CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	Arif Habib	Chairman
	Aves Cochinwala	Chief Executive
	Aqeel Karim Dhedi	Director
	Ijaz Ahmed Zaidi	Director
	Iqbal Usman	Director
	Kashif A.Habib	Director
	Muhammad Ayub	Director
	Muhammad Ejaz	Director
	Rafiq Tumbi	Director
	Shunaid Qureshi	Director
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	Masoud Ali Khan	
AUDIT COMMITTEE	Iqbal Usman	Chairman
	Kashif A.Habib	Member
	Rafiq Tumbi	Member
	S.M.Talha	Secretary
AUDITORS	Haroon Zakaria & Company	Chartered Accountants
COST AUDITORS	Siddiqi & Company	Cost & Management Accountants
BANKERS	Allied Bank Limited Al-Baraka Islamic Bank Arif Habib Bank Limited Askari Bank Limited Bank Al-Falah Limited BankIslami Pakistan Limited Habib Bank Limited KASB Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan NIB Bank Limited Saudi Pak Commercial Bank United Bank Limited	
REGISTERED OFFICE	2nd Floor, Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi-74000 Tel : 92-21-111-111-224 Fax : 92-21-32470090 Website : www.jcl.com.pk	
SHARE REGISTRAR	Technology Trade (Pvt.) Ltd. Dagia House 241-C, PECHS, Block -2, Off. Shahrah-e-Quaideen, Karachi. Email : junaid.dagia@gmail.com	
FACTORY LOCATION	Manghopir, Karachi-75890 Tel : 92-21-36770141-36770142 Fax : 92-21-36770144	

Vision Statement

Javedan Cement Limited aims to be recognized as a successful producer of good quality cement.

Mission Statement

- To become a profitable organization and exceed the expectations of our customers and stakeholders by producing and marketing high quality products at competitive prices through concentration on quality, business values and fair play.

- To develop and promote the best use of human talent in a safe environment, as an equal opportunity employer while using advanced technology for efficient and cost effective operations.

Notice of Annual General Meeting

Notice is hereby given that 48th Annual General Meeting of Javedan Cement Limited will be held at Beach Luxury Hotel, Karachi on Saturday, October 30, 2010 at 7:30 p.m.to transact the following business:

Ordinary Business

1. To confirm the minutes of Extra Ordinary General Meeting of the shareholders held on April 24, 2010.

2. To receive, consider and adopt Annual Audited Financial Statements for the year ended June 30, 2010 together with the Reports of the Auditors and Directors thereon.

3. To appoint Auditors for the ensuing year, and to fix their remuneration.

4. To transact any other business with the permission of the Chair.

Special Business

To consider and recommend approval to be obtained from the Shareholders for disposal of the remaining 56 acres of land on which factory is located following the approval of shareholders regarding closure of factory already taken during an EOGM held on April 24, 2010 for plotting and / or outright sale and for construction of housing scheme / industrial plots in addition to 1,182 acres of surplus land for the same purpose duly approved by the shareholders on March 25, 2009.

"RESOLVED THAT the Company be and is hereby authorized to dispose off 56 acres of land on which factory is located as the Company's Board may decide in this behalf or to utilize Company's land for construction of Housing Scheme/ Industrial plotting/ in consideration of services rendered and its sale whether in cash or in installments or in consideration of services and in order to generate additional funds for repayment of borrowings and for achievement of this objective to do and effectuate all requisite acts, things and deeds that may be necessary and incidental to the purpose, including but not limited to obtaining of NOCs, permissions, approvals, etc. from all concerned federal, provincial and local governments including local bodies, revenue departments, civic and concerned bodies, municipal or land utilization agency as the case may be, planning, designing of construction plans, sale of housing units/ industrial plots on total or installment payment basis and division of land and converting the same into plots of various sizes and to sell and transfer the same for such considerations and on such terms and conditions as the Board of Directors may consider appropriate, including sale against consideration for services rendered by persons to the Company and to give effect thereto in its true letter and spirit.

FURTHER RESOLVED THAT the Board of Directors of the Company or such one or more other persons as the Board of Directors may from time to time specially designate for the purpose, be and are hereby severally authorized to take any or all actions necessary or conducive for fulfilling any requirement or in implementation thereof including, without limitation, to negotiate, finalize and execute as applicable any and all contracts, instruments, powers of attorney, notices, certificates, documents (of whatever nature and description) for or in connection with the above; issue any notices, seek any approvals, NOCs, consents, etc. make any filings and do all such acts, deeds and things as they may deem necessary and/or expedient for giving effect to the preceding resolution."

A statement under Section 160 (1) (b) of the Companies Ordinance, 1984 setting forth all materials facts concerning the matters contained in the above is being sent to Members along with this Notice.

Masoud Ali Khan
Company Secretary

Karachi: October 9, 2010

Notice of Annual General Meeting

Notes:

1. Share transfer books will remain closed from October 23, 2010 to October 30, 2010 (both days inclusive).

2. All Members are entitled to attend and vote at the meeting. A member may appoint a proxy who needs to be a Member of the Company.

3. The instrument appointing the proxy and the other authority which it is signed, or a notarially certified copy thereof, must be lodged at the Company's Registered Office or Share Registrar's Office at least 48 hours before the time of the meeting.

4. Any change of address of Members should be notified immediately to the Company's Registered Office or Share Registrar's Office.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. Attending the Meeting:

i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per Regulations, shall authenticate his identity by showing his Original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

B. For Appointing Proxies:

i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per Regulations, shall submit the proxy form as per requirement by the Company.

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his original CNIC or original passport at the time of the meeting.

v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

STATEMENT UNDER SECTION 160(1) (b) PERTAINING TO SPECIAL BUSINESS

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company.

The Board of Directors considers it just and proper as a business and commercial decision to utilize remaining land of the Company previously being used for its manufacturing operations in general approximately 56 acres out of total measuring 1,238 acres after the closure of manufacturing facility duly approved by the shareholders in an Extra Ordinary General Meeting held on April 24, 2010 for plotting and/or outright sale and for construction of housing scheme / industrial plots in addition to 1,182 acres of surplus land for the same purpose duly approved by the shareholders on March 25, 2009 in order to save the company from further losses and also to reduce high cost of mark-up bearing finances in particular.

None of the Directors are, in any way, interested in the resolution except to the extent of their entitlement as shareholders according to their respective shareholding.

Information required as per SRO 1227(1)/2005, dated December 12, 2005 is as follows:

Detail of assets to be disposed	
a) Description	The Company intends to obtain permission for land previously used for production facilities measuring 56 acres.
b) Cost	Rs. 31.375 million
c) Revaluation (Amount)	Rs. 348.081 million
d) Book value	Rs. 379.456 million
e) Approximate current market price/ fair value	Rs. 379.456 milllion
f) Land location and area proposed to be sold	Manghopir Road Total area of the land is 56 acres.
g) The proposed manner of disposal of the said assets	Outright sale and / or through construction of housing scheme / Industrial plots to be sold in a transparent manner whether in cash or on installment basis or in consideration of services (advertisements through tender in newspaper, quotations, bids etc.).
h)Minimum/ floor price fixed for sale	Minimum/ floor price for sale of land shall be approximating to the market value of the land.
i) In case of installment sales	
. **Maximum Tenure**	5 years
. **Number of installments**	60 installments
j) Method used to determine current market value/ fair value of the land	The Current market value of the land is based on valuation report by the approved valuer.
k) Summarized information in respect of mortgage charge on the land of banks/ financial institution	Consortium of banks comprising ABL, NBP and Faysal Bank Limited has 1st equitable charge over 910 acres of the land of the Company to the extent of Rs. 5 billion.
	KASB has 2nd charge on the land of the Company to the extent of Rs. 200 million.
	BankIslami Pakistan Limited has specific charge over 56 acres of land of the Company to the extent of Rs.334 million.

CHAIRMANS' REVIEW AND DIRECTORS' REPORT

The Directors of Javedan Cement Limited are pleased to present herewith the annual report together with the Company's audited financial statements for the year ended June 30, 2010.

BUSINESS STRATEGY

As approved by the Shareholders in the Extra Ordinary General Meeting held on April 24, 2010 the Company ceased its Cement Manufacturing Business, because of non availability of natural gas since November 2009, small capacity production lines with obsolete plant & machinery and difficulty faced in drilling and blasting for excavation of raw materials due to expanded populated area.

The Management has developed business diversification strategy for utilizing the company's land for developing a housing scheme, which will include built housing units, open plots, flat sites and commercial sites. Approval of Master Plan has already been obtained from Lyari Development Authority (LDA) for the housing scheme spread over 1,238 acres of the Company's land & the process has also been initiated to seek approval from KBCA. The Company has engaged a team of highly qualified professionals to undertake activities relating to development / construction, marketing / sales of this housing scheme.

PRODUCTION AND SALES

During the year under review, the comparative figures of Production and Sales are given as under:-

Particulars	**For the year ended June 30, 2010**	For the year ended June 30, 2009
	In M. Tons	
Clinker Production / procured	**120,487**	287,472
Cement Production	**148,948**	368,357
Cement Sales	**163,968**	366,295

During the year under review, the clinker production / procured, cement production and cement sales were decreased by 166,985 M.T, 219,409 M.T and 202,327 M.T. respectively as compared to the previous year.

The main reason for the decrease in production of clinker was non-operation of Kiln I & II while Kiln III was operative for few months. These semi-dry kilns were not operated due to the fuel intensive nature. However, in order to cater to the demand of cement, your Company has procured 15,467 M.T. of clinker from outside.

OPERATIONAL AND FINANCIAL RESULTS

Following is the summary of comparative financial results:

Particulars	**June 30, 2010**	June 30, 2009
	(Rupees in thousand)	
Net Sales	**610,134**	1,622,216
Cost of sales	**657,227**	1,372,868
Gross (Loss) / Profit	**(47,093)**	249,348
Loss before taxation	**(124,040)**	(370,367)
Provision for taxation	**(4,876)**	(57,655)
Loss after taxation	**(128,916)**	(428,022)
EPS (in rupees)	**(2.36)**	(8.37)

AUDITORS OBSERVATION ON THE FINANCIAL STATEMENTS

The auditors have placed matter of emphasis paragraph regarding preparation of financial statements on going concern basis. The Management is of the view that there is no significant doubt about the Company's ability to continue as going concern because the Company has no intention to wind up, as it has already embarked upon diversification strategy by switching over from cement manufacturing operations to Real Estate (Land) Development. Moreover, once the Company will start its Real Estate project and sales thereof, it will not face any cash flow problems. The Real Estate project will significantly beef up the Company's Cash Flows as compared to the cement manufacturing / selling operations. Considering these facts, these financial statements have been prepared on going concern basis.

