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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Nasim Baig	Chairman
Asim Ghani	Chief Executive
Ajaz Ahmed	Director
Aves Cochinwala	Director
Ikram-ul-Haq Siddiqui	Director
Kashif A. Habib	Director
Mohammad Ayub	Director
Rafiq Tumbi	Director
Shunaid Qureshi	Director

### COMPANY SECRETARY

Khursheed Anwer

### CHIEF FINANCIAL OFFICER

Zuhair Abbas

### AUDIT COMMITTEE

Kashif A. Habib	Chairman
Shunaid Qureshi	Member
Asim Ghani	Member

### AUDITORS

Haroon Zakaria & Company	Chartered Accountants
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### COST AUDITORS

Siddiqi & Co.	Cost & Management Accountants Karachi.
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### BANKERS

Al-Baraka Islamic Bank  
Allied Bank Limited  
Bank Al-Falah Limited  
Habib Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
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 : 92-21-2470090  
Website : [www.jcl.com.pk](http://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](mailto:junaid.dagia@gmail.com)

### FACTORY LOCATIONS

Manghopir, Karachi-75890  
Tel: 6980026-6986913  
Fax: 92-21-6946918

## DIRECTORS' REVIEW REPORT

The Directors of Javedan Cement Limited present herewith the un-audited reviewed financial statements of the Company for the nine months ended March 31, 2008.

### PRODUCTION AND SALES

The quantitative figures of Production and Sales for the quarter under review and cumulative figures for the nine months ended March 31, 2008 and its comparative figures for the respective period are given as under:-

	For the Quarter Ended		For the Nine Months Ended	
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
	In M. Tons			
Clinker Production	38,580	50,575	205,444	246,236
Clinker Purchase	2,830	-	12,829	4,991
Cement Production	90,441	79,014	263,583	232,233
Cement available for sale	104,606	95,296	277,953	249,481
Cement Sales	88,061	83,200	261,406	237,385

During the period under review, the cement industry witnessed an accelerated growth in demand but your Company was hampered with the lower production of Clinker due to scarce supply of Gas by Sui Southern Gas Company Limited. At one stage, the gas supply remained suspended for 105 days for Kiln having capacity of 500 M.T and 65 days for Kiln having capacity of 1,000 M.T and consequently the production of Clinker also remained suspended. The cost of furnace oil being exorbitant, its use as an alternate fuel was not considered economically viable for the Company as a result, production decreased by 40,792 M.T in the current period as compared to the corresponding period.

### OPERATING RESULTS

During the period under review, the cement industry no doubt witnessed an overall growth in demand in both domestic and international markets. The international prices have shown rising trend but the local prices remained under pressure during October 2007 to February 2008 because of price war situation among the cement manufacturers. However, with the start of Spring there is always an increase in local demand so the pressure on the local price is likely to ease at least till start of winter. Despite the under utilization of capacity due to intermittent supply of Gas resulting in quantitative loss of production and sales coupled with low prices of cement compared with the same quarter of last period, your Company through judicious control exercised over cost of production has earned operating profit of Rs. 41.175 of Rs. 69.372 million. However, due to financial charges of Rs. 68.394 million, the Company ended up at loss Rs. 28.733 million for the period of nine months ended March 31, 2008.

**FUTURE PROSPECT**

The demand of cement in local as well as in neighboring countries and in Africa is rising continuously. The high prices of freight due to increase in fuel price has given an added advantage to our country and your Company as well for exporting the cement to these countries due to its proximity. The Management of your Company has already obtained BIS - Certification and has been trying to capture export orders as one of the steps towards achieving maximum advantage under present scenario of high demand.

Pakistan economy is continuously showing upward growth and the construction activity is one of the main driving forces behind overall growth of the economy. It is anticipated that the cement industry would continue to grow faster than the rate at which economy is growing. The Government has already earmarked huge amount for infrastructural projects of mega sizes though presently suspended till the end of current financial year but there is every possibility that these projects would continue till completion. The private investors both locals and foreigners have already undertaken and are showing growing interest for further investment in construction of huge residential and commercial projects.

