



## Half Yearly Report

For The Period Ended  
December 31, 2008



**MAPLE LEAF CEMENT FACTORY LIMITED**

Kohinoor Maple Leaf Group



# *Contents*

Company Information	3
Directors' Review	4
Auditors' Report to the Members on Review of Condensed Interim Financial Information	5
Condensed Interim Balance Sheet	6
Condensed Interim Profit and Loss Account	8
Condensed Interim Cash Flow Statement	9
Condensed Interim Statement of Changes in Equity	10
Selected Notes to the Condensed Interim Financial Information	11





## COMPANY INFORMATION

### Board of Directors

Mr. Tariq Sayeed Saigol  
Mr. Sayeed Tariq Saigol  
Mr. Taufique Sayeed Saigol  
Mr. Waleed Tariq Saigol  
Mr. Kamil Taufique Saigol  
Mr. S. M. Imran  
Mr. Zamiruddin Azar  
Mr. Per Mejnert Kristensen  
Chairman  
Chief Executive  
(Representing FLS & IFU, Denmark)

### Audit Committee

Mr. Zamiruddin Azar  
Mr. Waleed Tariq Saigol  
Mr. S. M. Imran  
Chairman

### Chief Financial Officer

Ms. Bushra Naz Malik

### Company Secretary

Mr. Muhammad Ashraf

### Internal Auditor

Ms. Sadaf Latif

### Bankers of the Company

Allied Bank Limited  
Arif Habib Bank Limited  
Askari Bank Limited (Formerly: Askari Commercial Bank Limited)  
Atlas Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
BankIslami Pakistan Limited  
Faysal Bank Limited  
First National Bank Modaraba  
First Women Bank Limited  
Habib Bank Limited  
Islamic Corporation for the Development of the Private Sector, Jeddah  
KASB Bank Limited  
Meezan Bank Limited  
Mybank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Pak-Libya Holding Company (Pvt.) Limited  
Pak Oman Investment Company Limited  
Saudi Pak Commercial Bank Limited  
Saudi Pak Industrial & Agricultural  
Investment Co. (Pvt.) Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
The Bank of Khyber  
The Bank of Punjab  
HSBC Bank Middle East Limited (Formerly: The Hongkong & Shanghai Banking Corporation Limited)  
United Bank Limited

### Auditors

Hameed Chaudhri & Co. Chartered Accountants

### Legal Advisors

Mr. Nomaan Akram Raja  
Barrister-At-Law  
Raja Mohammad Akram & Co.  
Advocates and Legal Consultants,  
Lahore.

### Registered Office

42 - Lawrence Road, Lahore.  
Phone: (042) 6278904-5  
Fax: (042) 6363184  
E-mail: mlcfl@kmlg.com  
Website: www.kmlg.com

### Share Registrar

Vision Consulting Ltd  
Head Office: 3-C, LDA Flats,  
Lawrence Road, Lahore  
Phone: (042) 6375531 & 6375339  
Fax: (042) 6374839  
E-mail: info@vcl.com.pk & vclcom@yahoo.com  
Website: www.vcl.com.pk

### Factory

Iskanderabad Distt. Mianwali.  
Phone: (0459) 392237-8



## DIRECTORS' REVIEW

Your Directors are pleased to present the un-audited accounts of the Company for the half year ended December 31, 2008 in compliance with Section 245 of the Companies Ordinance, 1984.

During the period under review, the cement industry has been passing through a crucial period and remained under great stress. The recession which has set in has had adverse effect on demand and capacity utilization as both domestic and exports sales have been impacted. The Management has been striving to achieve maximum capacity utilization by making concerted efforts for achieving a greater share of export sales. The Company was able to produce 1,450,435 metric tons grey cement and 35,075 metric tons white cement during July to December, 2008 against production in the corresponding period of 759,396 metric tons grey cement and 29,250 metric tons white cement. Overall utilization of clinker capacity during the period under review amounted to 89% as compared to the corresponding period last year at 56% when the 6700 tpd kiln had just commenced operations.