BOARD OF DIRECTORS AND THEIR ATTENDANCE

During the year under review, four meetings of the Board of Directors were held. Attendance by each Director is as follows: -

Name of Directors	No. of Meetings Attended
Arif Habib	3
Aves Cochinwala	4
Aqeel Karim Dhedi	0
Ijaz Ahmed Zaidi	1
Iqbal Usman	4
Kashif A. Habib	2
Muhammad Ayub	3
Muhammad Ejaz	3
Rafiq Tumbi	3
Shunaid Qureshi	3

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee in compliance with the Code of Corporate Governance, which comprises of the following members:

Mr. Iqbal Usman	Chairman	Non-Executive Director
Mr. Kashif Habib	Member	Non-Executive Director
Mr. Rafiq Tumbi	Member	Non-Executive Director

The Audit Committee reviewed the quarterly, half-yearly and annual financial statements before submission to the Board and their publication. The Audit Committee also reviewed internal auditor's findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

FUTURE OUTLOOK

In accordance with the approval of the shareholders, the Company has signed a formal sale / purchase agreement in respect of plant and machinery alongwith stores and spares at a selling price of Rs. 670 million and the proceeds will be utilized towards repayment of Company's liabilities including the long term / short term debts, thereby reducing the loans and related finance cost.

HOUSING PROJECT

As indicated above, the management has already devised Strategic Business plans for developing a Real Estate (Housing) Project, which is expected to be launched during November 2010. Necessary action plans, qualified Professionals & Contractors as well as systems have been put in place to ensure a highly successful launch of this Project.

The Management is confident that this new business will generate additional income for the Company and its shareholders.

AUDITORS

The auditors, M/s. Haroon Zakaria & Company, Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year 2010-2011 in the ensuing Annual General Meeting.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

In compliance with the Corporate and Financial Reporting Framework of the Code, we are pleased to state that:

- The financial statements prepared by the Management, present fairly the Company's state of affairs, the result of operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements except otherwise mentioned in the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern.
- The Company has not declared any dividend on account of loss suffered during the year and accumulated loss brought forward.
- Statements regarding the following are annexed:
  Key financial data for the last six years.
  Pattern of shareholding.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.

- The statutory payments on account of taxes, duties, levies and charges have been made as per respective laws.
- The value of investment in respect of Gratuity Fund was amounting to Rs. 9.33 million.

ACKNOWLEDGEMENT

The Company strongly believes that its success is driven by the commitment and dedication of its employees. We acknowledge the contribution of each and every member of the Company in areas of expertise. We would also like to express our thanks to the customers for their trust in our products and look forward to their continued patronage. We also thank our shareholders, banks and financial institutions for their support, guidance and confidence reposed in our enterprise and stand committed to do our best to ensure full reward of their investment in the coming years. May Allah bless us in our efforts. A'meen!

For and on behalf of the Board

Arif Habib
Chairman

Karachi: October 08, 2010

KEY FINANCIAL DATA
2010 AT A GLANCE

		2010	2009	2008	2007	2006	2005
Investment Measure							
Ordinary Share Capital	Rs/ mn	**581**	291	291	560	560	560
Reserves [Reserves + Un-appropriated profit]	Rs/ mn	**(4,206)**	(4,077)	(3,649)	(244)	(60)	(181)
Ordinary Shareholder's Equity [Ordinary share capital + Reserves + Unappropriated profit]	Rs/ mn	**(3,613)**	(3,775)	(3,347)	316	500	379
Dividend on Ordinary Shares	Rs/ mn	**-**	-	-	-	318	-
Dividend per Ordinary Share [Total dividend on ordinary shares/ Number of ordinary shares issued]	Rs	**-**	-	-	-	5.68	-
(Loss) / Profit Before Taxation	Rs/ mn	**(124)**	(370)	(3,408)	(178)	423	294
(Loss) / Profit After Taxation	Rs/ mn	**(129)**	(428)	(3,393)	(90)	344	211
Loss (Earnings) per share of Rs. 10 [Profit after taxation attributable to ordinary shareholders / Number of ordinary shares issued]	Rs	**(2.36)**	(14.73)	(116.76)	(1.61)	6.15	3.77
Measure of Financial Status							
Current Assets to Current Liabilities [Current assets/ (Current liabilities - Current maturity of long term loans)]	x : 1	**0.55**	0.720	0.570	1.22	1.84	1.36
Debt Equity Ratio {Debt/Total shareholder's Equity + Debt) {Debt = Long term financing + Current maturity of long term finance + Liabilities against subject to finance lease + Current maturity of liabilities against assets subject to finance lease} [Total shareholder's equity = Issued, subscribed and paid-up capital + Reserves + Unappropriated profit]	x : 1	**13.23**	(29.27)	0.083	66.4	-	-
Total Debt Ratio [Interest bearing debt / Total assets] [Interest bearing debt = Long term loans + Long term financing + Current maturity of long term loans + Current maturity of long term financing + Short-term borrowings]	x : 1	**2.43**	1.578	2.663	0.6	-	-
Sales	Rs/ mn	**610**	1,622	1,185	1,107	1,727	1,390
Cost of Goods Sold as % of Sales	%	**(108)**	84.63	92	93	75	78
(Loss) / Profit Before Taxation as % of Sales	%	**(20)**	(22.83)	(288)	(16)	24	21
(Loss) / Profit After Taxation as % of Sales	%	**(21)**	(26.38)	(286)	(8)	20	15
Asset Turnover [Sales / Total assets]		**0.06**	0.28	0.86	0.9	1.8	1.4

Review Report To The Members On Statement Of Compliance With The Best Practices Of Code Of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **JAVEDAN CEMENT LIMITED** ('the Company") to comply with the Listing Regulations of the Karachi Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review' is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub-Regulation (xiii a) of Listing Regulation No. 35 (previously Regulation No. 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company the year ended June 30, 2010.

Haroon Zakaria & Co

Karachi: October 08, 2010

HAROON ZAKARIA & COMPANY
CHARTERED ACCOUNTANTS

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board and at present the Board includes seven non-executive Directors.

2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.

3. All the resident directors of the company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, DFI or NBFI or being a member of a Stock Exchange, has been declared as a defaulter by that Stock Exchange.

4. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by the directors and key employees of the Company.

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), have been taken by the Board.

7. Out of four meetings of the Board during the year, three were presided over by the Chairman. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.

8. The Board has arranged an in-house orientation course in which directors have been provided with copy of "Role of Directors under the Companies Ordinance, 1984 And The Code Of Corporate Governance" issued by the Institute of Chartered Accountants of Pakistan. The directors are well conversant with their duties and responsibilities.

9. The Board has approved the appointment of CFO, Company Secretary and Head of Internal Audit. The Board has also approved the remuneration and terms and conditions of employment of CFO, Company Secretary and Head of Internal Audit, as determined by the CEO.

10. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

12. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

13. The Company has complied with all the corporate and financial reporting requirements of the Code.

14. The Board has formed an Audit Committee. It comprises of three members all of whom are Non-Executive Directors including the Chairman.

15. The meetings of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the Company. During the year four meetings of the Audit Committee were held. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

16. The Board has outsourced the internal audit function to a firm of chartered accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold share of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by The Institute of Chartered Accountants of Pakistan.

18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

19. The related party transactions have been placed before the audit committee and approved by the Board of Directors with necessary justification for non arm's length transactions and pricing methods for transactions that were made on terms equivalent to those that prevail in the arm's length transactions only if such terms can be substantiated.

20. We confirm that all other material principles contained in the Code have been complied with.

A. Cochinwala

Aves Cochinwala
Chief Executive

Karachi: October 08, 2010

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **JAVEDAN CEMENT LIMITED** as at June 30, 2010 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a. in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b. in our opinion -

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 2.5 with which we concur;

   (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c. In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2010 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and

d. in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

Without qualifying our report, we draw attention to note 1.2 of the annexed financial statements that more extensively discusses the reason for preparing the financial statements on going concern basis.

Haroon Zakaria & Co

HAROON ZAKARIA & COMPANY
Chartered Accountants
Engagement Partner: Muhammad Haroon

Place: Karachi
Dated: October 08, 2010

BALANCE SHEET
AS AT JUNE 30, 2010

	Notes	June 30, 2010	June 30, 2009
		Rupees in '000'	
ASSETS			
Non - Current Assets			
Property, plant and equipment	4	**8,641,939**	5,390,476
Deferred taxation	5	**-**	-
Long term security deposits		**2,970**	2,246
		8,644,909	5,392,722
Current Assets			
Stores and spares	6	**21,869**	121,682
Stock in trade	7	**6,005**	196,261
Trade debts	8	**34,238**	9,943
Advances	9	**6,321**	8,337
Deposits, prepayments and other receivables	10	**677,212**	24,341
Interest accrued		**273**	315
Tax refunds due from government	11	**23,928**	35,789
Cash and bank balances	12	**81,770**	71,829
		851,616	468,497
		9,496,525	5,861,219
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital	13	**581,282**	290,641
Reserves	14	**(4,194,256)**	(4,065,340)
		(3,612,974)	(3,774,699)
Surplus on Revaluation of Freehold Land	15	**7,695,071**	4,505,983
Sponsors' Loan	16	**1,127,713**	952,291
Non - Current Liabilities			
Long term finance	17	**2,725,000**	3,530,000
Liabilities against assets subject to finance leases	18	**5,768**	-
		2,730,768	3,530,000
Current Liabilities			
Short term borrowings	19	**-**	64,045
Trade and other payables	20	**155,838**	217,442
Mark-up accrued	21	**219,738**	243,322
Current maturity of non current liabilities	22	**1,177,537**	120,000
Unclaimed dividend		**2,834**	2,835
		1,555,947	647,644
Contingencies and Commitments	23	**-**	-
		9,496,525	5,861,219

The annexed notes form an integral part of these financial statements

A Gaikwad (signature)	(signature)
CHIEF EXECUTIVE	**DIRECTOR**

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2010

	Notes	June 30, 2010	June 30, 2009
		Rupees in '000'	
Sales - Net	24	**610,134**	1,622,216
Cost of Goods Sold	25	**(657,227)**	(1,372,868)
Gross (loss) / profit		**(47,093)**	249,348
Distribution Costs	26	**(9,260)**	(25,750)
Administrative Expenses	27	**(23,358)**	(23,161)
(Loss) / profit from operation		**(79,711)**	200,437
Finance Cost	28	**(587,424)**	(582,979)
Other Operating Income	29	**543,095**	12,175
Loss before taxation		**(124,040)**	(370,367)
Taxation	30	**(4,876)**	(57,655)
Loss after taxation		**(128,916)**	(428,022)
		Rupees	
			Restated
Loss per share - Basic and Diluted	31	**(2.36)**	(8.37)

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2010

	Notes	June 30, 2010	June 30, 2009
		Rupees in '000'	
Loss after taxation		**(128,916)**	(428,022)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(128,916)**	(428,022)

