEMENT COMPANY LIMITED

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COMPANY INFORMATION

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 Pakistan
Habib Bank Limited
Habib Metropolitan Bank Ltd
Bank Alfalah Limited
BankIslami Pakistan Limited
Bank Al-Habib Limited
Askari Bank Limited
JS Bank Limited
Meezan Bank Limited

Registered Office

5-Zafar Ali Road, Gulberg V, Lahore.

Postal Address

43-A/S Zafar Ali Road, Gulberg V, Lahore.
Telephone: +92-42-35758614-15

Factory

Dandot R.S., Distt. Jhelum.
Telephone: +92-544-211371

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

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors presents the un-audited condensed financial statements of the company for the quarter ended September 30, 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 PKR 68.73 million (Sep 2021: Rs. 25.85 million) and loss per share is PKR 1.11 (Sep 2021: PKR 0.14). 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

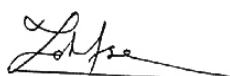
Current period filled with uncertainties and volatility the company has progressed steadily towards the completion of the BMR. The project time line is maintained and expected completion is before next financial year. The BMR aims to bring the carbon emission of the company on par with the Pakistan Emission 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.

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: November 29, 2022.

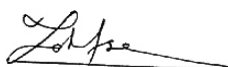


MUHAMMAD FAROOQ NASEEM
Director

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	(Un-Audited) Sep 30, 2022 (Rupees in thousand)	(Audited) June 30, 2022
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		<u>5,000,000</u>	<u>5,000,000</u>
Issued, subscribed and paid up share capital		2,481,733	2,481,733
Share premium reserve		787,988	787,988
Share deposit money		-	-
Accumulated loss		(5,526,204)	(5,457,470)
Revaluation surplus on property, plant and equipment		2,270,834	2,270,834
Long term loan from associated companies		<u>1,559,303</u>	<u>1,344,303</u>
		1,573,654	1,427,388
NON CURRENT LIABILITIES			
Long term financing from banking companies	6	2,812,502	2,136,351
Government Grant		294,854	74,823
Payable to Provident fund trust		138,914	140,825
Other loans and liabilities		-	-
Deferred liabilities		900,891	900,891
Long term advances and deposits		<u>3,692</u>	<u>3,692</u>
		4,150,853	3,256,582
CURRENT LIABILITIES			
Trade and other payables		435,460	448,185
Deposits, accrued liabilities and advances		61,756	61,867
Unclaimed dividend		1,082	1,082
Payable to provident fund trust		9,213	9,213
Mark up accrued		110,067	93,995
Current portion of non-current liabilities		134,930	110,930
Current portion of non-current Government Grant		56,014	14,214
Provision for taxation		-	-
		808,522	739,486
CONTINGENCIES AND COMMITMENTS	7	<u>-</u>	<u>-</u>
		6,533,029	5,423,456

The annexed notes from 1 to 12 form integral part of these condensed interim financial statements.



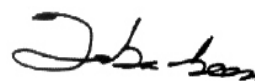
TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer

AS AT SEPTEMBER 30, 2022

	Note	(Un-Audited) Sep 30, 2022 (Rupees in thousand)	(Audited) June 30, 2022
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	8	4,139,274	4,124,450
Capital work in progress	9	1,942,317	867,784
Intangible assets		1,221	1,258
Long term deposits and prepayments		59,190	54,421
		<u>6,142,002</u>	<u>5,047,913</u>
CURRENT ASSETS			
Stores, spares and loose tools		199,363	212,514
Stock in trade		7,576	7,576
Trade debts		-	-
Loans and advances		11,930	10,608
Trade deposits, short term prepayments and current account balances with statutory authorities		78,252	76,290
Cash and bank balances		93,906	68,555
		<u>391,027</u>	<u>375,543</u>
		<u><u>6,533,029</u></u>	<u><u>5,423,456</u></u>



