CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	Asim Ghani	Chairman
	Shunaid Qureshi	Chief Executive
	Syed Ajaz Ahmed Zaidi	(Nominee of Arif Habib Securities Limited)
	Duraid Qureshi	
	Tariq Usman Bhatti	
	Syed Salman Rashid	
	Aves Cochinwala	
COMPANY SECRETARY	Khursheed Anwer	
CHIEF FINANCIAL OFFICER	Zuhair Abbas	
AUDIT COMMITTEE	Asim Ghani	Chairman
	Duraid Qureshi	Member
	Tariq Usman Bhatti	Member
AUDITORS	M. Sikandar & Co.	Chartered Accountants
LEGAL ADVISOR	Usmani & Iqbal	Advocate & Solicitors
	Muzaffar & Co.	Advocate & Solicitors
	Chaudry Law Associates	Advocate & Solicitors
	Shekha & Mufti	Chartered Accountants
TAX ADVISOR	F.R.Marchent & Co.	
BANKERS	National Bank of Pakistan	
	Bank Alfalah Limited	
	Standard Chartered (Union Bank Ltd.)	
	Allied Bank Limited	
	Habib Bank Limited	
	Saudi Pak Bank Limited	
	United Bank Limited	
	Prime Commercial Bank Limited	
	Al-baraka Islamic Bank Limited	
REGISTERED OFFICE	Pardesi House, Survey No. 2/1, R.Y. 16, Old Queens Road, Karachi - 74000 Ph : 111-111-224 Fax : 021-2470189, 021-2470090 Website : www.alabbascement.com E-mail : info@alabbascement .com	
FACTROY	Nooriabad Industrial Area, Kalo Kohar Distt. Dadu, Sindh.	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of Al-Abbas Cement Industries Limited will be held at Beach Luxury Hotel, Karachi on Friday, October 26, 2007 at 8:00 pm to transact the following business:

A. Ordinary Business

1. To confirm the minutes of the Extra Ordinary General Meeting of the shareholders of the company held on February 13, 2007.
2. To receive, consider and adopt Annual Audited Financial Statements for the year ended June 30, 2007, together with the reports of the Auditors and Directors thereon.
3. To appoint auditors for the ensuing year, and to fix their remuneration. The auditors M/s. M.Sikandar & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
4. To transact any other business with the permission of the chair.

By Order of the Board

KHURSHEED ANWER
Company Secretary

Karachi: October 02, 2007

Notes:

1. Share Transfer Books will be closed from October 19, 2007 to October 26, 2007 (both days inclusive).
2. All Members are entitled to attend and vote at the meeting. A Member may appoint a proxy who need be a Member of the Company.
3. The instrument appointing the proxy and the other authority under which it is signed, or a notarially certified copy thereof, must be lodged at the Company's Registered 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 Share Department.

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

A. For 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 the 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 the 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. The proxy form shall be witnessed by two persons whose names, address 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

DIRECTORS' REPORT

The Board of Directors of Al-Abbas Cement Industries Limited is pleased to present the annual report together with the Company's audited accounts for the year ended June 30, 2007.

PRODUCTION AND SALES

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

	For the year ended June 30, 2007	For the year ended June 30, 2006
	In M. Tons	
Clinker Production	**25,034**	252,027
Cement Production	**58,539**	273,959
Cement Sales	**55,119**	276,573

By the grace of Allah, your management is able to complete line number 1 which started trial production in the month of June 2007 and thereafter started the commercial production. The work on repairs of plant and machinery, damaged due to tragic accident is in progress satisfactorily, majority imported machinery has arrived and work on local fabrications is almost completed. Up to the date of Directors Report, the Company received insurance claim amounting to Rs. 180 million against total claim of Rs. 230 million.

OPERATIONAL AND FINANCIAL RESULTS

Following is the summary of comparative financial results.

	2007	2006
	(Rupees in thousand)	
Sales - net	**206,412**	913,511
(Loss) before taxation	**(168,768)**	(75,025)
Provision for taxation	**26,781**	92,624
(Loss)/ profit after taxation	**(141,987)**	17,599
(Loss)/ earning per share (in rupees)	**(1.242)**	0.173

Due to the reasons mentioned earlier in this report, company during the year incurred loss amounting to Rs. 141,987 million. Sales of Cement have been decreased by 80 %. Clinker production is also decreased by 90 %. The company can not utilize its production capacity because of expansion and optimization of plant capacities.

