



# HALF YEARLY REPORT

December 31, 2023



**DANDOT**

دندوت

**DANDOT CEMENT COMPANY LIMITED**

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**COMPANY INFORMATION**  
**As On February 29, 2024**

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**Board of Directors (BOD)**

Muhammad Farooq Naseem	Chairman
Taha Muhammad Naseem	Chief Executive
Mrs. Roohi Farooq Naseem	
Zaka Muhammad Naseem	
Jehanzeb Choudry	
Murtaza Yousuf Mandviwala	

**Audit Committee**

Muhammad Farooq Naseem	Member
Zaka Muhammad Naseem	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 Russel -A.J.S.  
Chartered Accountants, Faisalabad.

**Company Secretary**

Muhammad Kamran

**Legal Advisor**

International Legal Services

**Bankers**

The Bank of Punjab  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
BankIslami Pakistan Limited  
Habib Bank Limited  
JS Bank Limited  
National Bank of Pakistan  
United Bank Limited  
Meezan Bank Limited

**Registered Office**

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

## DIRECTORS' REPORT TO THE SHAREHOLDERS

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The Board of Directors presents the un-audited condensed financial statements of the company for the period ended December 31, 2023.

### 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, the company officially commenced operations by lighting up the Kiln during December 2023 and the operations are in testing phase. Net loss for the period is Rs. 124.81 million (Dec 2022: Rs. 126.28 million) and loss per share is Rs. 0.50 (Dec 2022: Rs. 0.51). Due to operational and financial losses, dividend has not been recommended by the board of directors for the current period.

### Future Prospects

#### Industry:

This period brought upon new challenges for the industry as Pakistan experienced an economic downturn in its macro conditions. The onslaught on the Pakistani Rupee brought upon by the rising current account deficit led to severe implications for the economy and set out a chain reaction of fiscal control measures.

High inflation and severe devaluation led to a drastic increase in commodity prices, while rising interest rates added to the rising costs. The austerity measures implemented by the Government of Pakistan imposed focused heavily on reducing imports and readjusting fuel and electricity tariffs, lead to short term difficulties but eventually is resulting in stabilization. Moreover, the elections held on 8th of February, so there is a sentiment on revival of the economy and we foresee a robust cement industry.

### Principal Risks and Uncertainties

- Devaluation of Pak Rupee against the dollar.
- Higher Interest rates.
- Increasing fuel and electricity prices.
- Lack of Government spending.

### Company's Plan

After successful completion of the BMR activity, your company officially commenced operations by lighting up the Kiln during December 2023 and will achieve positive results through cost efficiency, streamlined processes, environmental compliance, and the production of high-quality cement. The company has also installed a 5 MW solar plant on a power purchase deal to mitigate the rising electricity costs. We are exploring options to increase the solar capacity to 10 MW. All plans for the company are designed at bringing your company to a financially healthy and sustainable corporate entity.

### Auditor's Observations

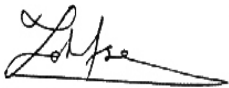
The company successfully completed the process of Balancing, Modernization and Replacement (BMR) and the management is fully confident that the company will continue its operations as a going concern. Workers' compensation benefits in excess of statutory/legal requirements will be subject to recognition after final determination and verification by the Competent Authority. Due to suspension of operations during the period for BMR activity, depreciation relating to cost of sale and distribution has been directly charged to the statement of changes in equity. Letters for the balance confirmation circulated during the audit for the year ended June 30, 2023 but against that some replies have not been received. However, such balances have been verified by auditors' through alternative audit procedures.

### **Subsequent Events**

All subsequent events have been properly disclosed in the relevant notes of these un-audited condensed financial statements except the Board of Directors has accepted the resignation of Mr. Shafqaat Ahmed from the position of Independent Director. The casual vacancy shall be filled up by the board of directors within 90 days (w.e.f. February 22, 2024) as per the requirement of Companies Act, 2017.

