

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>September 30, 2007</b>	<b>September 30, 2006</b>
	<b>Rupees in Thousand</b>	
(Loss) / profit before taxation	2,901	250,468
Adjustments for non-cash items and other charges		
Depreciation	3,966	12,776
Amortization of deferred cost	-	8,652
Financial charges	25,552	870
Interest income	(26)	
(Gain) / Loss on disposal of fixed assets	-	8
Cash (used in) / from operating activities before working capital changes	32,393	272,774
(Increase) / Decrease in current assets:		
Stores and spares	3,120	17,590
Stock in trade	42,206	(14,303)
Trade debts	(37,777)	-
Loans and advances	(4,550)	2,065
Deposits, prepayments and other receivables	(212)	(3,121)
Tax due from government other than income tax	-	(4,123)
(Decrease) / Increase in trade and other payables	(11,033)	1,425
	(8,246)	(467)
Net cash (used in) / from operation	24,147	272,307
Income tax paid	(1,985)	(90,228)
Financial charges paid	(2,745)	(870)
<b>Net cash generated from operating activities</b>	19,417	181,209
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(20)	(196)
Interest received	141	-
Long term loans and advances	-	(1,306)
<b>Net cash used in investing activities</b>	121	(1,502)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid and net cash from financing activities	(11)	(2)
<b>Net cash from financing activities</b>	19,527	179,705
Cash and cash equivalent at beginning of period	8,152	397,273
<b>Cash and cash equivalent at end of period</b>	<b>27,679</b>	<b>576,978</b>

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

**Asim Ghani**  
Chief Executive

**Shunaid Qureshi**  
Director

**DIRECTORS' REVIEW REPORT**

The Directors of Javedan Cement Ltd. present herewith the un-audited financial statements of the Company for the quarter ended September 30, 2007.

**PRODUCTION AND SALES**

The comparative figures of production and sales for the quarter ended September, 2007 are given as under:

	For the Quarter Ended	
	September 30, 2007	September 30, 2006
	In M. Tons	
Clinker Production	86,452	100,577
Cement Production	114,720	90,790
Cement Sales		
Local	87,999	94,848
Export	28,229	Nil

During the quarter under review, the production of clinker was 86,452 M.T as against last year corresponding period clinker production of 100,577 M.T, which resulted decrease by 14,125 M.T. Cement production increased by 23,930 M.T during the quarter over the same period of last year and overall cement dispatches increased by 21,380 M.T, though the local sales decreased by 6,849 M.T but on the other hand export sales increased by 28,229 M.T. as compared to the last quarter.

**OPERATIONAL RESULT**

During the quarter under review, the company has earned gross profit of Rs. 40.367 million as against Rs. 115.666 million in the same period of last year and net profit of Rs. 1.062 million as against net profit of 76.061 million of last year corresponding period. Although, the quantity of cement sold this fiscal quarter exceeded compared to last fiscal quarter, yet the company's profit declined due to the fall in retention price this quarter compared to that of last quarter.

**FUTURE PROSPECTS**

The Cement Industry's overall situation in South Region of Pakistan is better but due to heavy expansion in North Region most of these units have started dumping in South Market especially in Karachi, which has adversely affected the sale price and volume.

Your Company has received Bureau of Indian Certificate. This will open the gateway of export to India at very attractive prices. Keeping in view the large quantity of cement is expected for export to India, every possible efforts are being made to boost up sales. We hope that the company would be able to achieve better results in the remaining period of the financial year by retaining and capturing market share.

**ACKNOWLEDGMENT**

The Board of Directors of the company would like to place on record appreciation for the financial institution, 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.

Karachi: October 29, 2007 □□

For and on behalf of the Board □□□□

**Asim Ghani** □□□□  
Chief Executive

**JAVEDAN CEMENT LIMITED****BALANCE SHEET - UNAUDITED  
AS AT SEPTEMBER 30, 2007**

		September 30, 2007	June 30, 2007
<u>ASSETS</u>	Note	(Rupees in '000')	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipments-Operating	4	829,816	833,762
Deferred tax asset		30,292	30,292
Long term security deposits		2,246	2,246
<b>CURRENT ASSETS</b>			
Stores and spares		149,686	152,806
Stock-in-trade		147,071	189,277
Trade debts-unsecured considered good		48,685	10,908
Loans and advances		12,532	7,982
Deposits, prepayments and other receivables		21,280	21,068
Interest accrued		315	430
Tax refunds due from Government		31,762	29,777
Cash and bank balances		27,679	8,152
		<u>439,010</u>	<u>420,400</u>
<b>TOTAL ASSETS</b>		<b><u>1,301,364</u></b>	<b><u>1,286,700</u></b>
<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 (242,827)	560,000 (243,889)
Reserves		317,173	316,111
Shareholders' fund			
<b>NON-CURRENT LIABILITIES</b>		625,000	625,000
Redeemable capital			
<b>CURRENT LIABILITIES</b>			
Short term finance		150,000	150,000
Trade and other payable		165,522	176,566
Mark up accrued		36,210	13,403
Provision for taxation		7,459	5,620
		359,191	345,589
<b>CONTINGENCIES</b>	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,301,364</u></b>	<b><u>1,286,700</u></b>