There is also growing demand for cement in nearby countries including India, GCC countries and African countries which has created additional export potentialities for our industry. The Indian Government has recently banned the export of Cement to cater its demand. This would have positive effect on Pakistan's export to Middle East countries due to construction boom prevailing there.

All these positive factors are likely to increase the demand of cement locally and abroad and will have very significant and pleasant impact on growth of the cement industry as a whole. Your Company would not lag behind and is determined to have its due share from the overall economic growth of the cement industry.

**ACKNOWLEDGMENT**

The Board of Directors of the Company would like to place on record its appreciation to the financial institutions, customers, dealers, suppliers, workers, staff and officers of the Company for their hard work in improving the performance and financial results and hope that the same spirit will continue in future as well.

For and on behalf of the Board



**Asim Ghani**  
Chief Executive

**Karachi: February 26, 2008**


**CONDENSED INTERIM  
BALANCE SHEET (UN-AUDITED)**

AS AT MARCH 31, 2008

<b>ASSETS</b>	<b>Note</b>	<b>(Unaudited) March 31, 2008</b>	<b>(Audited) June 30, 2007</b>
		<b>(Rupees in '000)</b>	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipments - Operating	4	842,569	833,762
Deferred tax asset		32,792	30,292
Long term security deposits		2,247	2,246
<b>CURRENT ASSETS</b>			
Stores and spares		153,690	152,806
Stock-in-trade		203,619	189,277
Trade debts-unsecured considered good		33,978	10,908
Loans and advances		26,858	37,759
Deposits, prepayments and other receivables		21,926	21,068
Interest accrued		862	430
Tax refunds due from Government		24,164	-
Cash and bank balances		72,271	8,152
		<u>537,368</u>	<u>420,400</u>
<b>TOTAL ASSETS</b>		<u>1,414,976</u>	<u>1,286,700</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 70,000,000 Ordinary shares of Rs 10 each		<u>700,000</u>	<u>700,000</u>
Issued, subscribed and paid-up share capital		560,000	560,000
Reserves		<u>(272,622)</u>	<u>(243,889)</u>
Shareholders' fund		287,378	316,111
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Redeemable capital		625,000	625,000
Sponsors loan		122,200	-
<b>CURRENT LIABILITIES</b>			
Short term finance		150,000	150,000
Trade and other payables		191,100	176,566
Mark up accrued		35,283	13,403
Provision for taxation		4,014	5,620
		380,398	345,589
<b>CONTINGENCIES</b>	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,414,976</u>	<u>1,286,700</u>

The annexed notes form an integral part of these financial statements.

  
**Chief Executive**

  
**Director**

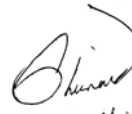
**CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2008**

	Nine Months Ended		Quarter Ended	
	March 31 2008	March 31 2007	March 31 2008	March 31 2007
<b>SALES -NET</b>	798,274	813,084	263,342	227,786
<b>COST OF GOODS SOLD</b>	728,902	928,827	262,483	255,957
<b>GROSS PROFIT / (LOSS)</b>	69,372	(115,743)	859	(28,171)
<b>OPERATING EXPENSES</b>				
Distribution cost	23,694	10,152	4,211	484
Administrative expenses	8,966	23,842	794	749
	32,660	33,994	5,005	1,233
	36,712	(149,737)	(4,146)	(29,404)
<b>OTHER OPERATING INCOME</b>	4,463	16,121	540	1,934
<b>PROFIT FROM OPERATION</b>	41,175	(133,616)	(3,606)	(27,470)
<b>FINANCE COST</b>	68,394	47,988	25,187	20,742
<b>(LOSS) BEFORE TAXATION</b>	(27,219)	(181,604)	(28,793)	(48,212)
<b>TAXATION</b>				
Current	4,014	4,065	1,320	1,139
Prior	-	(28,987)	-	-
Deferred	(2,500)	(64,307)	-	-
	1,514	(89,229)	1,320	1,139
<b>(LOSS) AFTER TAXATION</b>	(28,733)	(92,375)	(30,113)	(49,351)
Basic earning per share-Rupees	(0.51)	(1.65)	(0.54)	(0.88)

The annexed notes form an integral part of these financial statements.