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

	June 30, 2010	June 30, 2009
	Rupees in '000'	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(124,040)**	(370,367)
Adjustments for non-cash items and other charges:		
Depreciation	**13,160**	14,730
Finance cost	**587,424**	582,979
Interest income	**(7,304)**	(7,900)
Exchange gain - net	**-**	(1,817)
Reversal of accrued liabilities	**(8,194)**	-
Reversal of provision for obsolescence	**(1,189)**	-
Stores and spares in transit-written off	**534**	-
Provision for write down of raw and packing material and stores and spares	**3,167**	-
Provision for bad debts	**1,930**	-
Gain on disposal of fixed assets and stores	**(512,505)**	(255)
Income from sale of raw and packing material and stores - net	**(6,546)**	-
Net cash (used in) / generated from operating activities before working capital changes	**(53,563)**	217,370
Working capital changes		
(Increase)/ decrease in current assets		
Stores and spares	**29,562**	18,831
Stock in trade	**190,256**	(23,684)
Trade debts	**(26,225)**	11,757
Advances	**2,016**	8,820
Deposits, prepayments and other receivables	**(26,325)**	(7,560)
Increase / (decrease) in current liabilities		
Unclaimed dividend	**(1)**	-
Trade and other payables	**(53,410)**	51,105
	115,873	59,269
Net cash generated from operations	**62,310**	276,639
Income tax refunded / (paid) - net	**6,985**	(6,292)
Finance cost paid	**(611,009)**	(523,820)
Net cash used in operating activities	**(541,714)**	(253,473)

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

	June 30, 2010	June 30, 2009
	Rupees in '000'	
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(165,721)**	(58,685)
Long term deposits	**(724)**	-
Proceeds from sale of fixed assets and stores	**59,145**	424
Interest received	**7,346**	8,190
Net cash (used in) investing activities	**(99,954)**	(50,071)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of right shares	**290,641**	-
Proceeds from term finance - net	**250,000**	-
Principal repayment of finance lease	**(409)**	-
Proceeds from Sponsors loan - net	**175,422**	238,404
(Repayment) / receipts of short term finance	**(64,045)**	64,045
Net cash generated from financing activities	**651,609**	302,449
Net increase / (decrease) in cash and cash equivalent (A + B + C)	**9,941**	(1,095)
Cash and cash equivalent at beginning of the year	**71,829**	72,924
Cash and cash equivalent at end of the year	**81,770**	71,829

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2010

	Share Capital	Reserves					Total
		Capital Reserves	Revenue			Total	
			General	Accumulated Losses	Sub Total		
	Rupees in '000'						
Balance as at June 30, 2008	290,641	11,966	63,500	(3,712,784)	(3,649,284)	(3,637,318)	(3,346,677)
Total comprehensive loss for the year ended June 30, 2009	-	-	-	(428,022)	(428,022)	(428,022)	(428,022)
Balance as at June 30, 2009	290,641	11,966	63,500	(4,140,806)	(4,077,306)	(4,065,340)	(3,774,699)
Total comprehensive loss for the year ended June 30, 2010	**-**	**-**	**-**	**(128,916)**	**(128,916)**	**(128,916)**	**(128,916)**
Transaction with owners							
Right shares issued during the year	**290,641**	**-**	**-**	**-**	**-**	**-**	**290,641**
Balance as at June 30, 2010	**581,282**	**11,966**	**63,500**	**(4,269,722)**	**(4,206,222)**	**(4,194,256)**	**(3,612,974)**

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

1. **STATUS AND NATURE OF BUSINESS**

1.1. Javedan Cement Limited (the Company) was incorporated in Pakistan on June 08, 1961, as a public limited company under the repealed Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Karachi Stock Exchange. Its principal activity is to manufacture and sell ordinary portland cement, blast furnace slag cement and sulphate resisting cement. During the current financial year the company has ceased its cement business and intends to dispose off the freehold land by developing the housing schemes. Registered office of the Company is located at 2nd Floor, Pardesi House, Survey No. 2/1, R. Y. 16, Old Queens Road, Karachi.

1.2. During the year, the Company has incurred loss after taxation of Rs.128.916 million (2009: Rs.428.022 million) and its accumulated losses stand at Rs.4,194.256 million (2009: Rs.4065.340 million) eroding share holders equity to negative Rs.3,612.974 million (2009: Rs.3,774.699 million) and as at that date, its current liabilities exceeds its current assets by Rs. 704.331 (2009: Rs 179.147) million. During the current financial year the shareholders decided in Extra Ordinary General Meeting held on April 24, 2010 to cease its Cement Manufacturing Business because of non availability of natural gas, small capacity production lines with obsolete plant & machinery and difficulty faced in drilling and blasting for excavation of raw materials due to expanded populated area. It was further decided to dispose off freehold land by developing housing schemes. The company has obtained long term finance of Rs.3,900 million from banking companies, out of which Rs.1,177 million will become due in the coming financial year. The management of the company has planned to payoff the banking loans by sale of plant and machinery with stores and spares and by generating revenues from housing project on its freehold land. The outcome of management plan is mainly dependent on successful development and timely realization of funds from selling of housing schemes, as well as on immediate sale of plant and machinery with stores and spares, at best available prices.

Due to these factors, material uncertainty exists which may cast doubt about the company's ability to continue as a going concern and the company may not be able to realize its assets and discharge the liabilities at the stated amounts.

The Company has strong financial support from its Sponsors and its plan of launching the Real estate / housing project including sale of a portion of land to REIT Scheme or Bulk buyer will attract adequate cash inflows to meet company's liabilities including bank loans. The company has sold its entire plant and machinery with stores and spares for Rs.670 Million, the proceeds of which will also be utilized towards repayment of company's liabilities. Considering these mitigating factors these financial statements have been prepared on going concern basis.

2. **BASIS OF PREPARATION**

2.1. Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2. Basis of Measurement

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed in these notes. Further, accrual basis of accounting is followed except for cash flow information.

2.3. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani rupees, which is the Company's functional and presentation currency.

2.4. Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions 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 the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows: -

a) Property, Plant and Equipments

The Company estimates the rate of depreciation of property, plant and equipment. Further, the Company review the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

b) Stock in trade and stores and spares

The Company reviews the net realizable value of stock in trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and stores and spares. Net realizable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

c) Income Taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

d) Receivable from customers

The Company reviews its receivable from customers regularly to assess amount of any provision required against such balances.

e) Staff retirement benefits

Certain actuarial assumptions have been adopted for valuation of present value of defined benefit obligations.

2.5. Changes in accounting policies

Starting 1 July 2009, the Company has changed its accounting policies in the following areas: -

"Revised IAS 1 Presentation of Financial Statements (2007):

"Revised IAS 1 Presentation of Financial Statements (2007)" became effective from 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated balance sheet as at the beginning of comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Company has opted to present two statements; a profit and loss account and a statement of comprehensive income.

IFRS 8 - Operating Segments:

This standard requires the Company to determine and present operating segments based on the information that is provided internally to the Company's Chief Operating Decision Maker, that is, the organisation's function which allocates resources to and assesses performance of its operating segments. Management has determined that the Company has a single reportable segment and therefore the adoption of the said IFRS has only resulted in some entity wide disclosures as described in note 36.

Comparative information has been re-presented so that it is in conformity with the revised / new standards. Since the change in accounting policies only affect presentation / disclosures of financial statements, there is no impact on profit for the year and earnings per share.

2.6. Other accounting developments

Disclosures pertaining to fair values and liquidity risk for financial instruments

The Company has applied improving disclosures about Financial Instruments (Amendments to IFRS 2) issued in March 2009, that require enhanced disclosures about fair value measurements and liquidity risk in respect of financial instruments.

The amendments require that fair value measurement disclosures use a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values of financial instruments. Specific disclosures are required when fair value measurements are categorized as Level 3 (significant unobservable inputs) in the fair value hierarchy. The amendments require that any significant transfers between Level 1 and level 2 of the fair value hierarchy be disclosed separately, distinguishing between transfers into and out of each level. Furthermore, changes in valuation techniques from one period to another including the reasons therefore, are required to be disclosed for each class of financial instruments. However, the Company does not have any items to report under these levels.

Further the definition of liquidity risk has been amended and it is now defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The amendments require disclosure of a maturity analysis for non-derivative and derivative financial liabilities but contractual maturities are required to be disclosed for derivative financial liabilities only when contractual maturities are essential for an understanding of the timing of cash flows. For issued financial guarantee contracts, the amendments require the maximum amount of the guarantee to be disclosed in the earliest period in which the guarantee could be called.

2.7. Standards or interpretations effective in financial year 2009-10 but not relevant to the Company

The following standards and interpretation are effective for financial periods beginning on or after July 01, 2009 but are either not relevant or do not have any effect / material effect on the financial statements of the Company: -

FRS 1	First time Adoption of International Financial Reporting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (Amendments).
IFRS 2	Group Cash-settled Share -based Payments Arrangements.
IFRS 3	Business Combinations (Revised)
IFRS 4	Insurance Contracts
IAS 19	(Amendment), 'Employee benefits'
IAS 23	(Amendment) 'Borrowing costs'
IAS 27	Consolidated and separate financial statements
IAS 32	Financial Instruments: Presentation and IAS I Presentation of Financial Statements
IAS 36	(Amendment), 'Impairment of assets'
IAS 38	(Amendment) 'Intangible assets'
IAS 39	Amendments to IAS 39 and IFRIC 9- Embedded derivative
IFRIC 16	Hedge of Net Investment in a Foreign Operating
IFRIC-17	Distributions of Non-cash Assets to Owners
IFRIC 18	Transfers of Assets from Customers

2.8. Standards, Interpretations and Amendments to approved accounting standards not yet effective

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned against the respective standard or interpretation: -

Standards or interpretation		**(effective for annual periods beginning on or after)**
IFRS 1	First time adoption of International Financial Reporting Standards - Additional Exemption for first time adopters (Amendments).	January 01, 2010

Standards or interpretation		**(effective for annual periods beginning on or after)**
IFRS 1	First time adoption of International Financial Reporting Standards - Limited Exemption from Comparatives. IFS 7 Disclosures for first time adopters.	July 01, 2010
IFRS 2	Group Cash-settled Share -based Payments Arrangements.	January 01, 2010
IFRS 7	Improvements to IFRSs 2009 - IFRS 7 Financial Instruments: Disclosures	January 01, 2013
IFRS 9	Financial Instruments	January 01, 2013
IFRIC 14	Prepayments of a Minimum Funding Requirement (Amendment)	January 01, 2011
IAS 17	Improvements to IFRSs 2009 - Amendments to IAS 17 Lease	January 01, 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 01, 2010
IAS 24	Related Party Disclosures (Revised)	January 01, 2011
IAS 27	Improvements to IFRSs 2010 - Amendments to IAS 27 consolidated and separate financial statements.	July 01, 2011
IAS 32	Financial Instruments: Presentation - Classification of Rights Issues (Amendments)	February 01, 2011

The Company expect that the adoption of the above standards and interpretation will not have any material impact on its financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by the IASB (International Accounting Standards Board) as per the result of its annual improvement project in April 2009. Such improvements are generally effective for accounting periods beginning on or after January 01, 2010. The Company expect that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Property, plant and equipment and depreciation

Owned

These are initially stated at cost. Subsequent to initial recognition, the cost of operating fixed assets is depreciated over the useful life of related assets under the reducing balance method using the rates mentioned in note-4 except free hold land which is stated at revalued amount. Depreciation is charged on assets from the date of use till the date of disposal or written off. Gains and losses on disposal of assets are included in income currently. Cost incurred to replace an item of property, plant and equipment is capitalized and the asset so replaced is retired from use and its carrying value is derecognized. Normal repair and maintenance are charged to income as and when incurred.

