



Directors' Report to the Share Holders

Your Directors take this opportunity to present you the accounts of the Company for the Third quarter ended March 31, 2008.

The comparative data for production of clinker & cement and dispatches of cement for the third quarter is summarized hereunder:-

	Third Quarter Ended		Nine Months Ended	
	Mar. 2008	Mar. 2007	Mar. 2008	Mar. 2007
Clinker Production	20,591	73,025	167,996	241,730
Cement :				
Production	21,458	81,590	175,671	267,667
Dispatches	19,959	83,315	174,984	267,842

During the period under review, the operating performance of the Company decreased considerably as compared to the preceding comparable quarter and nine months ended. It was mainly attributed during the first two quarters, towards early curtailment of gas supply as against the agreed schedule of SNGPL; whereby quality burning fuel was not easily available that has hampered our planned production and was further aggravated by poor planned maintenance in the past. Further in the current quarter under review on February 04, 2008 operations of our plant were stopped due to labour issues and no production took place since that date.

Likewise, a summary of the Company's financial results for the Nine months ended March, 2008 along with the comparative data of the preceding comparable period is provided here under:

	Third Quarter Ended		Nine Months Ended	
	Mar. 2008	Mar. 2007	Mar. 2008	Mar. 2007
Gross Loss	(39.8)	(54.6)	(178.9)	(188.1)
Operating Loss	(57.7)	(71.7)	(245.9)	(247.9)
Loss before taxation	(111.9)	(110.5)	(403.0)	(363.9)
Net Loss after taxation	(112.1)	(111.4)	(331.0)	(399.8)

The Company's reduced financial performance as mentioned above is mainly attributed to Company's reduced operational performance as discussed above.

Our Company has the largest number of labour force as compared to other industry of same size, which resulted in the highest per unit labour cost in the entire cement industry. The management in order to reduce manufacturing cost re-trenched 318 workers. The labour resisted to this and eventually, we have to lock out factory premises. Currently the case is pending for decision in the labour court.

The Board of Directors appreciates the efforts and devotion of the executives and the entire team of management and anticipates that they will contribute towards the enhancement of the productivity and well being of the Company in future with greater zeal & spirit. The Board extends its gratitude to the financial institutions for their valued support and co-operation for the Company's prosperity.

For and on behalf of the Board

MUHAMMAD RASHEED
Chief Executive

Lahore : April 29, 2008



Interim Condensed Balance Sheet

	March 31, 2008	June 30, 2007
(Rupees in Thousand)		
CAPITAL AND LIABILITIES		
CAPITAL AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 100,000,000 (June 2007:70,000,000) ordinary shares of Rs.10 each	1,000,000	7,000,000
Issued, subscribed and paid-up capital	948,400	678,400
Share premium reserve	31,801	31,801
Accumulated loss	(1,838,300)	(1,541,156)
	(858,099)	(830,955)
SURPLUS ON REVALUATION OF FIXED ASSETS	1,273,906	1,307,782
	415,807	476,827
NON CURRENT LIABILITIES		
Loan from banking companies	1,028,166	723,214
Other loans	350,313	463,363
Liabilities against assets subject to finance lease	170	661
Deferred liabilities	464,458	538,709
Long term advances and deposits	7,963	6,774
	1,851,070	1,732,721
CURRENT LIABILITIES		
Trade and other payables	162,227	372,330
Mark up accrued	111,295	60,793
Short term borrowings	377,725	304,835
Current portion of long term loans and liabilities	129,084	63,866
Taxation	15,156	12,900
	795,487	814,724
CONTINGENCIES AND COMMITMENTS 3	-	-
	3,062,364	3,024,272

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

SAUD RASHEED
Director



As At March 31, 2008 (un-audited)

	March 31, 2008	June 30, 2007
PROPERTY AND ASSETS		
NON CURRENT ASSETS		
FIXED ASSETS - Tangible		
Operating fixed assets	2,400,109	2,456,937
Capital work in progress	12,972	2,254
	2,413,081	2,459,191
Long term loans	484	319
Long term security deposits	10,226	9,938
Deferred cost	38,247	68,384
	2,462,038	2,537,832
CURRENT ASSETS		
Stores, spares and loose tools	177,157	126,372
Stock in trade	39,129	30,411
Loans and advances	333,805	275,635
Deposits and short term prepayments	13,661	8,412
Balances with statutory authorities	21,814	20,947
Interest receivable	9,389	9,389
Other receivables	2,350	1,267
Cash and bank balances	3,021	14,007
	600,326	486,440
	3,062,364	3,024,272


MUHAMMAD RASHEED
Chief Executive



Interim Condensed Profit and Loss Account
for the period ended March 31, 2008 (un-audited)