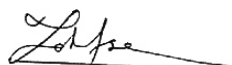
ZAKA MUHAMMAD NASEEM
Director

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

For the Quarter ended September 30, 2022

	Quarter Ended	
	Sep 30, 2022	Sep 30, 2021
	(Rupees in thousand)	
Sales - Net	-	-
Cost of sales	-	-
Gross loss	-	-
Administrative expenses	(11,343)	(8,944)
Operating loss for the period	(11,343)	(8,944)
Finance cost	(57,602)	(16,970)
Other income	223	63
Loss before taxation	(68,722)	(25,851)
Taxation	(12)	(1)
Net loss for the period	(68,734)	(25,852)
Earnings per share - Basic & Diluted	(1.11)	(0.14)

The annexed notes from 1 to 12 form integral part of these condensed interim financial statements.



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



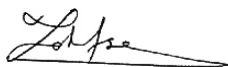
ZAKA MUHAMMAD NASEEM
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the Quarter ended September 30, 2022

	Note	Quarter Ended	
		Sep 30, 2022	Sep 30, 2021
Net loss for the period		(68,734)	(25,852)
Other comprehensive income - net of taxation		-	-
Total comprehensive loss for the period - net of tax		<u>(68,734)</u>	<u>(25,852)</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



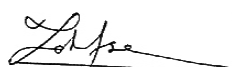
ZAKA MUHAMMAD NASEEM
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the Quarter ended September 30, 2022

	Quarter Ended	
	Sep 30, 2022	Sep 30, 2021
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(68,722)	(25,851)
Adjustment of items not involving movement of cash:		
Depreciation	829	709
Amortization	38	38
Short term lease payment	1,123	975
Unwinding of long term finances	1,088	-
Unwinding of long term finances	31,689	-
Finance cost	24,808	16,934
	<u>59,575</u>	<u>18,656</u>
Net cash used before working capital changes	(9,147)	(7,195)
(Increase)/Decrease in operating assets:		
Stores, spares and loose tools	13,151	-
Loans and advances	(1,322)	(500)
Trade deposits, short term prepayments and current account balances with statutory authorities	(1,929)	-
Increase / (decrease) in current liabilities		
Trade and other payables	(12,725)	(64,756)
Deposits, accrued liabilities and advances	(111)	1,495
Payable to Provident fund trust	(3,000)	-
	<u>(5,936)</u>	<u>(63,761)</u>
Cash used in operations	(15,083)	(70,956)
Finance cost paid	(23,776)	(27,811)
Short term lease payment	(1,123)	(975)
Income tax paid	(44)	(9)
Net Cash Used In Operating Activities	(40,026)	(99,751)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(15,653)	(17,313)
Un-allocated capital expenditure	(1,059,493)	(113,017)
Long term deposits and prepayments	(4,769)	-
Net Cash Used Investing activities	(1,079,915)	(130,330)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan received from associated companies	215,000	60,883
Long term loan repaid to banking companies	(6,324)	(9,489)
Long term loan received from banking companies	936,616	-
Share deposit money received	-	293,922
Right subscription expenditures	-	(7,198)
Net Cash Inflows From Financing Activities	1,145,292	338,118
Net Increase in Cash and Cash Equivalents	25,351	108,037
Cash and cash equivalents at beginning of the period	68,555	21,118
Cash and cash equivalents at end of the period	<u>93,906</u>	<u>129,155</u>

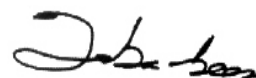
The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