AUDITORS

We would like to bring to the attention of the shareholders' that the auditors, without qualifying their opinion, have drawn attention to note 16.2 to the financial statements, which fully explain and states the reasons for classification of outstanding balance intact under the head "deferred liability".

The auditors, M. Sikandar & Co. retire and being eligible, offer themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year ending June 30, 2008.

AUDIT COMMITTEE

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

Mr. Asim Ghani	Chairman	Executive Director
Mr. Duraid Qureshi	Member	Non Executive Director
Mr. Tariq Usman Bhatti	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.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

a. 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.

b. The Company has maintained proper books of accounts.

c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d. International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. Despite the winding up application filed by the old sponsors there are no doubts upon the Company's ability to continue as a going concern. Further company is paying all debts in time and no default is made on the part of company to repay its debts to the banks. Moreover, the company issued right shares subsequent to the balance sheet date which fully subscribed by the shareholders.

g. Statements regarding the following are annexed or are disclosed in the notes to the financial statements.
   - Key financial data for the last seven years is set out on page 11.
   - Pattern of shareholding is set out on page 7.
   - Trading in shares of the Company by its Directors, Chief Executive, Chief Financial Officer and Company Secretary (see below).
   - Number of board meetings held and attendance by directors (see below).

h. There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.

i. Due to investment made by the Company during the year under review on expansion, modernization and up-gradation of the plant, the Board has not recommended dividend for the year.

j. Company maintained an unfunded gratuity scheme against which a provision of Rs. 4,981 million has been made in the accounts which shown under deferred liabilities.

k. Information about taxes and levies is given in the relevant note to the financial statements.

l. There were no trading of shares made by the Directors, Chief Executive Officer, and Chief Financial Officer, Company Secretary and their spouses and minor children.

BOARD OF DIRECTORS

Mr. Mohammad Shafi Malik has resigned and Board appointed Mr. Syed Ajaz Ahmed Zaidi in place of him. During the year ended June 30. 2007, the six meetings of Board of Directors were held and attendance of Directors is as follows:

Director's Name	Meetings attended
Mr. Asim Ghani	5
Mr. Shunaid Qureshi	6
Mr. Tariq Usman Bhatti	3
Syed Salman Rashid	4
Mr. Duraid Qureshi	3
Mr. Aves Cochinwala	4
Mr. Muhammad Shafi Malik	6

FUTURE OUTLOOK

The management of your company is confident that by the grace of Allah, line number 2 will be started in the month of December 2007 after completion of repair work. It is hoped that rapid and consistent growth of country economy will have very positive and significant impact on growth of the Cement Industry and after having extended capacity your company will enjoy the benefit resulting from the overall economic growth of the country.

Government and private sectors showed growing interest in construction of new mega infra-structure, residential and commercial projects. This will lead to very pleasant impact on demand of the cement and growth of the cement industry.

It is predicted that India has very acute shortage of cement currently and this situation prevail up to 2009-2010. Companies having production facilities at south would be the prime beneficiary due to low freight and short voyage time to the Indian port. Your company is in the process of getting Bureau of Indian Standards (BIS), after getting BIS certification, it is expected that hefty quantities of cement will be exported to India.

Furthermore, the construction activities in UAE and Iraq has lead to continuous demand of cement in those countries who are incapable of meeting their requirement providing golden opportunity to increase our export to those countries.

ACKNOWLEDGEMENT

The directors are grateful to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage. The Directors acknowledge the dedicated services, loyalty and hard work of all the employees of the Company at its various divisions and hope this spirit of devotion and dedication will continue.