### **Acknowledgement**

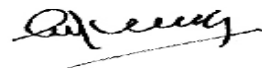
The board of directors is thankful to all stakeholders including but not limited to bankers, employees, suppliers, distributors as well as regulators and shareholders for their continued support, cooperation and trust especially in crises tenure faced by the company in the current period.



**TAHA MUHAMMAD NASEEM**

Chief Executive

Lahore: February 29, 2024.



**MUHAMMAD FAROOQ NASEEM**

Director

## INDEPENDENT AUDITOR'S REVIEW REPORT

### Report On Review of Condensed Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Dandot Cement Company Limited** as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

#### Scope of the review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Basis for Qualified Conclusion

- i. As explained in note 11 to the condensed interim financial statements, the company had written back outstanding liability in respect of some Past Dues Payable, Payable against Gratuity and Interest on Workers' Profit Participation Fund Payable retrospectively aggregating Rs. 317.12 million and not accounted for related expense and liability during the previous years and current period amounting Rs. 55.25 million and Rs. 0.48 million respectively. The company did not account for expense and liability of salaries and benefits pertaining to previous years aggregating amounting Rs. 118.63 million since September 01, 2019 for which petition was filed in Hon'ble Labour Court by the company for their retrenchment as referred to note 23 to the audited financial statements for the year ended June 30, 2023. However, basis of balances written back and non-provisioning of benefits remained un-substantiated in the absence of any agreement(s) or related approval(s). Had the company accounted for and not reversed the outstanding liability related to prior years, loss for the period would have been higher by Rs. 0.48 million, current liabilities and accumulated loss as at December 31, 2023 would have been higher by Rs. 491.48 million.
- ii. We could not confirm carrying value of the liability in respect of loan from Economic Affairs Division (EAD) and accrued interest there on amounting to Rs. 35.23 million and Rs. 79.61 million respectively by performing alternative analytical procedures. Consequently, we were unable to determine whether adjustments to these balances were necessary.
- iii. The company has not charged depreciation expense to statement of profit or loss amounting Rs. 59.33 million and the same has been charged directly to accumulated loss in statement of changes in equity. Had the company charged the depreciation through statement of profit or loss, the loss for the period would have been higher by the aforesaid amount.

## Qualified Conclusion

Based on our review, with the exception of the matters described in the preceding paragraphs, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## Emphasis of matter


We draw attention to the following matter:

As referred to note no. 1.2 to the condensed interim financial statements, which indicates that the condensed interim financial statements have been prepared on going concern basis as the company has successfully completed the Balancing, Modernization and Replacement (BMR) related activities and commenced its operations/production. As stated in note no. 1.2 to the financial statements, the company has sustained loss amounting Rs. 124.81 million during the period ended December 31, 2023 excluding the effects of matters as described in Basis for Qualified Conclusion section and as of that date its accumulated loss was amounting Rs. 5,907.15 million. As of December 31, 2023, the company's current liabilities exceeded its current assets by Rs. 1,965.39 million. These events or conditions, along with other matters as set forth in note no. 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Other Matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

The engagement partner on the review resulting in this independent auditor's review report is **Mr. Junaid Subhani - FCA**.

  
CHARTERED ACCOUNTANTS  
FAISALABAD

DATE: February 29, 2024

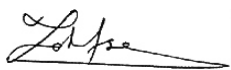
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## CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	(Un-Audited) Dec 31, 2023	(Audited) June 30, 2023
(Rupees in thousand)			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital		5,000,000	5,000,000
Issued, subscribed and paid up share capital	4	2,481,733	2,481,733
Share premium reserve		787,988	787,988
Accumulated loss		(5,907,150)	(5,755,932)
Revaluation surplus on property, plant and equipment		2,168,934	2,201,860
Long term loan from related parties	5	3,174,303	2,539,303
		<u>2,705,808</u>	<u>2,254,952</u>
<b>NON CURRENT LIABILITIES</b>			
Long term financing from banking companies	6	2,895,791	2,905,746
Long term financing from related parties	7	1,245,600	1,125,697
Government grant	8	526,003	579,765
Payable to Provident fund trust		140,445	140,391
Other loans and liabilities	9	-	-
Deferred liabilities		848,739	862,188
Long term advances and deposits		18,486	3,660
		<u>5,675,064</u>	<u>5,617,447</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,793,970	945,089
Deposits, accrued liabilities and advances		263,948	172,042
Unclaimed dividend		1,082	1,082
Payable to provident fund trust		8,925	7,509
Mark up accrued	10	162,907	140,940
Current portion of non-current liabilities		286,612	210,855
Current portion of government grant		112,968	109,229
		<u>2,630,412</u>	<u>1,586,746</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	11	-	-
		<u>11,011,284</u>	<u>9,459,144</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.