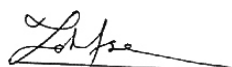
ZAKA MUHAMMAD NASEEM
Director

STATEMENT OF CHANGES IN EQUITY

For the Quarter ended September 30, 2022

	Capital Reserve	Share Deposit Money			Revenue Reserves	Capital Reserve	Loan from Associated Companies	Total	
	Share premium reserve	Face value	Premium	Total	Accumulated Loss	Revaluation surplus on property, plant and equipment			
	<----- Rupees in thousand ----->								
Balance as at June 30, 2021 - Audited	948,400	31,801	1,337,385	664,484	2,001,870	(5,203,552)	2,343,466	738,420	860,405
Total comprehensive loss for the period	-	-	-	-	-	(25,852)	-	-	(25,852)
Share deposit money received/ paid during the period	-	-	195,948	97,974	293,922	-	-	(294,007)	(85)
Loan received during the period	-	-	-	-	-	-	-	354,890	354,890
Right subscription expenditures	-	-	-	(7,198)	(7,198)	-	-	-	(7,198)
Right shares issued during the period	1,533,333	755,260	(1,533,333)	(755,260)	(2,288,594)	-	-	-	-
Balance as at September 30, 2021 - Unaudited	2,481,733	787,061	-	-	-	(5,229,404)	2,343,466	799,303	1,182,159
Balance as at June 30, 2022 - Audited	2,481,733	787,988	-	-	-	(5,457,470)	2,270,834	1,344,303	1,427,388
Total comprehensive loss for the period	-	-	-	-	-	(68,734)	-	-	(68,734)
Loan received during the period	-	-	-	-	-	-	-	215,000	215,000
Balance as at September 30, 2022 - Unaudited	2,481,733	787,988	-	-	-	(5,526,204)	2,270,584	1,559,303	1,573,654


The annexed notes from 1 to 12 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 the acquisition, sponsors arranged significant funds to bridge the deficits of cash flows of the company. Despite comprehensive annual maintenance, 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. Earlier, 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 6.21 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 1.58 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 1.66 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. Hence these Condensed Interim financial statements have been prepared on a going concern basis.

2. SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the period have been adequately disclosed in the notes to these condensed interim financial statements.

3. STATEMENT OF COMPLIANCE

These condensed interim 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, 2022. These are being submitted to the shareholders as required by Section 237 of the Companies Act 2017.

4. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those adopted in preparation of financial statements for the year ended June 30, 2022.

5. JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgment are continuously evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the condensed interim financial statements are as follows:

- Staff retirement benefits;
- Taxation
- Useful life of depreciable assets and provision for impairment there against.

	Sep 30, 2022 (Rupees in thousand) (Un-Audited)	June 30,2022 (Audited)
Note		

6. LONG TERM FINANCING FROM BANKING COMPANIES

Demand finance facility - From The Bank of Punjab (BOP)	6.1	2,123,059	2,010,994
Temporary economic refinance facility (TERF)	6.2	788,847	200,761
		2,911,906	2,211,755
Less: Current portion		(99,404)	(75,404)
		2,812,502	2,136,351

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

	Sep 30, 2022 (Rupees in thousand) (Un-Audited)	June 30, 2022 (Audited)
6.1. Demand Finance Facility - From The Bank of Punjab (BOP)		
Demand finance facility - DF 1	1,420,024	1,405,463
Demand finance facility - DF 2	603,004	592,200
Demand finance facility - DF 3 (For BMR)	100,031	13,331
	2,123,059	2,010,994
Less: Current portion	(99,404)	(75,404)
	2,023,655	1,935,590
6.2. Temporary Economic Refinance Facility (TERF)		
Loan from:		
The Bank of Punjab	750,000	150,000
BankIslami Pakistan Limited	50,148	50,148
Bank Al-Habib Limited	41,152	41,152
JS Bank Limited	298,415	48,498
	1,139,715	289,798
Less: Transferred to Government Grant	(350,868)	(74,823)
	788,847	214,975
7. CONTINGENCIES AND COMMITMENTS		
There has been no significant change in contingencies and commitments since the date of preceding published annual financial statements.		
8. OPERATING FIXED ASSETS		
Opening fixed assets at WDV	4,124,450	4,182,494
Additions	15,653	74,421
Deletion	-	(1,775)
	4,140,103	4,255,140
Less: depreciation:		
- For the period	829	132,118
- On disposals	-	(1,428)
	829	130,690
	4,139,274	4,124,450
<p>.. For the period under review, depreciation pertaining to cost of sale and distribution expenses has not been charged due to the fact of closure of plant operations for BMR activity.</p>		
9. CAPITAL WORK IN PROGRESS		
Plant and machinery	1,597,754	626,892
Building	66,731	15,208
Un-allocated capital expenditure-BMR	277,832	225,684
	1,942,317	867,784

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

10. TRANSACTIONS WITH RELATED PARTIES

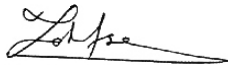
All transactions with related parties have been properly disclosed in the relevant notes of these un-audited condensed financial statements.