For & on behalf of the Board

SHUNAID QURESHI
Chief Executive

Karachi: October 02, 2007

PATTERN OF SHAREHOLDINGS

As at June 30, 2007

Number of Shareholders	Shareholdings From	Shareholdings To	Total Number of Shares Held
433	1	100	14,151
602	101	500	198,323
477	501	1,000	450,631
944	1,001	5,000	2,833,202
270	5,001	10,000	2,318,499
80	10,001	15,000	1,058,865
66	15,001	20,000	1,236,156
62	20,001	25,000	1,506,703
24	25,001	30,000	707,500
9	30,001	35,000	293,251
15	35,001	40,000	580,342
12	40,001	45,000	510,834
27	45,001	50,000	1,342,491
6	50,001	55,000	315,500
5	55,001	60,000	298,000
4	60,001	65,000	254,000
3	65,001	70,000	201,500
5	70,001	75,000	371,571
5	75,001	80,000	387,600
4	85,001	90,000	357,000
1	90,001	95,000	94,500
15	95,001	100,000	1,500,000
1	100,001	105,000	104,500
1	120,001	125,000	125,000
1	130,001	135,000	135,000
1	135,001	140,000	139,000
4	145,001	150,000	600,000
1	160,001	165,000	165,000
2	165,001	170,000	338,500
1	170,001	175,000	174,500
1	175,001	180,000	177,500
2	180,001	185,000	369,500
1	190,001	195,000	192,171
8	195,001	200,000	1,600,000
1	200,001	205,000	203,500
1	215,001	220,000	216,000
2	225,001	230,000	459,500
2	245,001	250,000	500,000
4	295,001	300,000	1,194,645
1	420,001	425,000	422,606
1	455,001	460,000	457,000
1	490,001	495,000	492,593
1	495,001	500,000	500,000
1	505,001	510,000	507,412
1	545,001	550,000	550,000
1	565,001	570,000	565,500
1	590,001	595,000	590,500
1	605,001	610,000	606,500
1	650,001	655,000	654,000
1	695,001	700,000	695,414
1	735,001	740,000	738,000
1	770,001	775,000	773,500
1	795,001	800,000	800,000
1	895,001	900,000	900,000
1	995,001	1,000,000	1,000,000
1	1,225,001	1,230,000	1,230,000
1	1,320,001	1,325,000	1,321,000
1	1,620,001	1,625,000	1,623,141
1	1,995,001	2,000,000	2,000,000
1	2,055,001	2,060,000	2,059,000
1	2,410,001	2,415,000	2,412,604
1	2,705,001	2,710,000	2,706,000
3	2,995,001	3,000,000	9,000,000
1	3,195,001	3,200,000	3,200,000
1	3,395,001	3,400,000	3,400,000
1	3,895,001	3,900,000	3,900,000
1	3,995,001	4,000,000	4,000,000
1	6,565,001	6,570,000	6,570,000
1	7,505,001	7,510,000	7,509,147
1	8,165,001	8,170,000	8,169,263
1	9,395,001	9,400,000	9,400,000
1	11,995,001	12,000,000	12,000,000
3,138			**114,278,115**

CATEGORIES OF SHAREHOLDERS

Shareholders Category	Number of Shareholders	Number of Shares Held	Percentage %
Individuals	3,036	91,637,926	80.19
Joint Stock Companies	73	18,991,492	16.62
Financial Institutions	9	2,982,120	2.61
Modarabas	3	136	0.00
Insurance Companies	3	502,606	0.44
Investment Companies	11	118,725	0.10
Mutual Fund	1	40,000	0.04
Others	2	5,110	0.00
	3,138	**114,278,115**	**100.00**

Information on Shareholding required under reporting framework is as follows:

1 Associated Companies, Undertakings and Related Parties

ARIF HABIB SECURITIES LIMITED	12,000,000
M. AYOOB YOUNUS ADHI	7,300,000
HAJI GHANI	11,569,263
MOOMAL SHUNAID	1,230,000
REHANA SALMAN	3,000,000

2 NIT and ICP

INVESTMENT CORPORATION OF PAKISTAN	100
INVESTMENT CORPORATION OF PAKISTAN	507

3 Directors, CEO and their spouses and minor children

ASIM GHANI	19,032
SHUNAID QURESHI	6,571,000
SYED AJAZ AHMED ZAIDI	Nominee Director
DURAID QURESHI	1,000
TARIQ USMAN BHATTI	801,000
SYED SALMAN RASHID	1,000
AVES COCHINWALA	1,000

4 Banks, Development Financial Institutions, Non- Banking Financial Institution, Insurance Companies, Modarabas, Mutual Fund & Investment Companies