Sales of grey and white cement were recorded at 1,458,428 and 36,367 metric tons during the six months period July-December, 2008 against sales in the corresponding period last year at 861,426 and 31,314 metric tons respectively.

The Company suffered a pre-tax loss of Rs. 585.606 million during the period under review after accounting for a mammoth financial charge of Rs. 2,018.080 million and depreciation of Rs. 512.854 million against the corresponding period last year when pre tax loss was recorded at Rs. 468.093 million, financial charges accounted for Rs. 534.287 million and depreciation totalled Rs. 338.001 million.

The results in the second quarter, October-December 2008 showed pre-tax loss of Rs. 372.427 million against Rs. 213.179 million in the first quarter. The enhanced loss during the second quarter is on account of fair value measurement of cross currency swaps and foreign exchange rates, which is one of the main causes for increase in financial charges. During the period under review, the Company has had to absorb a loss of Rs. 593.577 million on account of cross currency swaps which are included in the total financial charge for the period.

Depressed market conditions both at home and in the regional markets, reduction in spending on public works programmes by the Government due to budgetary constraints and recessionary conditions prevailing in the domestic market, give reasons for concern at the future prospects but it is hoped that as the economy stabilizes and development spending increases on public and private sector projects, the consumption of cement will again begin to show an upward trend.

### Acknowledgement

The Board wishes to thank the financial institutions associated with the Company for their support and appreciate the efforts of the Company's employees in coping with the difficult times the Company is facing.

For and on behalf of the Board

Tariq Sayeed Saigol  
Chairman

Lahore: February 26, 2009



## AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim balance sheet of **MAPLE LEAF CEMENT FACTORY LIMITED** as at 31 December, 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half-year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended 31 December, 2008 and 2007 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended 31 December, 2008.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half-year ended 31 December, 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Lahore: February 26, 2009

HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS



## CONDENSED INTERIM BALANCE SHEET

	Note	Un-Audited Dec. 31, 2008	Audited June 30, 2008
..... (Rupees in thousand) .....			
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Authorised capital	6	7,000,000	5,000,000
Issued, subscribed and paid-up capital		4,264,108	4,264,108
Reserves		4,697,797	4,644,355
Accumulated loss		(902,633)	(547,574)
		<b>8,059,272</b>	8,360,889
<b>Non-Current Liabilities</b>			
Loans from related parties		-	35,224
Long term loan		241,539	241,539
Redeemable capital		8,000,000	8,000,000
Syndicated term finances	7	500,000	1,000,000
Liabilities against assets subject to finance lease		949,549	957,434
Long term deposits		2,642	2,582
Deferred taxation		-	154,741
Employees' compensated absences		18,180	16,688
		<b>9,711,910</b>	10,408,208
<b>Current Liabilities</b>			
Current portion of:			
- syndicated term finances	7	1,150,000	1,080,000
- liabilities against assets subject to finance lease		324,015	188,011
Short term finances	8	4,304,415	3,369,738
Trade and other payables	9	2,567,214	2,495,559
Accrued profit and interest / mark-up		597,195	194,568
Dividends		31,841	54,588
		<b>8,974,680</b>	7,382,464
<b>Contingencies and Commitments</b>	10		
		<b>26,745,862</b>	26,151,561

The annexed notes form an integral part of this condensed interim financial information.

**Statement u/s 241 (2) of the Companies Ordinance, 1984:**

The Balance Sheet and Profit & Loss Account have not been authenticated by the Chief Executive as he is presently out of Pakistan.