The residual value and lives of tangible fixed assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The Company's estimate of residual values of property, plant and equipment as at June 30, 2010 has not required any adjustment as its impact is considered insignificant.

Leased

These are stated at lower of present value of minimum lease payments under the lease agreements and the fair value of assets acquired on lease. Aggregate amounts of obligations relating to assets subject to finance lease is accounted for at net present value of liabilities. Assets so acquired are amortized by applying reducing balance method at the rates specified in the relevant note. Depreciation is charged on additions during the year from the month of purchase while no depreciation is charged on disposal of assets from the month of disposal.

Financial charge is allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Amortization of leased assets is charged to current year's income as part of depreciation.

3.1.1. Capital Work-in-Progress

These are stated at cost and represents expenditure on fixed assets in course of construction and installation. These will be transferred to specific assets as and when they are ready for use.

3.2. Stores and spares

These are stated at lower of cost and net realisable value less impairment loss, if any. Cost is determined using moving average method. Stores and spares in transit are valued at invoice value plus other changes incurred thereon as on balance sheet date.

3.3. Stock-in-trade

Those are valued at lower of cost and net realizable value. Cost is determined on weighted average basis. Net realizable value signifies the selling price less estimated cost necessarily to be incurred in order to make the sale. Physical quantities of raw material, raw meal, clinker and cement are based on volumetric measurement carried out by the technical experts of the Company.

3.4. Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost after deducting provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

3.5. Advances, deposits and prepayments

These are stated at cost.

3.6. Trade and other payables

These are carried at cost which is fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.7. Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances. The cash and cash equivalents are subject to insignificant risk of changes in value.

3.8. Employees Retirement Benefits

Defined benefit plan
The Company operates an approved funded gratuity scheme for all its eligible employees who have completed their minimum qualifying period of service with the Company. Provisions are made in the financial statements to cover obligation on the basis of Actuarial Valuation carried out by the Company as on June 30, 2010, using the Projected Unit Credit Method. Any actuarial gain or loss arisen is recognised immediately.

Compensated absences
The Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences.

3.9. Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss account except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised there.

Current

Provision for current taxation is recognised in accordance with provisions of Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their tax base, to the extent of probability that taxable profits will be available against which these deductible temporary differences can be utilized. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

The company recognizes a deferred tax asset only to the extent that it is probable that future taxable profit for the foreseeable future will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.11 Financial instruments

Financial instruments carried on the balance sheet date include advances, deposits prepayments, , trade debts and other receivables, accrued markup on deposits, cash and bank balances, long term and short term finances, trade and other payables and accrued markup on short and long term finance.

Financial assets and liabilities

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. Any gain / loss on de-recognition of the financial assets and liabilities is included in the profit / loss for the period to which it arises.

Offsetting of financial assets and financial liabilities

Financial asset and financial liability is set off and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on assets and charge on liability is also offset.

3.12 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the assets recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in profit and loss account.

3.13 Revenue recognition

Sales are recorded on dispatch of goods to customers.

Profit on bank deposits is recorded on accrual basis.

Gain on sale of fixed assets is recorded when title is transferred in favor of transferee.

Income from sale of stores and spares and raw material and scrap is recorded on dispatch of items to customers.

Rebate on export is recognized after finalization of export documents.

Miscellaneous income is recognised on occurrence of transactions.

3.14 Related party transaction

All transactions with related parties are priced on an arm's length basis. Prices for these transactions are determined on the basis of admissible valuation methods. However loans from sponsors are unsecured and interest free.

3.15 Translation of foreign currencies

Transaction in foreign currencies are recorded into rupees at the rates approximating those prevailing on the date of each transaction. Monetary assets and liabilities in foreign currencies are reported in rupees using the exchange rates approximating those prevailing on the balance sheet date. Exchange differences are included in income currently.

3.16 Dividend distributions and appropriations

Dividend distributions and appropriations is recognized as a liability in the period in which it is declared and approved.

3.17 Borrowing Cost

Borrowing cost are recognised as expense in the period in which these are incurred.

3.18 Earning (Loss) per share

Earning (Loss) per share is calculated by dividing profit / (loss) after tax for the year by the weighted average number of shares outstanding during the year.

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	

4. PROPERTY, PLANT AND EQUIPMENT

	Note	June 30, 2010	June 30, 2009
Operating fixed assets - tangible	4.1	**8,414,121**	5,320,060
Capital work-in-progress	4.4	**227,818**	70,416
		8,641,939	5,390,476

4.1 Operating fixed assets - Tangible

Particulars	Cost					Accumulated Depreciation				
	As on July 01,2009	Additions / Revaluation*	Disposals	As at June 30, 2010	Rate %	As at July 01, 2009	Charge for the year	Disposals	As at June 30, 2010	Written down value as at June 30, 2010
	Rupees in '000'					Rupees in '000'				
Owned										
Free hold land	5,199,600	3,189,088	-	8,388,688	0	-	-	-	-	8,388,688
Lease-hold land and quarries	1,289	-	-	1,289	10	1,180	11	-	1,191	98
Buildings and roads on free-hold land	135,727	-	-	135,727	10	127,653	808	-	128,461	7,266
Buildings and roads on lease-hold land	1,171	-	-	1,171	10	1,092	8	-	1,100	71
Plant, machinery and equipments	782,027	-	782,027	-	10	682,356	9,968	692,324	-	-
Quarry and transport equipments	54,930	-	-	54,930	20	53,589	268	-	53,857	1,073
Furniture, fixtures and equipments	12,037	729	20	12,746	10 to 20	10,116	361	-	10,477	2,269
Vehicles	15,410	7,590	10,777	12,223	20	8,553	1,205	1,600	8,158	4,065
Other assets	12,629	-	-	12,629	10	10,221	241	-	10,462	2,167
Leased										
Vehicles	-	8,714	-	8,714	20	-	290	-	290	8,424
Total - June 30, 2010	**6,214,820**	**3,206,121**	**792,824**	**8,628,117**		**894,760**	**13,160**	**693,924**	**213,996**	**8,414,121**

Particulars	Cost					Accumulated Depreciation				
	As on July 01,2008	Additions / Revaluation*	Disposals	As at June 30, 2009	Rate %	As at July 01, 2008	Charge for the year	Disposals	As at June 30, 2009	Written down value as at June 30, 2009
	Rupees in '000'					Rupees in '000'				
Owned										
Free hold land	693,617	4,505,983	-	5,199,600	0	-	-	-	-	5,199,600
Lease-hold land and quarries	1,289	-	-	1,289	10	1,168	12	-	1,180	109
Buildings and roads on free-hold land	135,727	-	-	135,727	10	126,756	897	-	127,653	8,074
Buildings and roads on lease-hold land	1,171	-	-	1,171	10	1,083	9	-	1,092	79
Plant, machinery and equipments	782,027	-	-	782,027	10	671,281	11,075	-	682,356	99,671
Quarry and transport equipments	54,930	-	-	54,930	20	53,254	335	-	53,589	1,341
Furniture, fixtures and equipments	11,872	165	-	12,037	10 to 20	9,716	400	-	10,116	1,921
Vehicles	15,963	44	597	15,410	20	7,246	1,735	428	8,553	6,857
Other assets	12,629	-	-	12,629	10	9,954	267	-	10,221	2,408
Total - June 30, 2009	**1,709,225**	**4,506,192**	**597**	**6,214,820**		**880,458**	**14,730**	**428**	**894,760**	**5,320,060**

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	
4.2 Depreciation is allocated as under:			
Cost of goods sold	25	**11,859**	13,575
Distribution cost	26	**129**	147
Administrative expenses	27	**805**	589
Own excavation cost	25.1	**367**	419
		13,160	14,730

4.3 The detail of property, plant and equipment having book value exceeding Rs.50,000/- disposed off during the year are as follows: -

Particulars	Cost	Written down value	Sale proceeds	Mode of disposal	Particulars of buyer
	- - - - - - - - - Rupees in '000'	- - - - - - - - -			
Plant and machinery	781,871	89,698	670,000	Negotiotion	Transworld Traders
Vehicles					
	626	301	301	Transferred	Al-Abbas Cement Industries Limited - related party
	2,549	1,291	1,291	Transferred	Al-Abbas Sugar Mills Limited - related party
	51	34	45	Insurance claim	EFU General Insurance
	7,551	7,551	7,237	Sale and lease back	Orix Leasing Pakistan Limited

*i These vehicles have been transferred to associated undertakings at book value as these were in use of management staff who were serving all the group companies including the Company. During current financial year such staff were transferred to other associates of the company therefore the related vehicles have been transferred to them.

*ii The sale price includes sale of stores having carrying value of Rs.67,739 thousands.

4.3.1 Reconciliation of carrying Amount of Operating Fixed Assets - Tangible

2010

Description	Opening net book value as on July 01, 2009	Additions / Revaluation*	Disposals	Depreciation on disposals	Depreciation Charge	Closing Book Value as at June 30, 2010
	Rupees					
Owned						
Free hold land	5,199,600	3,189,088	-	-	-	**8,388,688**
Lease-hold land and quarries	109	-	-	-	11	**98**
Buildings and roads on free-hold land	8,074	-	-	-	808	**7,266**
Buildings and roads on lease-hold land	79	-	-	-	8	**71**
Plant, machinery and equipments	99,671	-	782,027	692,324	9,968	**-**
Quarry and transport equipments	1,341	-	-	-	268	**1,073**
Furniture, fixtures and equipments	1,921	729	20	-	361	**2,269**
Vehicles	6,857	7,590	10,777	1,600	1,205	**4,065**
Other assets	2,408	-	-	-	241	**2,167**
Leased						
Vehicles	-	8,714	-	-	290	**8,424**
June 30, 2010	**5,320,060**	**3,206,121**	**792,824**	**693,924**	**13,160**	**8,414,121**

2009

Description	Opening net book value as on July 01, 2008	Additions / Revaluation*	Disposals	Depreciation on disposals	Depreciation Charge	Closing Book Value as at June 30, 2009
	Rupees					
Owned						
Free hold land	693,617	4,505,983	-	-	-	5,199,600
Lease-hold land and quarries	121	-	-	-	12	109
Buildings and roads on free-hold land	8,971	-	-	-	897	8,074
Buildings and roads on lease-hold land	88	-	-	-	9	79
Plant, machinery and equipments	110,746	-	-	-	11,075	99,671
Quarry and transport equipments	1,676	-	-	-	335	1,341
Furniture, fixtures and equipments	2,156	165	-	-	400	1,921
Vehicles	8,717	44	597	428	1,735	6,857
Other assets	2,675	-	-	-	267	2,408
June 30, 2009	828,767	4,506,192	597	428	14,730	5,320,060

4.3.2 Had there been no revaluation, the status of revalued free hold land would have been at cost amounting to Rs.693.617 million.