PAKISTAN KUWAIT INVESTMENTCO. (PVT) LIMITED	1,321,000
S.I. CORPORATION (PVT) LIMITED	174
NATIONAL BANK OF PAKISTAN, TRUSTEE DEPTT	1,000,005
STATE LIFE INSURANCE CORP. OF PAKISTAN	422,606
TRUSTEES AL- ABBAS SUGAR	5,000
EAST WEST INSURANCE CO. LIMITED	10,000
CENTURY INSURANCE COMPANY LIMITED	70,000
ISLAMIC INVESTMENT BANK LIMITED	22,223
ESCORTS INVESTMENTS BANK LIMITED	203,500
HABIB BANK AG ZURICH, DEIRA DUBAI	329,500
PRUDENTIAL STOCK FUND LIMITED	25,000
PROGRESSIVE INVESTMENT MANAGEMENT(PVT) LTD	3,000
FAIR WAY SECURITIES (PVT) LIMITED	125,000
FDIBL TRUSTEE – NAMCO BALANCE FUND	40,000
FIRST DAWOOD INVESTMENT BANK LIMITED	10,000
FIRST INTERFUN MODARABA	122
ROYAL BANK OF SCOTLAND	115
INDUSTRIAL CAPITAL MODARABA	14
CRESCENT INVESTMENT BANK LIMITD	110
NATIONAL DEVELOPMENT FINANCE CORPORATION	611
MILLENIUM SECURITIES & INVESTMENT (PVT) LIMITED	60,000
LAHORE STOCK EXCHAGE (GUARANTEE) LIMITED	110

5 Public Sector Companies & Corporations

MOOSA, NOOR, MOHAMMAD, SHAHZAD & CO. (PVT) LIMITED	30,000
JAVED OMER VOHRA & COMPANY LIMITED	2,706,000
TRUST SECURITIES & BROKERAGE LIMITED	13,050
UNEX SECURITIES (PVT) LIMITED	2,000
IBRAHIM AGENCIES (PVT) LIMITED	200,000
FAIR EDGE SECURITED (PVT) LIMITED	56,000
HARVEST SMARTREND SECURITIES (PVT) LIMITED	6,500
PRIME ONE ASSOCIATION (PVT) LIMITED	12,500
MOOSANI SECURITIES (PVT) LIMITED	100,000
SAT SECURITIES (PVT) LIMITED	65,000
Y.S SECURITIES & SERVICES (PVT) LIMITED	11,456
CNPS ASSOCIATE (PVT) LIMITED	1,925
SAPPHIRE FIBRES LIMITED	25,000
SAPPHIRE TEXTILE MILLS LIMITED	25,000
ZAHID MAHMOOD EQUITIES (PVT) LIMITED	4,500
EXCEL SECURITIES (PVT) LIMITED	2,300
DARSON SECURITIES (PVT) LIMITED	179,500
MILLENIUM BROKERAGE (PVT) LIMITED	500
I.I KODVANI SECURITIES (PVT) LIMITED	5,000
GENERAL INVEST & SECURITIES (PVT) LIMITED	7,008
PACE INVESTMENT & SECURITIES (PVT) LIMITED	17,000
SAFE SECURITIES (PVT) LIMITED	162
AZEE SECURITIES (PVT) LIMITED	42,001
H.M INVESTMENT (PVT) LIMITED	136
N.H. SECURITIES (PVT) LIMITED	188
MIAN MUHAMMAD AKRAM SECURITIES (PVT) LIMITED	28,500
RAFI SECURITIES (PVT) LIMITED	695,414
FDM CAPITAL SECURITIES (PVT) LIMITED	3,000
DOSSLANI'S SECURITIES (PVT) LIMITED	21,000
S.Z. SECURITIES (PVT) LIMITED	43,000
CAPITAL VISION SECURITIES (PVT) LIMITED	2,544
PASHA SECURITIES (PVT) LIMITED	17,000
AKHAI SECURITIES (PVT) LIMITED	16,500
LIVE SECURITIES (PVT) LIMITED	6,500
DJM SECURITIES (PVT) LIMITED	10,000
AMPLE SECURITIES (PVT) LIMITED	300,000
MARS SECURITIES (PVT) LIMITED	10,500
TIME SECURITIES (PVT) LIMITED	192,171
TARIQ SAYEED SECURITIES LIMITED	3,000
H.S.Z SECURITIES (PVT) LIMITED	500
GENERAL INVEST & SERVICE (PVT) LIMITED	2,000
ALLIED SECURITIES (PVT) LIMITED	1,000
APEX CAPITAL SECURITIES (PVT) LIMITED	14,100
CLIKRADE LIMITED	30,000
ISMAIL IQBAL SECURITIES (PVT) LIMITED	12,000
KASHIF RAFIQ VOHRA SECURITIES (PVT) LIMITED	184,500
BAGASRA SECURITIES (PVT) LIMITED	65,500
AMIN TAI SECURITIES (PVT) LIMITED	738,000
ADEEL NADEEM SECURITIES (PVT) LIMITED	55,000
MICRO INNOVATIONS AND TECHNOLOGIES (PVT) LIMITED	32,500
A.Z. SECURITIES (PVT) LIMITED	71
BHAYANI SECURITIES (PVT) LIMITED	100,000
WASI SECURITIES	24,500
GMI CAPITAL SECURITIES (PVT) LIMITED	104,500
ISMAIL A SHAKOOR SECURITIES (PVT) LIMITED	165,000
VALUE STOCK SECURITIES (PVT) LIMITED	8,500
HM INVESTMENT (PVT) LIMITED	10
BARING BROTHERS (GRERNSEY) LIMITED	430
ASIAN STOCK FUND LIMITED	21
SARFARAZ MAHMOOD (PVT) LIMITED	60
HUM SECURITIES LIMITED	590,500
NAEEM SECURITY (PVT) LIMITED	945