**Chief Executive**



**Director**

**CONDENSED INTERIM  
CASH FLOW STATEMENT (UNAUDITED)**

FOR THE PERIOD ENDED MARCH 31, 2008

	<b>March 31 2008</b>	<b>March 31 2007</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(27,219)	(181,604)
Adjustments for non-cash items and other charges		
Depreciation	12,154	12,340
Finance cost	68,394	47,988
Interest income	(1,094)	(13,260)
Gain on disposal of fixed assets	(2,000)	(1,350)
Cash from/ (used in) operating activities before working capital changes	50,235	(135,886)
(Increase)/ Decrease in current assets:		
Stores and spares	(884)	(20,478)
Stock in trade	(14,342)	(93,517)
Trade debts	(23,070)	(1,801)
Loans and advances	(6,360)	(23)
Deposits, prepayments and other receivables	(858)	22,084
Increase/ (Decrease) in trade and other payables	14,534	(18,427)
	(30,980)	(112,162)
Net cash from operation	19,255	(248,048)
Income tax paid	(12,523)	(65,095)
Financial charges paid	(46,514)	(16,771)
<b>Net cash used in operating activities</b>	<b>(39,782)</b>	<b>(329,914)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(21,043)	(384,782)
Proceeds from sales of fixed assets	2,082	1,898
Interest received	662	18,680
Investment encashed	-	114,204
<b>Net cash used in investing activities</b>	<b>(18,299)</b>	<b>(250,000)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term loan	-	625,000
Proceeds from sponsors loan	122,200	-
Dividends paid	-	(216,198)
<b>Net cash from financing activities</b>	<b>122,200</b>	<b>408,802</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>64,119</b>	<b>(171,112)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>8,152</b>	<b>367,187</b>
<b>Cash and cash equivalents at end of period</b>	<b>72,271</b>	<b>196,075</b>

The annexed  is an integral part of these financial statements.

**Chief Executive**

**Director**

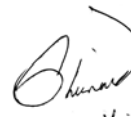
**CONDENSED INTERIM  
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2008**

Description	Share capital	Capital reserve	Reserve			Total	Total
			Revenue				
			General	Accumulated losses	Sub Total		
← (Rupees in '000) →							
Balance as at July 1, 2006	560,000	11,966	63,500	(135,720)	(72,220)	(60,254)	499,746
Loss for the nine months ended March 31, 2007	-	-	-	(92,375)	(92,375)	(92,375)	(92,375)
Final dividend for the year ended June 30, 2006 @ 16.70%				(93,520)	(93,520)	(93,520)	(93,520)
<b>Balance as at March 31, 2007</b>	<b>560,000</b>	<b>11,966</b>	<b>63,500</b>	<b>(321,615)</b>	<b>(258,115)</b>	<b>(246,149)</b>	<b>313,851</b>
Balance as at July 1, 2007	560,000	11,966	63,500	(319,355)	(255,855)	(243,889)	316,111
Loss for the nine months ended March 31, 2008	-	-	-	(28,733)	(28,733)	(28,733)	(28,733)
<b>Balance as at March 31, 2008</b>	<b>560,000</b>	<b>11,966</b>	<b>63,500</b>	<b>(348,088)</b>	<b>(284,588)</b>	<b>(272,622)</b>	<b>287,378</b>

The annexed notes form an integral part of these financial statements.



**Chief Executive**



**Director**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2008

### 1. STATUS AND NATURE OF BUSINESS

Javedan Cement Limited was incorporated 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. The Company is jointly held by Al-Abbas Holdings (Private) Limited., and Ghani Holdings (Private) Limited. Registered office of the company is located at Karachi.

### 2. BASIS OF PREPARATION

These financial statements are un-audited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange of Pakistan and have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.

### 3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these financial statements are same as those applied in the preparation of the annual financial statements for the year ended June 30, 2007.