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	

4.4 Capital work-in-progress

	Note	2010	2009
Civil work		**3,001**	30
Land development		**224,817**	70,386
		227,818	70,416

5. DEFERRED TAX ASSET

This comprises of the following: -

	Note	2010	2009
Taxable temporary differences			
Accelerated depreciation for tax purposes		**(906)**	(23,883)
Assets subject to finance lease		**(2,948)**	-
		(3,854)	(23,883)
Deductible temporary differences			
Provision for obsolete stores and advances		**11,869**	12,480
Liabilities subject to finance lease		**2,907**	-
Provision for bad debts		**676**	-
Employees Gratuity Fund Trust - related party		**326**	-
Minimum tax impact		**9,359**	5,951
Assessed tax losses		**616,809**	399,414
		641,946	417,845
		638,092	393,962
Less: Deferred tax asset not recognised	5.1	**638,092**	393,962
		-	-

5.1. Deferred tax asset has not been recognized on the ground that uncertainty exists regarding future profit from housing project against which the asset could be utilized.

6. STORES AND SPARES

	Note	2010	2009	2008
		-------- Rupees in '000' --------		
Stores	6.1	**23,951**	57,408	60,677
Spares		**99,568**	97,204	98,040
Stores and spares in transit		**534**	2,169	533
		124,053	156,781	159,250
Provision for obsolescence		**(33,911)**	(35,099)	(35,099)
Stores and spares in transit-written off		**(534)**	-	-
		89,608	121,682	124,151
Disposal	29.2	**(67,739)**	-	-
		21,869	121,682	124,151

6.1. Stores

	2010	2009	2008
Gross value	**24,107**	57,408	60,677
Less: Provision for write-down to net realizable value	**(156)**	-	-
	23,951	57,408	60,677

	Note	2010	2009	2008
		- - - - - - - - Rupees in '000' - - - - - - - -		
7. STOCK IN TRADE				
Raw and packing materials	7.1	**6,005**	109,382	51,882
Work in process		**-**	32,448	100,927
Finished goods		**-**	54,431	36,131
		6,005	196,261	188,940
7.1.Raw and packing materials				
Gross value		**9,016**	109,382	51,882
Less: Provision for write-down to net realizable value		**(3,011)**	-	-
		6,005	109,382	51,882

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	
8. TRADE DEBTS			
- Considered Good			
Related parties			
Al-Abbas Cement Industries		**29,760**	-
Others		**4,478**	9,943
		34,238	9,943
Considered doubtful - others		**1,930**	-
		36,168	9,943
Provision against debts considered doubtful	27	**(1,930)**	-
		34,238	9,943
9. ADVANCES			
Considered good			
Advances to suppliers		**1,162**	1,759
Advances to contractors		**3,451**	2,582
Advances against services and expenses		**1,517**	2,385
Advances to employees		**191**	1,611
		6,321	8,337
Considered doubtful			
Advances to suppliers		**147**	147
Advances to contractors		**411**	411
		558	558
Provision against advances considered doubtful		**(558)**	(558)
		-	-
		6,321	8,337

	Note	2010	2009	2008
		Rupees in '000'		
10. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES				
Deposits				
Guarantee margin	10.1.	**13,844**	21,344	13,344
Raw material supplier		**4,195**	2,385	2,385
Others		**466**	466	660
		18,505	24,195	16,389
Prepayments		**390**	63	392
Other receivables - considered good				
Related parties				
International Builders and Developers (Pvt) Limited		**216**	83	-
Al-abbas Cement Industries Limited		**6,661**	-	-
Al Abbas Sugar Mills Limited		**389**	-	-
Thatta Cement Company Limited		**12,709**	-	-
Others				
against sale of raw materials		**18,342**	-	-
against sale of plant and machinery with stores and spares	10.2	**620,000**	-	-
		658,317	83	-
		677,212	24,341	16,781

10.1 It includes deposit of Rs.12.619 million (2009 : Rs.20.169 million) which carries mark-up @ 10% to 12.5% (2009 : 10% to 12.5% , 2008 : 10%) per annum.

10.2 The Company has signed a formal sale / purchase agreement in respect of plant and machinery alongwith stores and spares at a selling price of Rs.670 million including taxes. The company has received earnest money of Rs.50 million from the buyer. The remaining amount will be recovered through usance Inland Letter of Credit within eight months from the date of agreement.

	Note	2010	2009	2008
		Rupees in '000'		
11. TAX REFUNDS DUE FROM GOVERNMENT				
Income Tax		**21,866**	33,727	27,475
Excise Duty		**574**	574	574
Sales Tax		**1,488**	1,488	1,488
		23,928	35,789	29,537

12. CASH AND BANK BALANCES

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	
Cash in hand		**181**	244
Cash at banks - in local currency			
Current accounts		**3,375**	11,840
Deposit accounts	12.1	**78,214**	59,745
		81,589	71,585
		81,770	71,829

12.1 This carries markup at a rate ranging from 9 to 10 percent (2009 : 6 to 8 percent) per annum payable on half yearly basis.

13. SHARE CAPITAL

2010	2009			
(Number of Shares)				
70,000,000	70,000,000	Ordinary shares of Rs.10 each	**700,000**	700,000
		Issued, subscribed and paid-up capital		
8,600,000	8,600,000	Issued for cash	**86,000**	86,000
47,200,000	47,200,000	Issued under the financial restructuring arrangement	**472,000**	472,000
200,000	200,000	Issued as fully paid bonus shares	**2,000**	2,000
(54,268,643)	(54,268,643)	Shares cancelled due to merger	**(542,686)**	(542,686)
27,332,729	27,332,729	Shares issued in lieu of merger	**273,327**	273,327
29,064,086	-	Right shares issued during the year	**290,641**	-
58,128,172	29,064,086		**581,282**	290,641

13.1 Reconciliation of the number of shares

	Note	2010	2009
Opening balance		**29,064,086**	29,064,086
Right issue during the year	13.1.1	**29,064,086**	-
Closing balance	13.1.2	**58,128,172**	29,064,086

13.1.1 During the year company has issued right shares at the ratio of 1 : 1, which are fully subscribed.

13.1.2 It includes 12,154,434 (2009 : 5,327,692) ordinary shares of Rs.10 each held by the associated undertaking of the company at the year end.

13.2 Ordinary shareholders are entitled to attend and vote on company meetings and are also entitled to any disbursements made by the Company.

			June 30, 2010	June 30, 2009
14.	**RESERVES**		**Rupees in '000'**	
	Capital Reserve			
	Tax holiday reserve		**11,966**	11,966
	Revenue Reserve			
	General reserve - for future contingencies and dividends		**63,500**	63,500
	Accumulated losses		**(4,269,722)**	(4,140,806)
			(4,206,222)	(4,077,306)
			(4,194,256)	(4,065,340)
15.	**SURPLUS ON REVALUATION OF FREEHOLD LAND**	15.1	**7,695,071**	4,505,983

15.1 The company has carried out revaluatoin of its free hold land from M/s Joseph Lobo (Pvt.) Limited on June 25, 2010, who determined the fair value of freehold land under market value basis, amounting to Rs.8.389 billion resulting a surplus on revaluation amounting to Rs.3.189 billion. Earlier the Company had revalued its freehold land from M/s. Younus Mirza and Company on January 5, 2009, who determined the fair value of freehold land under market value basis amounting to Rs.5.200 billion resulting a surplus on revaluation amounting to Rs.4.505 billion.

16. SPONSORS' LOAN

This represents un-secured interest free loans from Sponsors. The term of repayment has not yet been decided.

17. LONG TERM FINANCES

Redeemable Capital - Secured			
Term Finance Certificates - I	17.1	**625,000**	625,000
Term Finance Certificates - II & III	17.2	**2,875,000**	2,875,000
		3,500,000	3,500,000
Current portion shown under current liabilities		**(875,000)**	-
		2,625,000	3,500,000
Term loans - secured			
- from a banking company	17.3	**150,000**	150,000
- from a banking company	17.4	**250,000**	-
		400,000	150,000
Current portion shown under current liabilities		**(300,000)**	(120,000)
		100,000	30,000
		2,725,000	3,530,000

17.1 This represents privately placed Term Finance Certificates (TFCs) issued by the Company to consortium of banks consisting of Faysal Bank Limited, Allied Bank Limited and National Bank of Pakistan having a face value of Rs.100,000 each. The Company had successfully rescheduled the repayment of TFC vide supplementary trust deed dated June 30, 2009. The TFCs carry markup at the rate of 6 months KIBOR + 2.5% per annum subject to a floor rate of 7.5% and cap rate of 17.5%. Principal amount is repayable in 8 equal semi-annual installment of Rs.78.125 million each commencing from November, 2010. The TFCs are due to be redeemed latest by May, 2014. The TFCs are secured against first pari passu hypothecation charge on all present and future assets and first pari passu equitable mortgage charge on 910 acre land of the Company.

17.2 These represent privately placed Term Finance Certificates (TFCs) issued by the Company to consortium of banks consisting of Faysal Bank Limited, Allied Bank Limited and National Bank of Pakistan having a face value of Rs.100,000 each. The Company has successfully rescheduled the repayment of TFC vide supplementary trust deed dated June 30, 2009. The TFCs carry markup at the rate of 6 months KIBOR + 2.5% per annum subject to a floor rate of 7.5% and cap rate of 17.5%. Principal amount is repayable in 8 equal semi-annual installment of Rs.359.375 million each commencing from August 2010. The TFCs are due to be redeemed latest by February 2014. The TFCs are secured against first pari passu hypothecation charge on all present and future assets and first pari passu equitable mortgage charge on 910 acre land of the Company.

17.3 This loan has been sanctioned by KASB Bank Limited to the Company. It carries mark up at the rate of 3 months KIBOR + 2.5% payable quarterly. The loan has been repayable in nine quarterly installment of Rs. 16.67 million each commencing from October. 2010. It has been secured by way of first parri passu charge over the Company's fixed assets(land).