	Third quarter ended		Nine months ended	
	Mar 2008	Mar 2007	Mar 2008	Mar 2007
	(Rupees in thousand)		(Rupees in thousand)	
SALES (Net)	56,773	211,920	427,053	690,550
COST OF SALES	96,528	266,488	605,982	878,601
GROSS LOSS	(39,755)	(54,568)	(178,929)	(188,051)
OPERATING EXPENSES				
Administration and general	17,556	16,574	58,407	57,751
Distribution cost	436	518	8,630	2,125
	(17,992)	(17,092)	(67,037)	(59,876)
OPERATING LOSS	(57,747)	(71,660)	(245,966)	(247,927)
Financial Charges	(53,019)	(47,647)	(157,100)	(128,251)
Other income / (charges)	(1,090)	8,809	52	12,274
LOSS BEFORE TAXATION	(111,856)	(110,498)	(403,014)	(363,904)
TAXATION - Current	265	917	2,257	3,347
- Deferred	-	-	(74,251)	32,591
	265	917	(71,994)	35,938
NET LOSS AFTER TAXATION	(112,121)	(111,415)	(331,020)	(399,842)
Accumulated loss brought forward	(1,737,471)	(1,399,736)	(1,541,156)	(1,134,936)
Incremental depreciation due to revaluation of fixed assets for the period	11,292	11,813	33,876	35,440
Accumulated loss carried to balance sheet	(1,838,300)	(1,499,338)	(1,838,300)	(1,499,338)
Earning / (Loss) per share				
- Basic (Rupees)	(1.18)	(1.64)	(3.49)	(5.89)


SAUD RASHEED
Director


MUHAMMAD RASHEED
Chief Executive



Interim Condensed Cash Flow Statement

for the period ended March 31, 2008 (un-audited)

	March 2008	March 2007
	(Rupees in Thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(403,014)	(363,904)
Adjustments of items not involving movement of cash:		
Depreciation	66,096	74,262
Provision for Gratuity	2,168	5,146
Exchange fluctuations	-	(30,898)
Amortization of deferred cost	30,137	30,027
Financial charges	157,100	128,251
	255,501	206,788
Operating cash flows before working capital changes	(147,513)	(157,116)
(Increase)/Decrease in operating asset :		
Stores, spares and loose tools	(50,784)	59,218
Stock in trade	(8,718)	13,224
Loans and advances	(58,172)	(204,389)
Deposits and short term prepayments	(5,249)	(1,587)
Other receivables	(1,082)	320
Increase/(Decrease) in trade and other payables	(213,345)	29,560
	(337,350)	(103,654)
	(484,863)	(260,770)
Long term advances and deposits	1,189	19
Gratuity paid	(1,024)	(8,385)
Financial charges paid	(104,870)	(66,687)
Income tax paid	(498)	(1,376)
Net Cash Flows From Operating Activities	(590,066)	(337,199)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets - Tangible	(19,986)	(43,029)
Long term loans and deposits	(452)	632
Net Cash Flows From Investing Activities	(20,438)	(42,397)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share Capital	270,000	-
Repayment of lease liability (Net)	(1,089)	(5,340)
Loan from Banking companies	269,000	581,987
Other Loans	(11,283)	46,088
Short term borrowings	72,890	70,851
Net Cash Flows From Financing Activities	599,518	693,586
Net Increase /(Decrease) in Cash and Cash Equivalents	(10,986)	313,990
Cash and cash equivalents at beginning of the period	14,007	84,715
Cash and cash equivalents at end of the period	3,021	398,705


SAUD RASHEED
Director


MUHAMMAD RASHEED
Chief Executive



Interim Condensed Statement of Changes in Equity
for the period ended March 31, 2008 (un-audited)

	Share capital	Share premium reserve	Accumulated Loss	Total share capital and reserves	Surplus on revaluation of fixed assets	Total
(Rupees in Thousand)						
Balance as at July 01, 2006	678,400	31,801	(1,134,936)	(424,735)	893,192	468,457
Loss for the period	-	-	(399,842)	(399,842)	-	(399,842)
Incremental depreciation transferred to surplus on revaluation of fixed assets' account	-	-	35,440	35,440	(35,440)	-
Balance as at March 31, 2007	678,400	31,801	(1,499,338)	(789,137)	857,752	68,615
Balance as at July 01, 2007	678,400	31,801	(1,541,156)	(830,955)	1,307,782	476,827
Loss for the period	-	-	(331,020)	(331,020)	-	(331,020)
Shares issued during the period	270,000	-	-	270,000	-	270,000
Incremental depreciation due to revaluation charged to surplus:	-	-	33,876	33,876	(33,876)	-
Balance as at March 31, 2008	948,400	31,801	(1,838,300)	(858,099)	1,273,906	415,807


SAUD RASHEED
Director


MUHAMMAD RASHEED
Chief Executive

Notes to the Accounts

for the period ended March 31, 2008 (un-audited)

- 1 These interim condensed financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi and Lahore Stock Exchanges. The accounting policies adopted in these interim condensed financial statements are the same as those applied in the preparation of the preceding annual published accounts.
- 2 Figures have been rounded off to the nearest thousand rupees and figures of previous year have been rearranged wherever necessary to facilitate the comparison.
- 3 CONTINGENCIES AND COMMITMENTS
Contingencies and commitments are unchanged since last published half year accounts of the Company.
- 4 DATE OF AUTHORISATION
These financial statements were authorised for issue on April 29, 2008 by the Board of Directors of the Company.


SAUD RASHEED
Director


MUHAMMAD RASHEED
Chief Executive