Waleed Tariq Saigol  
Director



## AS AT DECEMBER 31, 2008

	Note	Un-Audited Dec. 31, 2008 ..... (Rupees in thousand) .....	Audited June 30, 2008
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment	11	19,630,828	20,081,448
Intangible assets		11,215	15,082
Loans to employees		5,169	6,121
Deposits and prepayments		54,014	54,014
Deferred taxation		185,067	-
		<b>19,886,293</b>	20,156,665
<b>Current Assets</b>			
Stores, spares and loose tools		3,264,935	3,325,744
Stock-in-trade		754,439	433,952
Trade debts	12	1,129,862	743,366
Fair value derivative financial instruments		374,067	365,748
Loans and advances	13	254,419	82,814
Investments	14	726,201	734,859
Deposits and short term prepayments		30,022	54,532
Accrued profit		1,573	763
Sales tax, customs and excise duty		16,797	57,769
Due from gratuity fund trust		11,377	9,768
Other receivables		1,620	21,780
Taxation - net		96,133	44,907
Cash and bank balances		198,124	118,894
		<b>6,859,569</b>	5,994,896
		<b>26,745,862</b>	26,151,561

  
 Zamiruddin Azar  
 Director





**CONDENSED INTERIM PROFIT & LOSS ACCOUNT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2008**  
**(Un-Audited)**

	For the 2nd Quarter		Cumulative	
	Oct. - Dec. 2008	Oct. - Dec. 2007	July - Dec. 2008	July - Dec. 2007
Note	..... (Rupees in thousand) .....			
Sales	<b>4,171,280</b>	1,348,840	<b>7,891,645</b>	2,221,613
Cost of sales	<b>2,595,154</b>	1,274,963	<b>4,985,298</b>	2,064,811
<b>Gross profit</b>	<b>1,576,126</b>	73,877	<b>2,906,347</b>	156,802
Administrative expenses	<b>28,295</b>	27,408	<b>81,584</b>	36,505
Distribution cost	<b>814,049</b>	63,031	<b>1,397,212</b>	89,944
Other operating expenses	<b>3,500</b>	2,037	<b>9,500</b>	4,237
	<b>845,844</b>	92,476	<b>1,488,296</b>	130,686
Other operating income - net	<b>5,434</b>	12,004	<b>14,423</b>	40,078
Operating profit / loss	<b>735,716</b>	(6,595)	<b>1,432,474</b>	66,194
Finance cost	15 <b>1,108,143</b>	415,880	<b>2,018,080</b>	534,287
<b>Loss before taxation</b>	<b>(372,427)</b>	(422,475)	<b>(585,606)</b>	(468,093)
Taxation				
- current	16 <b>18,992</b>	8,665	<b>37,741</b>	13,029
- deferred	<b>(386,321)</b>	(25,772)	<b>(339,808)</b>	(78,272)
	<b>(367,329)</b>	(17,107)	<b>(302,067)</b>	(65,243)
<b>Loss for the period</b>	<b>(5,098)</b>	(405,368)	<b>(283,539)</b>	(402,850)
	..... Rupees .....			
<b>Loss per share</b>	<b>(0.05)</b>	(1.12)	<b>(0.83)</b>	(1.15)

- The annexed notes form an integral part of this condensed interim financial information.
- Appropriations have been reflected in the statement of changes in equity.

**Statement u/s 241 (2) of the Companies Ordinance, 1984:**

The Balance Sheet and Profit & Loss Account have not been authenticated by the Chief Executive as he is presently out of Pakistan.