17.4 This loan has been sanctioned by Bank Islami Pakistan Limited to the Company, for the development of land. It carries mark up at the rate of 3 months KIBOR + 2.5% (with quarterly resets) payable quarterly. The loan is repayable in bullet payment at end of 13th month from the date of sanction letter. It has been secured by way of ranking charge on 56 acres of company land situated at manghopir.

18. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES

This represents finances obtained under the lease arrangement for plant and machinery and vehicles. The total minimum lease payments are payable in 36 monthly installments. The internal rate of return is 6% (2009 : Nil).

The amount of future payments for the lease and the period in which these payments will become due are: -

	June 30, 2010	June 30, 2009
	Rupees in '000'	
Minimum lease payments		
Upto one year	2,905	-
More than 1 year but not later than 5 years	6,049	-
	8,954	-
Finance charges not yet due		
Upto one year	368	-
More than 1 year but not later than 5 years	281	-
	649	-
Present value of minimum lease payments		
Upto one year	2,537	-
More than 1 year but not later than 5 years	5,768	-
	8,305	-
Current portion shown under current liabilities	(2,537)	-
	5,768	-

19. SHORT TERM BORROWINGS

	Note	2010	2009
Secured - from a banking company(related party)			
Short term loan	19.1	-	64,045

19.1 This loan was sanctioned by Arif Habib Bank Limited to the Company. It was carrying mark up at the rate of 3 months KIBOR + 4% payable quarterly. The loan has been repaid in lump sum during the current financial year. It was secured by way of first parri passu charge over 15 acres of the land.

	Note	2010	2009	2008
		---------Rupees in '000'---------		
20. TRADE AND OTHER PAYABLES				
Creditors		**2,890**	21,246	15,260
Employees Gratuity Fund Trust - related party	20.1	**931**	5,597	3,350
Advance from customers		**6,033**	31,256	32,827
Accrued liabilities		**133,808**	91,143	55,504
Retention money payable		**4,240**	6,976	6,966
Royalty and excise duty payable on excavation		**17**	1,248	1,872
Sales tax payable		**326**	23,821	16,170
Excise duty payable		**7,135**	35,055	32,299
Withholding tax payable		**458**	1,100	2,088
		155,838	217,442	166,336

20.1 Employees Gratuity Fund Trust - related party

	June 30, 2010	June 30, 2009
	Rupees in '000'	
a) The amount recognized in the balance sheet are as follows:		
Present value of defined benefits obligation	**2,723**	13,164
Add: Benefits payable to out going members	**7,220**	-
Add: Payable to Employees Gratuity fund trust against loan recoveries	**318**	-
Less: Fair value of plan assets	**(9,330)**	(7,567)
Recognized liabilities as at June 30	**931**	5,597
Present value of defined benefits obligation		
Opening balance	**13,164**	8,455
Current service cost for the year	**2,502**	5,609
Interest cost for the year	**1,580**	1,014
Benefits due but not paid	**(7,220)**	(1,104)
Benefits paid during the year	**(6,924)**	(274)
Actuarial (gain) / loss	**(379)**	(536)
	2,723	13,164
b) Changes in fair value of plan assets		
Opening balance	**7,567**	5,105
Expected return on plan assets	**908**	613
Contribution during the year	**7,229**	3,350
Benefits paid during the year	**(6,924)**	(1,379)
Actuarial gain /(loss)	**550**	(122)
	9,330	7,567

		June 30, 2010	June 30, 2009
		Rupees in '000'	
c) Change in actuarial gains/(losses)			
Net (loss)/ gain arising during the year		**929**	413
Credited to the profit and loss account		**(929)**	(413)
		-	-
d) The amount charged in profit and loss account are as follows:			
Current service cost		**2,502**	5,609
Interest cost		**1,580**	1,014
Expected return on plan assets		**(908)**	(613)
Net actuarial gain recognized in the year		**(929)**	(413)
		2,245	5,597
e) The charge for the year has been allocated as follows:			
Cost of goods sold	25.3	**1,728**	4,493
Distribution cost	26.1	**135**	348
Administrative expenses	27.1	**382**	756
		2,245	5,597
f) Actual return on plan assets			
Expected return on plan assets		**908**	613
Actuarial gain/ (loss) on plan assets		**550**	(122)
		1,458	491

g) The principal actuarial assumptions used for the purpose of the valuation were as follows:

	2010 %	2009 %
Rate of salary increase	**12.00%**	12.00%
Rate of return	**12.00%**	12.00%
Discount rate	**12.00%**	12.00%
h) Average expected remaining working period of employees	**5 years**	5 years

i) Expected charge for the year ended June 30, 2011 is Rs.0.652 million.

j) Present value of defined benefits obligations and fair value of plant assets: -

	2010	*2009*	*2008*	*2007*	*2006*
	Rupees in Thousands				
Present value of defined obligations at the end of the year	**2,722**	13,164	8,455	N/A	N/A
Fair value of plan assets at the end of the year	**9,330**	7,567	5,105	N/A	N/A
Surplus / (deficit) in the plan	**6,608**	(5,597)	(3,350)	N/A	N/A

i) Experience adjustments

	2010	*2009*	*2008*	*2007*	*2006*
Experience adjustment arising on plan liabilities (gains) / losses	**(379)**	(536)	1,863	N/A	N/A
Experience adjustment arising on plan assets gains / (losses)	**550**	(122)	268	N/A	N/A

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	
21. MARK-UP ACCRUED			
Long term finance			
Term finance certificates		**210,412**	236,803
Term loans		**9,326**	5,524
Short term borrowings		**-**	995
		219,738	243,322
22. CURRENT MATURITY OF NON CURRENT LIABILITIES			
Term Finance Certificates	17	**875,000**	-
Term Loans	17	**300,000**	120,000
Liabilities against assets subject to finance leases	18	**2,537**	-
		1,177,537	120,000

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

a) Guarantees issued by commercial banks on behalf of the Company amounting to Rs.73.844 million (June 30, 2009 : Rs.81.344 million).

b) In 2003 the company received Form PT13 from Excise and Taxation Officers, assessing authority DDO Property Tax (O) Division demanding Gross Annual Rental Value (GARV) amounting to Rs.28.078 million U/S 9(b) of the Urban Immoveable Property Tax Act, 1958. The Company filed objections with the concerned authority with the view that Company factory does not fall with in the jurisdiction of Deputy District Officers (Property Tax) (O) Division and proposed assignment made in respect of Company factory is without jurisdiction. The concerned authority reduced the GARV to Rs.5.722 million and thereafter, issue a show cause notice regarding outstanding amount including penalty which comes to aggregate amounting to Rs.7.108 million. The Company has filed Constitution Petition in the Honorable High Court of Sindh. The case is still pending. The management of the company is confident that the case will be decided in favour of the Company on the reason mentioned above. Hence no provision is made in these financial statements.

c) Town Municipal Administration Gadap, Karachi sent a notice requiring the company to get a Trade License and deposit Rs.8.625 million as Trade License fee for the year 2001 to 2006. The company filed a Constitution Petition before the High Court of Sindh to declare that respondents have no jurisdiction to impose and recover Trade License fee on the ground that the Province of Sindh City District Government and Town Municipal Administration Gadap, can not legally impose the Trade License fee in the absence of Bye-laws required to be framed under the Provision of Section 192 of Sindh Local Government Ordinance 2001. The lawyer of the Company is confident that case will be decided in the favor of the company and hence no provision is made in these financial statement.

d) From 1993-94 to 1998-99 the excise duty was levied and recovered from the Company being wrongly work out on retail price based on the misinterpretation of sub section 2 of section 4 of the Central Excise Act, 1944 by Central Board of Revenue. Such erroneous basis of working of excise duty has been held, being without lawful authority, by the Honorable Supreme Court of Pakistan as per its judgment dated February 15, 2007 in the civil appeal Nos. 1388 & 1389 of 2002, civil appeal Nos. 410 to 418 of 2005, civil appeal No. 266 of 2006, civil appeal No. 267 of 2006 and civil appeal No. 395 of 2006. Accordingly, the Company has filed an application to the Collector of Federal Excise and Sales Tax to refund the excess excise duty amounting to Rs.564.813 million. The case is pending before Collector. The management is confident that the final out come of the case will be favourable to the Company.

e) Company is defendant in lawsuit filed by Karachi Water and Sewerage Board (KWSB) for claim of Rs.7.816 million (2009 : Rs.7.816 million) as Conservancy charges. The decree was granted in favor of the Company by the Sindh High Court. The petition was lodged with the Supreme Court by the KWSB for grant of leave to appeal against the Company, Government of Pakistan and City district Government, Karachi. Company's legal counsel expect outcome in favor of the Company on the grounds that Company has its own arrangements for the disposal of sewerage water and is not dependent on the infrastructure of KWSB. The Honourable Supreme Court of Pakistan has ordered the deposit of bank guarantee amounting to Rs.12.619 million which is duly furnished by the Company. The case is pending with Honourable Supreme Court of Pakistan. The Management expects that the decision will be in favour of the Company.

f) Company was defendant in lawsuit filed by Sindh Employees Social Security Institution (S.E.S.S.I) for claim of Rs.7.88 million (2008 : Rs.7.88 million) relating to non payment of contribution to S.E.S.S.I for contractors' employees from years 1987 to 1993. Now the case has been settled as the unpaid contribution during the period of July 1987 at June 1993 has been redetermined by Commissioner, S.E.S.S.I as Rs.4.105 million against the assessed amount of Rs. 7.88 million as per the order of the High Court and Company has paid this amount during the current financial year in full and final settlement.

g) Company is party to various cases for different pieces of land. These cases pertain to title, possession as well as pertains to encroachment of land. The company's legal Counsel could not determine the financial impact of these cases at this stage, however, expect outcome in favor of the Company. Considering the limitations attached relating to the estimation of financial impact and further considering expectation of favorable outcome, no provision has been made in these financial statements.