### 4. PROPERTY, PLANT AND EQUIPMENTS

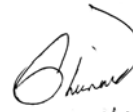
The additions and disposals were made during the period are given below:-

	(Unaudited) March 31, 2008		(Unaudited) June 30, 2007	
	Additions	Disposals	Additions	Disposals
	(Rupees in '000)			
Freehold land	-	-	685,787	-
Plant and machinery	5,102	-	-	-
Buildings and roads on free hold land	-	-	761	-
Quarry and transport equipment	-	5,478	-	-
Vehicles	50	460	11,181	3,426
Furniture, fixtures and equipments	496	-	666	-
Capital work in progress				
- Land development	15,395	-	-	-
	<u>21,043</u>	<u>5,938</u>	<u>698,395</u>	<u>3,426</u>

### 5 CONTINGENCIES

There were no changes in contingencies since the last audited financial statements.

	Nine Months Ended		Quarter Ended	
	March 31 2008	March 31 2007	March 31 2008	March 31 2007
	(Rupees in '000')		(Rupees in '000')	
<b>6 COST OF GOODS SOLD</b>				
Raw materials consumed (Note 6.1)	78,620	70,593	20,452	19,252
Packing materials consumed (Note 6.2)	54,923	41,070	19,647	14,969
Stores and spares consumed	28,949	56,089	7,420	29,845
Utilities	144,246	147,244	37,459	41,276
Fuel	293,756	368,844	40,916	66,230
Salaries, wages and other benefits	67,780	279,847	22,317	21,827
Repairs and maintenance	6,706	7,840	2,351	5,228
Depreciation	11,230	11,365	3,829	3,849
Other expenses	14,356	13,657	4,221	5,493
	<u>700,565</u>	<u>996,549</u>	<u>158,613</u>	<u>207,969</u>
<b>Work-in-process</b>				
Opening balance	119,672	16,223	221,661	132,369
Clinker Purchase	31,281	11,729	7,784	11,729
Closing balance	(113,255)	(104,967)	(113,255)	(104,967)
	<u>37,698</u>	<u>(77,015)</u>	<u>116,190</u>	<u>39,131</u>
<b>Cost of goods manufactured</b>	<u>738,263</u>	<u>919,534</u>	<u>274,803</u>	<u>247,100</u>
<b>Finished Goods</b>				
Opening balance	41,931	45,119	38,973	44,683
Closing balance	(51,292)	(35,826)	(51,292)	(35,826)
	<u>(9,361)</u>	<u>9,293</u>	<u>(12,319)</u>	<u>8,857</u>
	<u>728,902</u>	<u>928,827</u>	<u>262,483</u>	<u>255,957</u>
<b>6.1 Raw Materials Consumed</b>				
Opening stock	27,675	9,262	34,483	12,237
Purchases	57,571	40,273	15,084	21,197
Own excavation and other related cost	32,446	44,386	9,957	9,146
	<u>117,691</u>	<u>93,921</u>	<u>59,524</u>	<u>42,580</u>
Closing stock	(39,072)	(23,328)	(39,072)	(23,328)
	<u>78,620</u>	<u>70,593</u>	<u>20,452</u>	<u>19,252</u>
<b>6.2 Packing Materials Consumed</b>				
Opening stock	13,471	8,317	11,350	5,396
Purchases	49,359	41,679	16,204	18,499
	<u>62,830</u>	<u>49,996</u>	<u>27,554</u>	<u>23,895</u>
Closing stock	(7,907)	(8,926)	(7,907)	(8,926)
	<u>54,923</u>	<u>41,070</u>	<u>19,647</u>	<u>14,969</u>
<b>7 TRANSACTIONS WITH RELATED PARTIES</b>				
Sales of Clinker	-	15,016	-	6,795
Purchase of Vehicle	-	1,951	-	1,951
Purchase of Clinker	42,149	15,787	10,323	-
Purchase of Grinding Media	-	22,204	-	-
Loan received from sponsors	122,200	-	122,200	-
<b>8 DATE OF AUTHORIZATION FOR ISSUE</b>				
These financial statements were authorized for issue on April 29, 2008 by the Board of Directors of the Company.				
<b>9 GENERAL</b>				
Figures have been rounded-off to the nearest thousands of rupees.				


**Chief Executive**

**Director**