  
 Waleed Tariq Saigol  
 Director

  
 Zamiruddin Azar  
 Director



**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED DECEMBER 31, 2008  
(Un-Audited)**

	Half Year Ended	
	Dec. 31, 2008	Dec. 31, 2007
	..... (Rupees in thousand) .....	
<b>Cash flow from operating activities</b>		
Loss for the period - before taxation	(585,606)	(468,093)
Adjustments for non-cash charges and other items:		
Depreciation	512,854	338,001
Amortisation of intangible assets	3,867	804
Gain on disposal of operating fixed assets - net	(1,709)	(82)
Book value of operating fixed assets transferred	960	-
Loss on measurement of investments to fair value	14,324	10,981
Employees' compensated absences	3,361	2,521
Finance cost	2,018,080	534,287
Profit on bank deposits	(5,814)	(2,687)
Dividend income	(6,856)	(23,815)
Cash inflow from operating activities before working capital changes	1,953,461	391,917
(Increase) / decrease in current assets:		
Stores, spares and loose tools	60,809	(123,004)
Stock-in-trade	(320,487)	(71,530)
Trade debts	(386,496)	(311,144)
Loans and advances	(171,605)	(18,706)
Deposits and short term prepayments	24,510	(10,671)
Sales tax, customs and excise duty	40,972	20,944
Due from gratuity fund trust	(1,609)	(1,478)
Receivable from stock broker	-	(17,489)
Other receivables	20,160	(15,372)
Increase in trade and other payables	71,655	740,382
	(662,091)	191,932
Cash inflow from operating activities before taxation	1,291,370	583,849
Taxes paid	(88,967)	(35,500)
Compensated absences paid	(1,869)	(2,264)
Net cash inflow from operating activities	1,200,534	546,085
<b>Cash flow from investing activities</b>		
Fixed capital expenditure	(65,041)	(1,184,194)
Sale proceeds of operating fixed assets	3,556	2,227
Loans to employees	952	(588)
Investments	(5,666)	(1,379,824)
Deposits and prepayments	-	(9,177)
Profit on bank deposits received	5,004	1,886
Dividend income	6,856	9,371
Net cash outflow from investing activities	(54,339)	(2,560,299)
<b>Cash flow from financing activities</b>		
Term finance certificates	-	2,325,000
Loans from related parties repaid	(35,224)	(36,000)
Long term loans and finances - net	(430,000)	(5,393,833)
Redeemable capital	-	4,200,000
Long term deposits - net	60	(199)
Lease finances - net	128,119	(6,723)
Lease finances and accrued interest thereon	-	82,338
Short term finances - net	934,677	1,605,970
Finance cost paid	(1,615,453)	(539,080)
Dividends paid	(49,144)	(52,801)
Net cash (outflow) / inflow from financing activities	(1,066,965)	2,184,672
Net increase in cash and cash equivalents	79,230	170,458
Cash and cash equivalents - at beginning of the period	118,894	123,359
<b>Cash and cash equivalents - at end of the period</b>	<b>198,124</b>	<b>293,817</b>

The annexed notes form an integral part of this condensed interim financial information.

Statement u/s 241 (2) of the Companies Ordinance, 1984:

The Balance Sheet and Profit & Loss Account have not been authenticated by the Chief Executive as he is presently out of Pakistan.

Waleed Tariq Saigol  
Director

Zamiruddin Azar  
Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED DECEMBER 31, 2008  
(Un-Audited)**

	Reserves								Total
	Capital				Revenue				
	Share Capital	Share Premium	Fair value reserve on measurement of available-for-sale investments	Capital redemption reserve	Hedging Reserve	General Reserve	Sub-total	Unappropriated profit / (accumulated loss)	
	..... (Rupees in thousand) .....								
<b>Balance as at 30 June, 2007</b>	4,264,108	2,068,336	545,506	201,260	242,226	1,400,000	4,457,328	271,601	8,993,037
Gain arising on derivative cross currency interest rate swap agreements	-	-	-	-	46,234	-	46,234	-	46,234
Loss for the half-year ended 31 December, 2007	-	-	-	-	-	-	-	(402,850)	(402,850)
Transfer to capital redemption reserve	-	-	-	45,124	-	-	45,124	(45,124)	-
Dividend on preference shares for the half-year ended 31 December, 2007	-	-	-	-	-	-	-	(26,397)	(26,397)
<b>Balance as at 31 December, 2007</b>	<b>4,264,108</b>	<b>2,068,336</b>	<b>545,506</b>	<b>246,384</b>	<b>288,460</b>	<b>1,400,000</b>	<b>4,548,686</b>	<b>(202,770)</b>	<b>8,610,024</b>
Fair value loss on measurement of available-for-sale investments	-	-	(26,741)	-	-	-	(26,741)	-	(26,741)
Gain arising on derivative cross currency interest rate swap agreements	-	-	-	-	77,288	-	77,288	-	77,288
Loss for the half-year ended 30 June, 2008	-	-	-	-	-	-	-	(273,285)	(273,285)
Transfer to capital redemption reserve	-	-	-	45,122	-	-	45,122	(45,122)	-
Dividend on preference shares for the half-year ended 30 June, 2008	-	-	-	-	-	-	-	(26,397)	(26,397)
<b>Balance as at 30 June, 2008</b>	<b>4,264,108</b>	<b>2,068,336</b>	<b>518,765</b>	<b>291,506</b>	<b>365,748</b>	<b>1,400,000</b>	<b>4,644,355</b>	<b>(547,574)</b>	<b>8,360,889</b>
Gain arising on derivative cross currency interest rate swap agreements - net	-	-	-	-	8,319	-	8,319	-	8,319
Loss for the half-year ended 31 December, 2008	-	-	-	-	-	-	-	(283,539)	(283,539)
Transfer to capital redemption reserve	-	-	-	45,123	-	-	45,123	(45,123)	-
Dividend on preference shares for the half-year ended 31 December, 2008	-	-	-	-	-	-	-	(26,397)	(26,397)
<b>Balance as at 31 December, 2008</b>	<b>4,264,108</b>	<b>2,068,336</b>	<b>518,765</b>	<b>336,629</b>	<b>374,067</b>	<b>1,400,000</b>	<b>4,697,797</b>	<b>(902,633)</b>	<b>8,059,272</b>