**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer

**AS AT DECEMBER 31, 2023**

	Note	(Un-Audited) Dec 31, 2023	(Audited) June 30, 2023
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	12	3,955,919	4,016,153
Capital work in progress	13	6,330,123	4,938,998
Intangible assets		1,033	1,108
Long term deposits & prepayments		59,190	59,190
		<u>10,346,265</u>	<u>9,015,449</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		280,260	156,106
Stock in trade		5,041	5,041
Loans and advances		9,589	12,422
Trade deposits, short term prepayments and current account balances with statutory authorities		353,682	258,856
Cash and bank balances		16,447	11,270
		<u>665,019</u>	<u>443,695</u>
		<u>11,011,284</u>	<u>9,459,144</u>



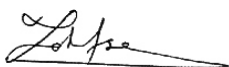
**ZAKA MUHAMMAD NASEEM**  
Director

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

**For The Half Year Ended December 31, 2023**

	Half year ended		Second quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees in thousand)		(Rupees in thousand)	
Sales - Net	-	-	-	-
Cost of sales	-	-	-	-
<b>Gross loss</b>	-	-	-	-
<b>Operating expenses</b>				
Administrative expenses	<b>(17,735)</b>	(19,481)	<b>(8,273)</b>	(8,138)
<b>Operating loss</b>	<b>(17,735)</b>	(19,481)	<b>(8,273)</b>	(8,138)
Other operating income/(expense) - net	<b>387</b>	(1,695)	<b>107</b>	(1,918)
	<b>(17,348)</b>	(21,176)	<b>(8,166)</b>	(10,056)
Finance cost	<b>(120,910)</b>	(119,173)	<b>(60,629)</b>	(61,571)
<b>Loss before taxation</b>	<b>(138,258)</b>	(140,349)	<b>(68,795)</b>	(71,627)
Taxation				
Current	<b>(5)</b>	(13)	<b>(1)</b>	(1)
Deferred	<b>13,449</b>	14,086	<b>13,449</b>	14,086
	<b>13,444</b>	14,073	<b>13,448</b>	14,085
<b>Net loss after taxation</b>	<b>(124,814)</b>	(126,276)	<b>(55,347)</b>	(57,542)
	<b>Rupees</b>	Rupees	<b>Rupees</b>	Rupees
<b>Earnings Per Share- Basic and Diluted</b>	<b>(0.50)</b>	(0.51)	<b>(0.22)</b>	(0.23)

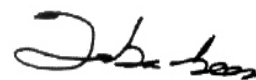
The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer



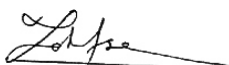
**ZAKA MUHAMMAD NASEEM**  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

**For The Half Year Ended December 31, 2023**

	Half year ended		Second quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees in thousand)		(Rupees in thousand)	
Loss for the period	(124,814)	(126,276)	(55,347)	(57,542)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(124,814)</u>	<u>(126,276)</u>	<u>(55,347)</u>	<u>(57,542)</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer



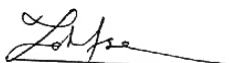
**ZAKA MUHAMMAD NASEEM**  
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**