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	
23.2 Commitments			
Capital Commitments			
Civil works and others		**1,500**	10,000
Purchase of accounting software and related hardware		**12,750**	-
		14,250	10,000

24. SALES - NET

Gross sales			
Local		**829,524**	2,109,518
Export		**13,858**	121,837
		843,382	2,231,355
Less:			
Sales tax		**113,593**	288,893
Excise duty		**118,485**	316,424
Rebate and discount on sales		**1,170**	3,822
		233,248	609,139
		610,134	1,622,216

25. COST OF GOODS SOLD

	Note	2010	2009	2008
			Rupees in '000'	
Raw materials consumed	25.1	**63,604**	126,370	108,588
Packing materials consumed	25.2	**39,057**	91,302	82,415
Stores and spares consumed		**16,685**	51,114	57,942
Utilities		**107,607**	222,961	206,470
Rent, rates and taxes		**267**	1,786	214
Fuel		**184,509**	473,014	410,426
Salaries, wages and other benefits	25.3	**68,632**	80,854	94,084
Insurance		**3,570**	3,365	1,368
Repairs and maintenance		**13,312**	15,716	10,642
Security Service Charges		**8,860**	7,680	-
Vehicle running expenses		**2,028**	2,543	1,820
Depreciation	4.2	**11,859**	13,575	15,045
Other expenses		**1,887**	2,126	10,597
		521,877	1,092,406	999,611
Work in process				
Opening balance		**32,448**	100,927	119,672
Clinker purchase		**48,471**	230,283	72,338
Closing balance		**-**	(32,448)	(100,927)
		80,919	298,762	91,083
Cost of goods manufactured		**602,796**	1,391,168	1,090,694

	Note	2010	2009	2008
			Rupees in '000'	
Finished goods				
Opening balance		**54,431**	36,131	41,931
Closing balance		**-**	(54,431)	(36,131)
		54,431	(18,300)	5,800
		657,227	1,372,868	1,096,494

25.1 Raw materials consumed

	Note	2010	2009	2008
Opening stock		**89,390**	35,519	27,674
Purchases		**5,741**	129,354	68,210
Own excavation cost	25.1.1	**16,690**	50,887	48,223
		111,821	215,760	144,107
Cost of sale of raw material	29.1	**(45,070)**	-	-
Closing stock		**(3,147)**	(89,390)	(35,519)
		63,604	126,370	108,588

25.1.1. This includes depreciation charged amounting to Rs.367 (2009 : Rs.419) thousands (refer note-4.2).

25.2 Packing materials consumed

	Note	2010	2009	2008
			Rupees in '000'	
Opening stock		**19,992**	16,363	13,470
Purchases		**26,264**	94,931	85,308
		46,256	111,294	98,778
Cost of sale of packing material	29	**(4,340)**	-	-
Closing stock		**(2,859)**	(19,992)	(16,363)
		39,057	91,302	82,415

25.3 This includes an amount of Rs.1,728 (2009 : Rs.4,493) thousands in respect of employees retirement benefits.

26. DISTRIBUTION COSTS

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	
Salaries, wages and other benefits	26.1	**3,325**	3,907
Export logistic and related charges		**3,236**	17,950
Marking fee		**634**	2,231
Communication		**39**	40
Entertainment		**144**	136
Repairs and maintenance		**909**	1,033
Legal and professional		**-**	35
Depreciation	4.2	**129**	147
Advertisement		**529**	-
Others		**315**	271
		9,260	25,750

26.1 This includes an amount of Rs.135 (2009 : Rs.348) thousands in respect of employees retirement benefits.

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	
27. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	27.1.	**10,441**	15,253
Printing and stationary		**275**	439
Traveling and conveyance		**225**	391
Communication		**500**	648
Legal and professional charges		**2,475**	2,890
Auditors' remuneration	27.2	**643**	390
Rent, rates and taxes		**472**	458
Utilities		**73**	77
Repairs and maintenance		**24**	60
Depreciation	4.2	**805**	589
Fee and subscription		**4,503**	1,036
Meeting and conventions		**23**	10
Vehicle running expenses		**327**	423
Entertainment		**141**	-
Donation	27.3.	**436**	-
Provision for bad debts	8	**1,930**	411
Penalty	27.4.	**50**	-
Insurance		**15**	86
		23,358	23,161

27.1 This includes an amount of Rs.382 (2009 : Rs.756) thousands in respect of employees retirement benefits.

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	
27.2 Auditors Remuneration			
Statutory auditors (Haroon Zakaria & Co.)			
Audit fee		**300**	200
Review fee		**65**	55
Other certification charges		**90**	35
Internal auditors (Munif Ziaudin Junaidi & company.)			
Remuneration		**88**	-
Cost auditors (Siddiqui & Co.)			
Cost audit fee		**100**	100
		643	390

27.3 None of the directors or their spouses have any interest in the donees of above donations.

27.4 This penalty is imposed by Securities and Exchange commission of Pakistan under Rule 11 of companies (Issue of Capital) Rules 1996, read with section 506 of companies Ordinance 1984.

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	
28. FINANCE COST			
Markup on long term finance		**577,169**	577,577
Markup on short term borrowings - related parties		**7,064**	995
Markup on finance lease		**75**	-
Bank charges and commission		**3,116**	4,407
		587,424	582,979
29. OTHER OPERATING INCOME			
Income from other financial assets			
Profit on deposits		**7,304**	7,900
Exchange gain		**-**	1,817
Income from non financial assets			
Income from sale of raw and packing material and stores - net	29.1	**6,546**	-
Rebate on export		**-**	530
Reversal of accrued liabilities		**8,194**	-
Reversal of provision for obsolescence		**1,189**	-
Gain on sale of operating fixed assets and stores	29.2	**512,505**	255
Miscellaneous		**204**	654
Sale of scrap	29.3	**7,153**	1,019
		543,095	12,175

29.1 Income from sale of raw and packing material and stores

Gross sales		**93,210**	-
Less: sales tax		**(7,757)**	-
: special excise duty		**(85)**	-
Net sales		**85,368**	-
Less: Related cost			
: raw materials	25.1	**45,070**	-
: packing materials	25.2	**4,340**	-
: stores and spares		**29,412**	-
		78,822	-
		6,546	-

29.2 Gain on sale of operating fixed assets and stores

Sale value		**679,144**	424
Carrying value			
Operating fixed assets	29.2.1	**98,900**	169
Stores and spares	6	**67,739**	-
		(166,639)	(169)
		512,505	255

29.2.1 Carrying value of operating fixed assets

Cost	4.1	**792,824**	597
Accumulated depreciation	4.1	**(693,924)**	(428)
		98,900	169

29.3 This includes sale of scrap to related party amounting to Rs.4.004 (2009 : Rs. Nil) thousands.

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	
30. TAXATION			
Current year		**3,492**	-
Prior year		**1,384**	40
		4,876	40
Deferred		**-**	57,615
		4,876	57,655

30.1 Income Tax assessments of the Company have been finalized upto and including the tax year 2009. However the Commissioner of Income Tax may at any time during a period of five years from the date of filing of return may select the deemed assessment for audit.

30.2 Since the Company is not liable to pay any current tax because of tax loss for the current financial year, therefore, no numerical tax reconciliation has been given. Current year tax charge is the minimum tax chargeable u/s 113 of Income Tax Ordinance 2001.

	Note	June 30, 2010	June 30, 2009
31. LOSS PER SHARE - Basic and Diluted		Rupees in '000'	
Loss after taxation		**(128,916)**	(428,022)
			Restated
Weighted average numbers of ordinary shares	13.1.1	**54,640,482**	51,152,791
Loss per share - Basic and Diluted Rupees	Rs.	**(2.36)**	(8.37)

31.1 There are no dilutive potential ordinary shares outstanding as at June 30, 2010 (2009 : Nil).

32. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Executives 2010	2009
	Rupees in '000'	
Aggregate amounts charged in the financial statements are as follows: -		
Managerial remuneration	**6,044**	6,337
Allowances	**19**	53
Housing	**1,021**	2,852
Medical expenses	**604**	634
Utilities	**227**	634
	7,915	10,510
Number of Persons	**7**	11

The Company also provides the executives with free use of Company maintained cars.

The Chief Executive and directors have not drawn any remuneration from the Company.

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

33.1 Loans and receivables

- Long term security deposit		**2,246**	2,246
- Trade debts		**34,238**	9,943
- Advances to employees		**191**	1,611
- Deposits and other receivables		**672,161**	21,427
- Interest accrued		**273**	315
- Cash and bank balances		**81,770**	71,829
		790,879	107,371

33.2 Financial liabilities at amortized cost

- Long-term financing - long term and current portion		**3,900,000**	3,650,000
- Liabilities against assets subject to finance lease long term and current portion		**8,305**	-
- Sponsor's loan		**1,127,713**	952,291
- Short-term borrowings		**-**	64,045
- Trade and other payables		**147,902**	124,962
- Unclaimed dividend		**2,834**	2,835
- Mark-up accrued		**219,738**	243,322
		5,406,492	5,037,455

33.3 The Company has exposures to the following risks from its use of financial instruments: -

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company’s risk management framework. The Board is also responsible for developing and monitoring the Company’s risk management policies.

33.4 Credit risk

Credit risk represents the accounting loss that would be recongnised at the reporting date if counterparties fail completely to perform as contracted. Out of total financial assets of Rs.790.879 million (2009 : Rs.107.371 million), the financial assets which are subject to credit risk amounted to Rs.790.698 million (2009 : Rs.107.127 million).

The carrying amount of financial assets represents the maximum credit exposure, the maximum exposure to credit risk at the reporting date is: -

	Note	June 30, 2010	June 30, 2009
		Rupees in '000'	
Long term security deposits		**2,246**	2,246
Trade debts	33.4.1to 33.4.3	**34,238**	9,943
Advances to employees		**191**	1,611
Trade deposits and other receivables	33.4.1to 33.4.3	**672,161**	21,427
Interest accrued		**273**	315
Bank balances		**81,589**	71,585
		790,698	107,127

33.4.1 The maximum exposure to credit risk for trade debts and other receivables is from Al-Abbas Cement Industries Limited (related party) and Transworld Traders showing following balances at balance sheet date: -

Al-Abbas Cement Industries Limited		
Trade debts	**36,438**	-
Other receivables	**6,661**	-
Transworld Traders		
Other receivables	**620,000**	-
	663,099	-

33.4.2 Impairment losses

The aging of trade debts and other receivables at the balance sheet date was: -

	2010		2009	
	Gross	**Impairment**	Gross	Impairment
		Rupees in '000'		
Not past due	**623,995**	**-**	658	-
Past due 1-90 days	**19,128**	**-**	6,735	-
Past due 91-180 days	**46,837**	**-**	337	-
Past due 181-1 year	**2,091**	**-**	2,296	-
More than one year	**2,434**	**1,930**	-	-
	694,485	**1,930**	10,026	-

33.4.3 Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors past due upto one year do not require any impairment. The company considers Rs.504 (thousands) as recoverable out of total overdue debtors for more than one year.

33.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liability when due.