The annexed notes form an integral part of this condensed interim financial information.

**Statement u/s 241 (2) of the Companies Ordinance, 1984:**  
The Balance Sheet and Profit & Loss Account have not been authenticated by the Chief Executive as he is presently out of Pakistan.

  
Waleed Tariq Saigol  
Director

  
Zamiruddin Azar  
Director



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2008 (Un-Audited)

- Maple Leaf Cement Factory Limited (the Company) was incorporated in Pakistan on 13 April, 1960 under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a public company limited by shares and was listed on Stock Exchanges in Pakistan on 17 August, 1994. The registered office of the Company is situated at 42-Lawrence Road, Lahore, Pakistan. The Company is a Subsidiary of Kohinoor Textile Mills Limited and is engaged in production and sale of cement.
- This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984. The condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) and has been reviewed by the external Auditors as required by the Code of Corporate Governance.
- The condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the preceding published annual financial statements of the Company for the year ended 30 June, 2008.
- The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in preparation of the preceding published annual financial statements of the Company for the year ended 30 June, 2008.
- The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgements made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 30 June, 2008.

### 6. Authorised capital

The ordinary authorised capital of the Company, during the current period, has been increased by two billion rupees.

### 7. Syndicated term finances - Secured

	<b>Un-Audited Half-year ended Dec. 31, 2008</b>
	..... (Rupees in thousand) .....
Balance as at 30 June, 2008	<b>2,080,000</b>
Less: repayments made during the period	<b>430,000</b>
	<b>1,650,000</b>
Less: current portion grouped under current liabilities:	
- instalments overdue	<b>150,000</b>
- instalments due within the following twelve months	<b>1,000,000</b>
	<b>1,150,000</b>
	<b>500,000</b>

### 8. Short term finances

	<b>Un-Audited Half-year ended Dec. 31, 2008</b>	Audited Year ended June 30, 2008
	..... (Rupees in thousand) .....	
Cash and running finances - secured	<b>4,211,582</b>	3,220,388
Temporary bank overdrafts - unsecured	<b>92,833</b>	149,350
	<b>4,304,415</b>	3,369,738



## 9. Trade and other payables

	<b>Un-Audited Half-year ended Dec. 31, 2008</b>	<b>Audited Year ended June 30, 2008</b>
	..... (Rupees in thousand) .....	
Creditors	<b>463,037</b>	431,718
Bills payable - secured	<b>1,512,946</b>	1,505,980
Due to Kohinoor Textile Mills Ltd. (the Holding Company)	<b>6,025</b>	458
Accrued liabilities	<b>145,177</b>	213,192
Advances from customers	<b>202,378</b>	110,513
Security deposits - interest free, repayable on demand	<b>37,098</b>	33,193
Contractors' retention money	<b>1,312</b>	22,962
Royalty and excise duty payable	<b>4,421</b>	7,136
Provident fund payable	<b>2,834</b>	1,565
Other taxes payable	<b>2,620</b>	2,726
Sales tax payable	<b>62,719</b>	-
Excise duty payable	<b>122,408</b>	157,404
Other payables	<b>4,239</b>	8,712
	<b>2,567,214</b>	2,495,559