**For The Half Year Ended December 31, 2023**

	December 31, 2023	December 31, 2022
	(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(138,258)	(140,349)
<b>Adjustment of items not involving movement of cash:</b>		
Depreciation	904	1,019
Amortization	75	75
Reversal of provision for doubtful balances	-	(3,000)
Reversal of balances written back	-	4,816
Short term lease payment	-	2,200
Unwinding of provident fund mark up	6,054	5,698
Unwinding of long term finances	66,320	60,282
Finance cost	48,450	49,450
	<b>121,803</b>	<b>124,101</b>
<b>Operating cash used before working capital changes</b>	<b>(16,455)</b>	<b>(16,248)</b>
<b>(Increase) / decrease in current assets:</b>		
Stores, spares and loose tools	(124,154)	(4,291)
Trade debts	-	3,000
Loans and advances	2,833	40
Trade deposits, short term prepayments and current account balances with statutory authorities	(92,428)	(25,016)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	848,879	67,355
Deposits, accrued liabilities and advances	91,906	(1,663)
Payable to Provident fund trust	(4,584)	(8,704)
	<b>722,452</b>	<b>30,721</b>
<b>Cash generated from operations</b>	<b>705,997</b>	<b>14,473</b>
Long term advances and deposits	14,826	-
Finance cost paid	(73,760)	(76,345)
Short term lease payment	-	(2,200)
Income taxes paid	(2,402)	(3,574)
<b>Net Cash Generated From / (Used In) Operating Activities</b>	<b>644,661</b>	<b>(67,646)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	-	(18,056)
Capital work in progress	(1,223,944)	(2,721,572)
Long term deposits and prepayments	-	(4,769)
<b>Net Cash Used In Investing Activities</b>	<b>(1,223,944)</b>	<b>(2,744,397)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan from related parties	635,000	1,370,000
Long term loan repaid to banking companies	(50,540)	(12,648)
Long term loan received from banking companies	-	1,481,728
<b>Net Cash Inflows From Financing Activities</b>	<b>584,460</b>	<b>2,839,080</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>5,177</b>	<b>27,037</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b>11,270</b>	<b>68,555</b>
<b>Cash and Cash Equivalents at End of the Period</b>	<b>16,447</b>	<b>95,592</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer



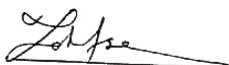
**ZAKA MUHAMMAD NASEEM**  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

**For The Half Year Ended December 31, 2023**

Share Capital	Capital Reserve	Revenue Reserves	Capital Reserve	Long term loan from related parties	Total	
	Share premium reserve	Accumulated loss	Revaluation surplus on property, plant and equipment			
<----- Rupees in thousand ----->						
<b>Balance as at June 30, 2022 - Audited</b>	2,481,733	787,988	(5,457,470)	2,270,834	1,344,303	1,427,388
Total comprehensive loss for the period	-	-	(126,276)	-	-	(126,276)
Loan received during the period - net	-	-	-	-	1,370,000	1,370,000
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax	-	-	34,487	(34,487)	-	-
Depreciation related to cost of sale and distribution	-	-	(61,994)	-	-	(61,994)
<b>Balance as at December 31, 2022 - Unaudited</b>	<b>2,481,733</b>	<b>787,988</b>	<b>(5,611,253)</b>	<b>2,236,347</b>	<b>2,714,303</b>	<b>2,609,118</b>
<b>Balance as at June 30, 2023 - Audited</b>	2,481,733	787,988	(5,755,932)	2,201,860	2,539,303	2,254,952
Total comprehensive loss for the period	-	-	(124,814)	-	-	(124,814)
Loan received during the period - net	-	-	-	-	635,000	635,000
Incremental depreciation on revaluation surplus on property, plant and equipment - net of deferred tax	-	-	32,926	(32,926)	-	-
Depreciation related to cost of sale and distribution	-	-	(59,330)	-	-	(59,330)
<b>Balance as at December 31, 2023 - Unaudited</b>	<b>2,481,733</b>	<b>787,988</b>	<b>(5,907,150)</b>	<b>2,168,934</b>	<b>3,174,303</b>	<b>2,705,808</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer



**ZAKA MUHAMMAD NASEEM**  
Director

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

For The Half Year Ended December 31, 2023

### 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 successful completion of BMR activities, the company officially commenced operations by lighting up the Kiln during December 2023 and the operations are in testing phase. The post-BMR operations are expected to have a positive financial impact through cost efficiency, streamlined processes, environmental compliance, and the production of high-quality cement. Hence, the management of the company is fully confident that the company will continue its operations as a going concern.