6 Shareholder holding 10% or more voting interest in the Company Employees, Annuitants & Employee's Trust–approximately.

ARIF HABIB SECURITIES LIMITED	12,000,000
HAJI GHANI	11,569,263

KEY FINANCIAL DATA
For the year ended June 30, 2007

		2007	2006	2005	2004	2003	2002
INVESTMENT MEASURE							
Ordinary Share Capital	Rs. In '000'	1,142,781	1,142,781	380,927	380,927	380,927	380,927
Reserves [Reserves + Un-appropriated profit]	Rs. In '000'	(124,564)	17,423	(176)	87,624	185,768	203,293
Ordinary Shareholder's Equity [Ordinary share capital + Reserves + Unappropriated profit]	Rs. In '000'	1,018,217	1,160,204	380,751	468,551	566,695	584,220
Dividend on Ordinary Shares	Rs. In '000'	-	-	-	38,092	19,046	19,046
Dividend per Ordinary Share [Total dividend on ordinary shares/ Number of ordinary shares issued]	Rs	-	-	-	1.00	0.50	0.50
(Loss) / profit before taxation	Rs. In '000'	(168,768)	(75,025)	(76,612)	25,648	4,430	24,664
(Loss) / profit after taxation	Rs. In '000'	(141,987)	17,599	(82,341)	(98,145)	1,521	21,257
(Loss)/ Earnings per share [Profit after taxation attributable to ordinary shareholders/ Number of ordinary shares issued]	Rs	(1.242)	0.173	(2.16)	(2.58)	0.04	0.56
MEASURE OF FINANCIAL STATUS							
Current Ratio [Current assets/ (Current liabilities - Current maturity of long term loans - Current maturity of liabilities against subject to finance lease)]	x : 1	0.80	1.69	0.86	1.43	1.10	0.91
Debt to Capital 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/(loss)]	%	67.61	63.59	63.13	66.17	62.15	62.03
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	0.53	0.54	0.40	0.50	0.50	0.50
Acid Test Ratio [Liquid assets/ (Current liabilities - Current maturity of long term loans)] [Liquid assets = Current assets - Stores, Spare parts and loose tools - Stock-in-trade - Prepayments]	x : 1	0.23	0.56	0.18	0.15	0.20	0.17
Number of Days Stock [365 / Stock turnover] [Stock turnover = Cost of goods sold / Average stock-in-trade] [Average stock-in-trade = Opening stock-in-trade + Closing stock-in-trade / 2]	In days	153	43	13	22	27	37
MEASURE OF PERFORMANCE							
Profit After Taxation as % of Average Capital Employed [Capital employed = Total assets - Current liabilities] [Average capital employed = (Opening capital employed + Closing capital employed) / 2]	%	(4.2)	0.7	(6.5)	(8.3)	0.1	1.7
Sales	Rs. In '000'	206,412	913,511	593,463	769,713	581,597	681,234
Cost of Goods Sold as % of Sales	%	162.6	97.6	106.6	92.4	95.2	87.5
Profit Before Taxation as % of Sales	%	(81.8)	(8.2)	(12.2)	3.3	0.8	3.6
Profit After Taxation as % of Sales	%	(68.8)	1.9	(13.9)	(12.8)	0.3	3.1
Asset Turnover [Sales / Total assets]	In times	0.05	0.24	0.30	0.50	0.30	0.40

VISION STATEMENT

Al-Abbas Cement Industries Limited aims to be recognized nationally and internationally as a successful cement producer.