## 10. Contingencies and commitments

**10.1** Except for the following, there has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June, 2008:

- a) Competition Commission of Pakistan has issued show-cause notice dated 28 October, 2008 alleging therein that the Company has violated section 4 (1) of the Competition Commission Ordinance, 2007. The Company has filed a writ petition before the Islamabad High Court, Islamabad, which is pending adjudication.
- b) The Company has filed an appeal before the Supreme Court of Pakistan against the judgment of the Division Bench of the High Court of Sindh at Karachi. The Division Bench, by judgment dated 15 September, 2008, has partly accepted the appeal by declaring that the levy and collection of infrastructure cess / fee prior to 28 December, 2006 was illegal and ultra vires and after 28 December, 2006, it was legal and the same was collected by the Excise Department in accordance with law. The appeal has been filed against the declaration that after 28 December, 2006, the Excise Department has collected the infrastructure cess / fee in accordance with law.

**10.2** Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregate Rs. 305.561 million as at 31 December, 2008 (30 June, 2008: Rs. 434.370 million).

**10.3** Commitments against capital expenditure as at 31 December, 2008 were for Rs. 900.052 million (30 June, 2008: Rs. 168.949 million).

**10.4** Commitments against irrevocable letters of credit outstanding as at 31 December, 2008 were for Rs. 1.325 billion (30 June, 2008: Rs. 1.630 billion).

## 11. Property, plant and equipment

		<b>Un-Audited Half-year ended Dec. 31, 2008</b>	<b>Audited Year ended June 30, 2008</b>
	Note	..... (Rupees in thousand) .....	
Operating fixed assets	11.1	<b>19,274,690</b>	19,776,950
Capital work-in-progress - at cost		<b>356,138</b>	304,498
		<b>19,630,828</b>	20,081,448



### 11.1 Operating fixed assets - tangible

	<b>Un-Audited Half-year ended Dec. 31, 2008</b>	<b>Audited Year ended June 30, 2008</b>
	..... (Rupees in thousand) .....	
Opening book value	<b>19,776,950</b>	7,711,462
Additions during the period / year:		
- buildings on freehold land	<b>2,208</b>	2,678,215
- roads, bridges and railway sidings	<b>1,116</b>	12,148
- plant & machinery	-	10,206,455
- furniture, fixtures and equipment	<b>7,244</b>	17,397
- quarry equipment	-	11,813
- vehicles	<b>2,833</b>	6,546
- share of joint assets	-	275
	<b>13,401</b>	12,932,849
Book value of fixed assets disposed-off during the period / year	<b>(1,847)</b>	(1,794)
Book value of fixed assets transferred during the period / year	<b>(960)</b>	(21)
Depreciation charge for the period / year	<b>(512,854)</b>	(865,546)
Closing book value	<b>19,274,690</b>	19,776,950

### 12. Trade debts

Export - secured	<b>877,498</b>	570,932
Local - unsecured, considered good	<b>252,364</b>	172,434
	<b>1,129,862</b>	743,366

### 13. Loans and advances

These include due from Zimpex Pakistan (Pvt.) Ltd. (an Associated Company) aggregating Rs. 112.811 million (30 June, 2008: Rs. Nil).