Accordingly, these condensed interim financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary if the company is unable to continue as a going concern. However, company's current period net loss amounting PKR 124.81 million, accumulated loss was PKR 5,907.15 million and the company's current liabilities are exceeding its current assets by PKR 1,965.39 million that indicate a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern, and the company may not be able to realize its assets and discharge its liabilities in the normal course of business.

### 2. BASIS OF PREPARATION

#### 2.1 Statement Of Compliance

These condensed interim financial statements of the Company for the half year ended December 31, 2023 have been prepared in accordance with the accounting and reporting standards applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Where the provisions of and directives issued under the Companies Act, 2017.

Where the provisions of or directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

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

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**2.2** These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023.

### **2.3 Functional And Presentation Currency**

These condensed interim financial statements have been prepared and presented in Pakistani Rupee which is the Company's functional and presentation currency.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1** The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2023 except those which are disclosed in these financial statements.

### **3.2 Government Grant**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with. It is recognized as income on a systematic basis over the periods in which the related costs, for which it is intended to compensate, are recorded.

### **3.3 Change in accounting standards, interpretations and amendments to published accounting and reporting standards:**

**(a) Standards and amendments to published accounting and reporting standards which were effective during the half year ended December 31, 2023.**

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

**(b) Standards and amendments to approved accounting and reporting standards that are not yet effective.**

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statement.

### **3.4 Accounting Estimates and Judgements**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.



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

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the annual audited financial statements of the Company for the year ended June 30, 2023.

		December 31, 2023 (Rupees in thousand) (Un-Audited)	June 30, 2023 (Audited)
<b>4. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>			
239,423,314 (2023: 239,423,314) ordinary shares of PKR. 10 each fully paid in cash		2,394,233	2,394,233
8,750,000 (2023: 8,750,000) ordinary shares of PKR. 10 each issued as bonus shares		87,500	87,500
		2,481,733	2,481,733
<b>5. LONG TERM LOAN FROM RELATED PARTIES</b>			
<b>Un-secured and interest free</b>			
Loan from holding company	5.1	3,029,303	2,539,303
Loan from associated company	5.2	145,000	-
		3,174,303	2,539,303
<b>5.1 Loan from Holding Company</b>			
<b>Calicom Industries (Private) Limited</b>			
Balance as at July 01,		2,539,303	1,344,303
Add: Loan obtained during the year - net		490,000	1,595,000
Less: Transferred to long term financing		-	(400,000)
		3,029,303	2,539,303
<b>5.2</b>			
During the period, the Company entered an arrangement with Tetra Engineering Private Limited for interest free loan of PKR. 500,000,000 in installments, from time to time, to complete the BMR and to support the working capital requirements of the Company. The loan will be converted into equity at a pre-determined price.			
<b>6. LONG TERM FINANCING FROM BANKING COMPANIES</b>			
Demand finance facility-From Bank of Punjab (BOP)	6.1	2,187,462	2,171,682
Temporary economic refinance facility (TERF)	6.2	959,416	909,393
		3,146,878	3,081,075
Less: Current portion		(251,087)	(175,329)
		2,895,791	2,905,746