33.5.1 The following are the contractual maturities of the financial liabilities that are subject to liquidity risk:-

	2010					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two year	Two to five year
	Rupees in '000'					
Financial Liabilities						
Long term finance	3,900,000	(5,048,631)	(900,766)	(757,500)	(1,289,844)	(2,100,521)
Liabilities against assets subject to finance leases	8,305	(9,679)	(1,453)	(1,453)	(6,773)	-
Sponsors' loan	1,127,713	(1,127,713)	-	-	-	-
Trade and other payables	147,902	(147,902)	(19,902)	(92,000)	(36,000)	-
Unclaimed dividend	2,834	(2,834)	-	(2,834)	-	-
Mark-up accrued	219,738	(219,738)	(219,738)			
	5,406,492	(6,556,497)	(1,141,859)	(853,787)	(1,332,617)	(2,100,521)

	2009					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two year	Two to five year
	Rupees in '000'					
Financial Liabilities						
Long term finance	3,650,000	(5,475,990)	(374,781)	(369,906)	(1,532,083)	(3,199,219)
Liabilities against assets subject to finance leases	-	-	-	-	-	-
Sponsors' Loan	952,291	(952,291)	-	-	-	-
Short term borrowings	64,045	(74,452)	(5,204)	(69,249)		
Trade and other payables	127,797	(127,797)	(127,797)	-	-	-
Mark-up accrued	243,322	(243,322)	(243,322)	-	-	-
	5,037,455	(6,873,852)	(751,104)	(439,155)	(1,532,083)	(3,199,219)

33.6. Market Risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will effect the Company's income.

33.6.1 Foreign currency risk

Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not exposed to foreign currency risk as at year end there are no financial assets and liabilities.

33.6.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows: -

	2010	2009
	(Percentage)	
Variable Rate Instruments		
Financial Liabilities		
- Long term and short term loans	**15.04%**	15.72%
- Liabilities against assets subject to finance lease	**6.00%**	-
Average rate	**10.52%**	15.72%

Cash flow sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit and equity for the year by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on same basis for 2009.

	2010	2009
	Profit and Loss 100 bp	
	Increase	(Decrease)
As at June 30 2010		
Cash flow Sensitivity	**55,839**	(55,839)
As at June 30 2009		
Cash flow Sensitivity	**37,085**	(37,085)

33.7. Risk management policies

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

33.8 Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensurating to the circumstances.

Consistent with others in the industry, the company monitors capital on the basis of the its gearing ratio. This is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total borrowings from financial institutions less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus sponsors' loan subordinate to equity and net debt.

	2010	2009
	Rupees in '000'	
The calculation as follows: -		
Total borrowings	**3,908,305**	3,714,045
Less: Cash and bank balances	**81,770**	71,829
Net debt	**3,826,535**	3,642,216
Total equity	**(2,485,261)**	(2,822,408)
Total Capital	**1,341,274**	819,808
Gearing ratio (times)	**2.853**	4.443

34 PRODUCTION CAPACITY

	2010	2009
	M. Tons	
Installed capacity per annum	**600,000**	600,000
Actual production:		
Ordinary Portland Cement	**92,826**	226,210
Blast Furnace Cement	**43,576**	105,694
Sulphate Resisting Cement	**12,596**	36,453
	148,998	368,357

During the year the company has ceased its cement manufacturing operations therefore the plant was operative for only four months upto October 2009.

35 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise companies with common directorship, directors, key management personnel and various other related parties has an interest in the Company that gives it significant influence over the Company. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:-

	2010	2009
	Rupees in '000'	
Associated companies		
Purchase of clinker - Gross	**64,181**	292,351
Sale of cement - Gross	**115,242**	230,884
Purchase of stores and spares - Gross	**282**	308
Associated companies		
Sales of stores and spares - Gross	**27,451**	8,795
Sale of vehicle	**1,592**	-
Sale of raw material - Gross	**9,606**	-
Payment made to associates	**7,570**	52,979
Receipts from associates	**48,792**	-
Common share expenses	**1,200**	2,400

	2010	2009
	Rupees in '000'	
Other related parties		
Receipt of sponsors' loan	**246,437**	238,404
Repayments of sponsors' loan	**71,015**	-
Repayment/receipt of running finance from a banking company	**64,045**	64,045
Mark-up paid on running finance from a banking company	**8,059**	-
Mark-up accrued on running finance from a banking company	**-**	995
Paid on behalf of a related party	**133**	83
Paid to Gratuity Fund Trust	**7,229**	3,350
Key management Personnel		
Paid to Employees Gratuity fund trust against loan recoveries	**-**	124

36 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment.

36.1 Revenue from sale of cement represents 95% (2009 : 99%) of the gross sales of the Company.

36.2 98% (2009 : 95%) of the gross sales of the Company are made to customers located in Pakistan.

36.3 All non-current assets of the Company at 30 June 2010 are located in Pakistan.

36.4 One customer of the Company accounts for 36% (2009 : 45%) of gross sales of the Company for the year.

37 CORRESPONDING FIGURES

Certain prior periods' figures have been reclassified consequent upon certain changes in current year's presentation which are as follows: -

				Rupees in '000'	
Note	***From***	***Note***	***To***	*2009*	*2008*
10	Other receivables	11	Tax refunds from government	2,062	2,062
20	Trade and other payables		Unclaimed dividend	2,835	2,836
6	Stores and spares	7	Stock in trade	19,992	16,363
25	Cost of sales (Other expenses)	25	Cost of sales (Insurance)	3,365	1,368
25	Cost of sales (Other expenses)	25	Cost of sales (Rent, rates and taxes)	1,786	214
25	Cost of sales (Other expenses)	25	Cost of sales (Vehicle running expenses)	2,543	1,820
25	Cost of sales (Other expenses)	25	Cost of sales (security service charges)	7,680	-
25	Cost of sales (Other expenses)	25	Cost of sales (salaries, wages and other benefits)	6,369	5,163
25	Cost of sales (Other expenses)	25	Cost of sales (Clinker purchase)	8,695	6,930

As the aforementioned reclassifications do not have any material impact on the face of the balance sheet, therefore, the company has not presented the balance sheet as at the beginning of the earliest comparative period presented (i.e. June 30, 2009). However the company has disclosed the effects of the aforementioned reclassification in the related notes.

38 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Board of Directors and were authorized for issue on October 08, 2010.

39 GENERAL

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

CHIEF EXECUTIVE **DIRECTOR**

PATTERN OF SHARE HOLDINGS
AS AT JUNE 30, 2010

Number of Sharholders	Shareholding From	Shareholding To	Total Number of Shares held
1652	1	100	53,966
505	101	500	108,633
91	501	1,000	66,431
58	1,001	5,000	125,842
9	5,001	10,000	58,240
1	10,001	15,000	13,555
1	15,001	20,000	18,102
1	20,001	25,000	22,800
1	40,001	45,000	43,495
1	75,001	80,000	76,500
1	195,001	200,000	200,000
1	225,001	230,000	229,895
2	295,001	300,000	600,000
1	515,001	520,000	518,551
1	680,001	685,000	682,159
1	930,001	935,000	931,000
1	1,140,001	1,145,000	1,142,500
1	1,910,001	1,915,000	1,913,423
1	2,355,001	2,360,000	2,357,500
1	2,730,001	2,735,000	2,733,273
1	4,430,001	4,435,000	4,433,817
1	6,035,001	6,040,000	6,040,000
1	6,495,001	6,500,000	6,499,768
1	7,000,001	7,005,000	7,002,783
1	8,600,001	8,605,000	8,602,456
1	13,650,001	13,655,000	13,653,483
2337			**58,128,172**

CATEGORIES OF SHAREHOLDERS

Shareholders Category	Number of Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children.	32,654,452	56.1766
Associated Companies, undertaking and related parties.	13,653,484	23.4886
NIT and ICP	13,755	0.0237
Banks Development Financial Instittutions, Non Banking Financial Institutions.	1,677,716	2.8862
Insurance Companies.	118	0.0002
Modarabas and Mutual fund.	NIL	NIL
Shareholder's holding 10%	41,798,490	71.9075
General Public		
a) Local.	7,528,162	12.9510
b) Foreign.	NIL	NIL
Others.	2,600,485	4.4737

DETAIL OF SHAREHOLDERS CATEGORIES
AS AT JUNE 30, 2010

S.No.	Categories of Shareholders	Number of Shares	Percentage
1	**Associated Companies, Undertakings and Related Parties**	**13,653,484**	**23.4886**
	M/s Arif Habib Equity (Pvt) Limited	1	-
	M/s Arif Habib Equity (Pvt) Ltd.	13,653,483	23.4886
2	**NIT and ICP**	**13,755**	**0.0237**
	IDBP (ICP Unit)	200	0.0003
	National Bank Of Pakistan	13555	0.0233
3	**Directors, CEO and their spouses and minor children**	**32,654,452**	**56.1766**
	Arif Habib	8,602,456	14.7991
	Aqeel Kareem Dhedhi	4,433,818	7.6277
	Mohammad Ayub Younus	6,499,770	11.1818
	Mohammed Iqbal	2,733,274	4.7022
	Mohammed Rafiq	3,826,582	6.5830
	Shunaid Qureshi	6,558,552	11.2829
4	**Banks Developments Financial Institutions, Non-Banking Financial Institutions**	**1,677,716**	**2.8862**
	IGI Investment Bank Limited	300,000	0.5161
	Bank Al-Falah Limited - Karachi Stock Exchange	229,895	0.3955
	M/s Australasia Bank Ltd.	4,100	0.0071
	Muslim Commercial bank Ltd.	1,200	0.0021
	Commerce Bank Ltd.	11	0.0000
	Pak Libya Holding Company (Pvt.) Ltd.	1,142,500	1.9655
	Bank of Bahawalpur Ltd.	10	0.0000
5	**Insurance Companies**	**118**	**0.0002**
	Pakistan Reinsurance Company Limited	118	0.0002
6	**Shareholder holding ten percent or more voting interese in the Company**	**41,789,490**	**71.8920**
	Mr. Arif Habib	8,602,456	14.7991
	M/s Arif habib Equity (Pvt.) Ltd.	13,653,483	23.4886
	Mr. Shunaid Qureshi	6,040,000	10.3908
	Mr. haji Abdul Ghani	7,002,783	12.0471
	Mr. M. Ayub Younus Adhi	6,499,768	11.1818

Form of Proxy

I/We ____

(Name)

of ____

(Address)

being a member(s) of JAVEDAN CEMENT LIMITED and a holder of ______________________

(Number of Shares)

Ordinary Shares as per Registered Folio No./CDC Participant's ID and Account No ______________

hereby appoint ____

of ____

(Address)

or failing him ____

of ____

(Address)

who is also a member of Javedan Cement Limited vide registered Folio No./CDC Participant's ID and Account No.______________________, as my / our Proxy to vote for me / us and on my / our behalf at the 48th Annual General Meeting of the Company to be held on October 30, 2010 at Beach Luxury Hotel, Karachi, on Saturday at 7:30 p.m. and any adjournment thereof.

Signed this ______________ day of ______________ 2010.

Signature of Witness:

Name ______________________

Address ______________________

____

Signature across Rs. 5/-
Revenue Stamp

IMPORTANT.

1. This Form of proxy duly completed must be deposited at our Share Registrar Office M/s. Technology Trade (Pvt) Ltd., Dagia House, 241-C, Block - 2, P.E.C.H.S, off Shahrah-e-Quaideen, Karachi.

2. A Proxy should also be a shareholder of the Company