11. CORRESPONDING FIGURES

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

12. DATE OF AUTHORIZATION FOR ISSUE

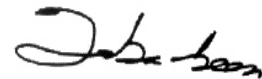
These un-audited condensed interim financial statements were authorized for issue by the board of directors of the company on November 29, 2022.



TAHA MUHAMMAD NASEEM
Chief Executive



MUHAMMAD KAMRAN
Chief Financial Officer



ZAKA MUHAMMAD NASEEM
Director

حصص داران کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے بغیر پڑتال کیے گئے گوشوارہ جات مالی بیانات برائے کمپنی بابت سال کے چوتھائی عرصہ کے دوران ہونے والے کاروبار کے اختتام 30 ستمبر 2022 کو پیش کیا گیا۔

بنیادی کاروباری سرگرمی اور آپریشنل کارکردگی

ڈیڈ وٹ 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 2019 سے BMR سرگرمی کے لیے پلانٹ کے آپریشنز بند ہونے کی وجہ سے سیمنٹ کی پیداوار اور متعلقہ فروخت کا حجم معطل رہا۔ اس مدت کے لیے خالص نقصان 68.73 ملین روپے ہے (ستمبر 2021، 25.85 ملین روپے) اور فی شیئر نقصان 1.11 روپے ہے (ستمبر 2021، 0.14 روپے)۔ آپریشنز کی بندش اور مالی نقصانات کی وجہ سے بورڈ آف ڈائریکٹرز نے موجودہ مدت کے لیے 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 یوکرین جنگ کے باعث بری طرح متاثر ہوئی ہے۔ اعلیٰ افراط زر اور شرح سود میں اضافے کے باعث عوام کی قوت خرید میں کمی واقع ہوئی اور تعمیراتی لاگت میں اضافے نے طلب کو بھی شدید متاثر کیا۔ جونہی 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 صورتحال

- ☆ کوئلے، 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

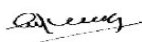
بے یقینی اور عدم استحکام سے بھرپور سال میں کمپنی BMR کی تکمیل کی جانب گامزن ہے۔ منصوبے کی مقررہ مدت کو ملحوظ خاطر رکھا گیا ہے اور اگلے مالیاتی سال سے قبل منصوبہ مکمل ہونے کے امکانات ہیں۔ BMR کے مقاصد میں پاکستان امیشن اسٹینڈرڈ کے مطابق کمپنی کے کاربن اخراج کو معقول سطح پر لانا اور پیداواری اشاریوں کو بہتر کرنا شامل ہے۔ درکار توانائی کو تقسیم کرنے اور کاربن اخراج کو کم کرنے کے لئے 5 میگا واٹ 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۔

ما بعد واقعات

کمپنی کے پڑتال شدہ مالیاتی اسٹیٹمنٹس کے متعلقہ نوٹس میں تمام ما بعد واقعات کا باقاعدگی سے ذکر کیا گیا ہے۔

اعتراف

بورڈ آف ڈائریکٹرز اپنے بینکرز، ملازمین، سپلائرز، ڈسٹی بیوٹرز، ریگولیٹرز اور حصص داران کی مسلسل حمایت، تعاون، بھروسہ اور رواں سال بجزائی کیفیت میں خصوصی ساتھ پران کا تہہ دل سے شکریہ ادا کرتا ہے۔



محمد فاروق نسیم
ڈائریکٹر



طلحہ محمد نسیم
چیف ایگزیکٹو

لاہور: 29 نومبر، 2022