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

	<b>December 31, 2023</b>	<b>June 30, 2023</b>
	(Rupees in thousand)	
	<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>6.1 Demand finance facility - From The Bank of Punjab Limited (BOP)</b>		
Demand finance facility - DF 1	1,421,287	1,432,204
Demand finance facility - DF 2	666,144	639,447
Demand finance facility - DF 3 (For BMR)	100,031	100,031
	2,187,462	2,171,682
Less: Current Portion	(155,996)	(141,512)
	<u>2,031,466</u>	<u>2,030,170</u>
<b>6.2 Temporary Economic Refinance Facility (TERF)</b>		
Loan from:		
- The Bank of Punjab	750,000	750,000
- Bank Islami Pakistan Limited	300,000	300,000
- Bank Al-Habib Limited	249,995	249,995
- JS Bank Limited	298,392	298,392
	1,598,387	1,598,387
Less: Impact of Government Grant	(638,971)	(688,994)
	959,416	909,393
Less: Current portion	(95,091)	(33,817)
	<u>864,325</u>	<u>875,576</u>
<b>6.3</b> There is no change in terms and condition of these loans which are disclosed in financial statements for the year ended June 30, 2023.		
<b>7. LONG TERM FINANCING FROM RELATED PARTIES</b>		
Unsecured - From Calicom Industries Private Limited		
- Principal	1,000,000	1,000,000
- Markup	245,600	125,697
	1,245,600	1,125,697
Less: Current portion	-	-
	<u>1,245,600</u>	<u>1,125,697</u>
<b>8. GOVERNMENT GRANT</b>		
Balance as at July 01,	688,994	89,037
Received/adjusted during the period	-	668,409
Charged during the period	(50,023)	(68,452)
	638,971	688,994
Current portion of government grant	(112,968)	(109,229)
	<u>526,003</u>	<u>579,765</u>
<b>8.1</b> Government Grants have been recorded against subsidized loans obtained from the financial institutions under temporary economic refinance facility (TERF) introduced by the State Bank of Pakistan (SBP).		

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

	<b>December 31, 2023</b>	<b>June 30, 2023</b>
	(Rupees in thousand)	
	<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>9. OTHER LOAN AND LIABILITIES-Unsecured</b>		
<b>LOANS:</b>		
From Economic Affairs Division, Government of Pakistan (EAD)	35,232	35,232
<b>OTHER LIABILITIES:</b>		
Peace agreement arrears	294	294
	<u>35,526</u>	<u>35,526</u>
<b>Less: Current Portion</b>		
Payable within next 12 month	-	-
Overdue	<u>(35,526)</u>	<u>(35,526)</u>
	<u>(35,526)</u>	<u>(35,526)</u>
	<u>-</u>	<u>-</u>
<b>10. ACCRUED MARKUP</b>		

This includes the accrued mark up on loan payable to Economic Affairs Division (EAD) amounting Rs. 79.61 million.

**11. CONTINGENCIES AND COMMITMENTS**

There has been no significant change in contingencies and commitments since the date of preceding published annual financial statements as at June 30, 2023 except the following:

- 11.1** During the year ended June 30, 2019, the company reversed the contractual liabilities of the workers amounting PKR. 317.12 million in respect of provision against some Past Dues Payable, interest on Workers' Profit Participation Fund Payable and Payable against workers Gratuity and ceased to account for the aforesaid benefits on the basis of opinion of its Legal Advisor. Accordingly, the company has not accounted for accumulated provision against past dues payable, interest on Workers' Profit Participation Fund Payable, Payable against workers Gratuity, provision of salary and employee benefits amounting PKR. 6.68 million (2023: PKR. 6.68 million), PKR. 3.13 million (2023: PKR. 2.65 million), PKR. 45.91 million (2023: PKR. 45.91 million), PKR. 113.29 million (2023: PKR. 113.29 million) and PKR. 5.34 million (2023: PKR. 5.34 million) respectively. As per opinion of the management, these liabilities are not valid and based on unjustified agreements. However, worker's compensation benefits will be subject to final determination by the competent authority and the company undertakes to comply with the consequential implications of such determination.

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

	<b>December 31, 2023</b>	<b>June 30, 2023</b>
	(Rupees in thousand)	
	<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>11.2 Capital Commitments against</b>		
Letters of credit	894,940	907,019
<b>12. OPERATING FIXED ASSETS</b>		
Opening fixed assets at W.D.V.	4,016,153	4,124,450
Additions	-	17,730
	4,016,153	4,142,180
Less: depreciation	(60,234)	(126,027)
	3,955,919	4,016,153

**12.1** Due to suspension of operations for BMR activity, depreciation relating to cost of sale and distribution has been directly charged to the statement of changes in equity.