### 14. Investments (Available-for-sale)

	<b>Un-Audited Half-year ended Dec. 31, 2008</b>	<b>Audited Year ended June 30, 2008</b>
	..... (Rupees in thousand) .....	
Security General Insurance Company Ltd. (SGIC) un-quoted 4,570,389 (30 June, 2008: 4,570,389) ordinary shares of Rs. 10 each including 3,351,618 bonus shares - cost Equity held: 6.71% (30 June, 2008: 6.71%)	14.1 <b>5,000</b>	5,000
Add: adjustment arising from measurement to fair value	14.2 <b>703,410</b>	703,410
Carried forward	<b>708,410</b>	708,410



	<b>Un-Audited Half-year ended Dec. 31, 2008</b> ..... (Rupees in thousand) .....	<b>Audited Year ended June 30, 2008</b>
Brought forward	<b>708,410</b>	708,410
<b>Through profit or loss</b>		
<b>Investments in Mutual Funds</b>		
United Composite Islamic Fund 135,097.27 Units (30 June, 2008:128,504.97 Units)	<b>15,000</b>	15,000
United Growth & Income Fund Nil Units (30 June, 2008:19,886.745 Units)	-	2,000
MCB Dynamic Cash Fund Nil Units (30 June, 2008:28,180.7097 Units)	-	3,000
Faysal Savings Growth Fund 49,960.6005 Units	<b>5,000</b>	-
	<b>20,000</b>	20,000
Add: adjustment arising from measurement to fair value	<b>(6,309)</b>	(1,461)
	<b>13,691</b>	18,539
<b>Investments in Listed Securities</b>		
Fauji Cement Company Ltd. 121,800 ordinary shares of Rs. 10 each	<b>1,949</b>	1,949
Highnoon Laboratories Ltd. 116,270 ordinary shares of Rs. 10 each	<b>9,916</b>	9,916
Shakarganj Mills Ltd. 6,000 ordinary shares of Rs. 10 each	<b>250</b>	250
	<b>12,115</b>	12,115
Add: adjustment arising from measurement to fair value	<b>(8,015)</b>	(4,205)
	<b>4,100</b>	7,910
	<b>726,201</b>	734,859

**14.1** The management has extended the period to sell these investments upto 30 June, 2009.

**14.2** In the absence of audited financial statements of SGIC for the year ended 31 December, 2008, these investments have been carried at the value as determined at 30 June, 2008 based on the valuation report prepared by independent Valuers M/s Maqbool Haroon & Co., Chartered Accountants, 47-C-3, Gulberg III, Lahore.

**15. Finance cost**

	Note	Cumulative	
		July - Dec. 2008	July - Dec. 2007
..... (Rupees in thousand) .....			
Mark-up / interest / profit on long term loans, finances, redeemable capital and short term finances		1,104,508	474,492
Bank guarantees' commission		3,211	2,105
Exchange fluctuation loss - net		266,290	11,021
Realised loss on derivative cross currency interest rate swap agreements	15.1	593,577	43,940
Bank charges		50,494	2,729
		<b>2,018,080</b>	<b>534,287</b>

15.1 Expense for the period includes loss amounting Rs. 189.640 million upon premature unwinding of one of the cross currency interest rate swap agreements.

**16. Taxation**

Provision for the current period represents tax on income chargeable under the Final Tax Regime; provision for the corresponding period represented minimum tax on turnover due under section 113 of the Income Tax Ordinance, 2001.

**17. Transactions with related parties**

17.1 Transactions in relation to sales, purchases and technical services with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method except for the allocation of expenses such as electricity, gas, water, repair and maintenance relating to the head office, shared with the Holding Company / Associated Companies, which are on the actual basis.

17.2 Aggregate transactions made during the period with Associated Companies were as follows:

	Un-Audited Half-year ended Dec. 31, 2008	Un-Audited Half-year ended Dec. 31, 2007
..... (Rupees in thousand) .....		
- sale of goods and services	1,557	246
- purchase of goods and services	1,375	-

17.3 No other transactions, other than remuneration and benefits to key management personnel under the terms of their employment, were executed with other related parties during the period.

**18. Date of authorisation for issue**

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 26 February, 2009.

**19. Figures**

- Figures in the condensed interim financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have neither been re-arranged nor re-classified.

**Statement u/s 241 (2) of the Companies Ordinance, 1984:**

The Balance Sheet and Profit & Loss Account have not been authenticated by the Chief Executive as he is presently out of Pakistan.

  
 Waleed Tariq Saigol  
 Director

  
 Zamiruddin Azar  
 Director