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

**Asim Ghani**  
Chief Executive

**Shunaid Qureshi**  
Director

**PROFIT AND LOSS ACCOUNT - UNAUDITED  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

	<u>Quarter ended</u>	
	<b>September 30, 2007</b>	<b>September 30, 2006</b>
	(Rupees in '000')	
Sales -net	367,311	385,687
Cost of goods sold	326,944	270,021
Gross profit	40,367	115,666
<b>Operating Expenses</b>		
Distribution cost	6,619	643
Administrative expenses	5,684	5,913
	12,303	6,556
Other operating income	28,064	109,110
Profit from operation	389	11,431
	28,453	120,541
Financial cost	25,552	246
Other Charges	-	6,014
	25,552	6,260
<b>Profit before taxation</b>	2,901	114,281
Taxation	(1,839)	(38,220)
<b>Profit after taxation</b>	<b>1,062</b>	<b>76,061</b>
Basic Earnings per share-Rupees	0.02	1.36

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

**Asim Ghani**  
Chief Executive

**Shunaid Qureshi**  
Director

**NOTES TO THE FINANCIAL STATEMENTS - UNAUDITED  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007****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 (Pvt) Ltd., and Ghani Holdings (Pvt) Ltd. 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:-

	September 30, 2007		June 30, 2007	
	Additions	Disposals	Additions	Disposals
	(Rupees in '000')			
Free hold land	-	-	685,787	-
Buildings and roads on free hold land	-	-	761	-
Furniture, fixtures and equipments	20	-	666	-
Vehicles	-	-	11,181	3,426
	<u>20</u>	<u>-</u>	<u>698,395</u>	<u>3,426</u>

**5. CONTINGENCY**

There is no change in contingencies as reported in audited financial statements for the year ended June 30, 2007.

**6. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue on October 29, 2007 by the Board of Directors of the Company.

**7. GENERAL**

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

**Asim Ghani**  
Chief Executive

**Shunaid Qureshi**  
Director



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**CORPORATE INFORMATION**

<b>Board of Directors:</b>	Nasim Beg ☐ Asim Ghani ☐ Shunaid Qureshi Mohammad Shafi Malik Mohammad Ayoub Rafiq Tumbi Aves Cochinwala Kashif A. Habib Ikram-ul-Haq Siddiqui	Chairman Chief Executive
<b>Company Secretary:</b>	Khursheed Anwer	
<b>Chief Financial Officer:</b>	Zuhair Abbas	
<b>Board of Audit Committee:</b>	Kashif A. Habib ☐ Shunaid Qureshi ☐ Asim Ghani ☐	Chairman Member Member
<b>Statutory Auditors:</b>	Haroon Zakaria & Company Chartered Accountants	
<b>Cost Auditors:</b>	Siddiqi & Co. Cost & Management Accountants Karachi.	
<b>Bankers:</b>	United Bank Limited MCB Bank Limited National Bank of Pakistan Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Faysal Bank Limited	
<b>Registered Office:</b>	2nd Floor, Pardesi House, Survey No. 2/1 R.Y. 16, Old Queens Road, Karachi. Tel: 92-21-111-111-224 Fax: 92-21-2470090 Telegram: JAVCEMENT E-mail: ☐ javedancement@hotmail.com ☐ javedancement@yahoo.com Website: www.jcl.com.pk	
<b>Shares Register:</b>	Technology Trade (Pvt) Ltd. Dagja House, 241-C, PECHS Block-2, Off Shahrah-e-Quaideen, Karachi.	
<b>Factory:</b>	Manghopir, Karachi-75890 Tel: 6980026-6986913 Fax: 92-21- 6946918	

**JAVEDAN CEMENT LIMITED**  
**STATEMENT OF CHANGES IN EQUITY - UNAUDITED**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

	Share capital	Capital reserve	Reserve			Total	
			General	Accumulated Losses	Sub Total		Total
Balance as at July 1, 2006	560,000	11,966	63,500	(135,720)	(72,220)	(60,254)	499,746
Profit for the quarter July - September, 2006	-	-	-	76,061	76,061	76,061	76,061
Final dividend for the year ended June 30, 2006 @ 16.70%				(93,520)	(93,520)	(93,520)	(93,520)
<b>Balance as at September 30, 2006</b>	<b>560,000</b>	<b>11,966</b>	<b>63,500</b>	<b>(153,179)</b>	<b>(89,679)</b>	<b>(77,713)</b>	<b>482,287</b>
<b>Balance as at July 1, 2007</b>	<b>560,000</b>	<b>11,966</b>	<b>63,500</b>	<b>(319,355)</b>	<b>(255,855)</b>	<b>(243,889)</b>	<b>316,111</b>
Profit for the quarter July - September, 2007	-	-	-	1,062	1,062	1,062	1,062
<b>Balance as at September 30, 2007</b>	<b>560,000</b>	<b>11,966</b>	<b>63,500</b>	<b>(318,293)</b>	<b>(254,793)</b>	<b>(242,827)</b>	<b>317,173</b>

Rupees in '000'

Balance as at July 1, 2006

Profit for the quarter July - September, 2006

Final dividend for the year ended June 30, 2006 @ 16.70%

**Balance as at September 30, 2006**

**Balance as at July 1, 2007**

Profit for the quarter July - September, 2007

**Balance as at September 30, 2007**

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



**Asim Ghani**  
Chief Executive



**Shunaid Qureshi**  
Director