**13. CAPITAL WORK IN PROGRESS**

Plant and machinery	<b>13.1</b>	3,805,353	3,238,471
Building		1,398,177	1,014,818
Un-allocated capital expenditure-BMR		1,126,593	685,709
		6,330,123	4,938,998

**13.1 Plant & machinery**

Advances against letters of credit from:

The Bank of Punjab	850,031	850,031
BankIslami Pakistan Limited	300,000	300,000
Bank Al-Habib Limited	249,995	249,995
JS Bank Limited	298,392	298,392
Management equity	1,345,782	783,072
	3,044,200	2,481,490
Import against letter of credit - Usance LC	332,230	334,944
Other imports	2,693	-
Margin against letters of credit and bank guarantee	263,874	265,183
Immature letters of credit (LCs charges and arrangement fee)	51,728	48,781
Duties and taxes	110,628	108,073
	3,805,353	3,238,471

**13.2** Up to signing of these condensed interim financial statements, an amount of PKR 1.69 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 4.04 billion has been arranged by the sponsors of the Company.

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

### 14. TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties have been properly disclosed in the relevant notes of these un-audited condensed financial statements except transactions carried out during the period as follows:

Name	Relationship	Nature of transaction	December 31,	June 30,
			2023 (Rupees in thousand) (Un-Audited)	2023 (Audited)
Calicom Industries Private Limited	Holding company	Loan Received	590,000	2,195,000
Calicom Industries Private Limited	Holding company	Loan Repaid	100,000	-
Tetra Engineering Private Limited	Associated Company due to common director	Loan convertible in equity	145,000	-

### 15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended June 30, 2023.

### 16. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangements or reclassifications have been made in these condensed interim financial statements.

### 17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 29, 2024 by the Board of Directors of the company.

### 18. GENERAL

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



**TAHA MUHAMMAD NASEEM**  
Chief Executive



**MUHAMMAD KAMRAN**  
Chief Financial Officer



**ZAKA MUHAMMAD NASEEM**  
Director

## کمپنی کا منصوبہ

BMR سرگرمی کی کامیاب تکمیل کے بعد، آپ کی کمپنی نے دسمبر 2023 کے دوران بھٹے کو روشن کر کے باضابطہ طور پر کام شروع کیا اور لاگت کی کارکردگی، ہموار عمل، ماحولیاتی تعمیل، اور اعلیٰ معیار کے سینٹ کی پیداوار کے ذریعے مثبت نتائج حاصل کرے گی۔ بجلی کی بڑھتی ہوئی قیمتوں سے نبرد آزما ہونے کے لئے کمپنی نے پاور پر چیز ڈیل کے تحت 5 میگا واٹ کا سولر پلانٹ بھی نصب کیا ہے۔ ہم استعداد کو 10 میگا واٹ تک بڑھانے کے لئے نئی راہیں تلاش کر رہے ہیں۔ کمپنی کے تمام منصوبے آپ کی کمپنی کو مالیاتی طور پر توانا اور پائیدار کاروباری ادارہ بنانے کے لئے وضع کئے گئے ہیں۔

## آڈیٹرز کے مشاہدات

کمپنی نے توازن، جدت اور تبادلہ (BMR) کا عمل کامیابی سے مکمل کیا ہے اور انتظامیہ پر امید ہے کہ بطور جاری کاروبار اپنے آپریشنز جاری رکھے گی۔ لازمی/قانونی ضروریات سے زائد ورکرز کمپنیشن مراعات مجاز محکمے کے حتمی تعین اور توثیق کے بعد منظورے سے مشروط ہے۔ BMR سرگرمی کے مقصد کے لئے کارروائیوں کی معطلی کی وجہ سے فروخت اور تقسیم کی لاگت سے متعلق فرسودگی تو براہ راست ایکویٹی میں چارج کیا گیا ہے۔ توازن کی تصدیق کے خطوط کو سال 2023ء کے دوران گردش میں لایا جائے گا لیکن کچھ جگہ سے ابھی جواب موصول نہیں ہوا ہے البتہ آڈیٹر نے متبادل آڈٹ طریقہ کار کے ذریعے بیلنس کی تصدیق کر دی ہے۔

## مابعد واقعات

کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے متعلقہ نوٹس میں تمام مابعد واقعات کا باقاعدگی سے ذکر کیا گیا ہے۔ سوائے بورڈ آف ڈائریکٹرز نے شفقت احمد کا آزاد ڈائریکٹر کے عہدے سے استعفیٰ منظور کر لیا ہے۔ کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق 90 دنوں کے اندر (22 فروری 2024 سے) بورڈ آف ڈائریکٹرز کے ذریعے آرام دہ آسامی کو پُر کیا جائے گا۔

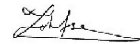
## اعتراف

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



محمد فاروق نسیم

ڈائریکٹر



طاہ محمد نسیم

چیف ایگزیکٹو

لاہور: 29 فروری 2024ء

## حصص داران کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے بغیر پڑتال کئے گوشوارہ جات مالی بیانات برائے کمپنی بابت سال کے چوتھائی عرصہ کے دوران ہونے والے کاروبار کے اختتام 31 دسمبر 2023ء کو پیش کیا گیا۔

### بنیادی کاروباری سرگرمی اور آپریشنل کارکردگی

ڈنڈوت سیمنٹ کمپنی لمیٹڈ (کمپنی) ایک پبلک لسٹڈ کمپنی ہے۔ کمپنی کی بنیادی سرگرمی سیمنٹ کی پیداوار اور فروخت ہے۔ زیر جائزہ مدت کے دوران کمپنی نے باضابطہ طور پر دسمبر 2023 کے دوران کلن (Kiln) کو جلا کر کام شروع کیا اور اب آپریشنز آزمائشی مرحلے میں ہیں۔ اس مدت کے لئے خالص نقصان 124.81 ملین روپے ہے (دسمبر 2022ء: 126.28 ملین روپے) اور فی شیئر نقصان 0.50 روپے ہے۔ (دسمبر 2022ء: 0.51 روپے)۔ آپریشنز کی بندش اور مالی نقصانات کی وجہ سے بورڈ آف ڈائریکٹرز نے موجودہ مدت کے لئے ڈیویڈنڈ کی سفارش نہیں کی ہے۔

### مستقبل کے امکانات

#### صنعت

رواں چوتھائی عرصہ میں انڈسٹری نئے چیلنجز سے دوچار رہی کیونکہ پاکستان نے اپنے کلی اقتصادی حالات میں معیشت کی سست روی کا سامنا کیا۔ بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے کے باعث پاکستانی روپے کی بے قدری نے معیشت پر منفی اثرات مرتب کئے جس کے نتیجے میں مالیاتی کنٹرول کے اقدامات کا سلسلہ شروع ہوا۔

افراط زر کی بلند شرح اور شدید بے قدری نے اشیائے ضروریہ کی قیمتوں میں ہوشربا اضافہ کیا جب کہ بڑھتی ہوئی شرح سود نے لاگت کو بڑھا دیا۔ حکومت پاکستان کی جانب سے سادگی کے اقدامات میں درآمدات میں کمی اور ایندھن اور بجلی کی قیمتوں میں ردوبدل شامل ہے جس سے قلیل مدتی مشکلات پیدا ہوئیں اس کے باوجود عدم استحکام جاری رہا۔ مزید برآں 8 فروری کو انتخابات ہوئے، اس لیے معیشت کی بحالی کی یقین دہائی ہے اور ہم ایک مضبوط سیمنٹ انڈسٹری کی پیش گوئی کر رہے ہیں۔

### بنیادی خطرات اور بے یقینی کی صورت حال

- ڈالر کے مقابلے میں روپے کی قدر میں کمی
- بلند شرح سود
- ایندھن اور بجلی کی قیمتوں میں اضافہ
- حکومتی اخراجات میں کمی