MISSION STATEMENT

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

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

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2007

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Karachi Stock Exchange (Guarantee) Limited and Lahore 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 and directors representing minority interest on its Board of directors. At present the Board includes at least 5 independent 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 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. No casual vacancy was occurred during the year.

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

6. 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.

7. 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 CEO and other executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman. The Board met at least once in every quarter. 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.

9. The directors have been provided with copies of the Listing Regulations of the Karachi Stock Exchange (Guarantee) Limited, Company's Memorandum and Articles of Association and the Code of Corporate Governance and they are well conversant with their duties and responsibilities. The Directors have confirmed that they have also attended orientation course in order to be acquainted with their duties and responsibilities.

10. The Board has approved appointment of Chief Financial Officer (CFO) and Company Secretary including their remuneration and terms and conditions of employment, as determined by the Chief Executive.

11. 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.

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

13. 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.

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

15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-Executive Directors.

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

17. The Board has set-up an effective internal audit function. This function has been outsourced to Haroon Zakaria & Company Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

18. 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 Institute of Chartered Accountants of Pakistan.

19. 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.

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

ASIM GHANI
Director

SHUNAID QURESHI
Chief Executive

Karachi: October 02, 2007

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statements of Compliance with the best practices contained in the Code of Corporate Governance prepared by the board of directors of Al-Abbas Cement Industries Limited to comply with the Listing Regulation No. 37 (Chapter XI) of the Karachi Stock Exchange and (Chapter XIII) of the Lahore 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.

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 for the year ended June 30, 2007.

M. Sikandar & Co.
Chartered Accountants

Karachi: October 02, 2007

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **AL-ABBAS CEMENT INDUSTRIES LIMITED** as at June 30, 2007 and the related profit and loss account, 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 purpose 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 accounts 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;

   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, 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, 2007 and of the loss, its cash flows and changes in equity for the year then ended.

d) In our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance; and

e) Without qualifying our opinion, we draw attention to the note 16.2 to the financial statements which fully explain and states the reasons for classification of outstanding balance intact under the head "deferred liability".

M. Sikandar & Co.
Chartered Accountants

Karachi: October 02, 2007

BALANCE SHEET
As at June 30, 2007

	Note	2007	2006
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	**3,866,835**	3,197,844
Intangible asset	4	**209**	417
Long term deposits	5	**21,900**	22,487
		3,888,944	3,220,748
CURRENT ASSETS			
Stores, spare parts and loose tools	6	**244,957**	259,801
Stock-in-trade	7	**144,846**	136,937
Trade debts - unsecured (considered good)		**948**	24,745
Advances	8	**10,829**	29,966
Short term prepayments		**3,025**	3,875
Tax refund due from government	9	**16,859**	24,754
Other receivables	10	**130,192**	331
Cash and bank balances	11	**2,366**	118,057
		554,022	598,466
		4,442,966	3,819,215
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 200,000,000 (2006 : 150,000,000) ordinary shares of Rs. 10/- each		**2,000,000**	1,500,000
Issued, subscribed and paid-up capital	12	**1,142,781**	1,142,781
Reserves - revenue	13	**80,000**	80,000
Accumulated loss		**(204,564)**	(62,577)
		1,018,217	1,160,204
Right share subscription		**362,878**	-
LIABILITIES			
NON CURRENT LIABILITIES			
Long term financing	14	**1,729,348**	1,886,629
Liabilities against assets subject to finance lease	15	**1,266**	3,102
Deferred liabilities	16	**244,992**	277,938
		1,975,606	2,167,669
CURRENT LIABILITIES			
Trade and other payables	17	**436,467**	275,544
Mark-up accrued	18	**37,818**	38,991
Short term borrowings	19	**217,314**	40,520
Current portion of long term loans		**393,444**	135,000
Current maturity of liabilities against assets subject to finance lease		**1,222**	1,287
		1,086,265	491,342
CONTINGENCIES AND COMMITMENTS	20	**-**	-
		4,442,966	3,819,215

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

Asim Ghani
Chairman

Shunaid Qureshi
Chief Executive

PROFIT AND LOSS ACCOUNT

For the year ended June 30, 2007

	Note	2007	2006
		(Rupees in thousand)	
Sales - net	21	**206,412**	913,511
Cost of sales	22	**(335,632)**	(891,606)
Gross (Loss) / profit		**(129,220)**	21,905
Distribution cost	23	**(1,925)**	(977)
Administrative expenses	24	**(26,783)**	(17,670)
Other operating expenses	25	**-**	(6,695)
		(28,708)	(25,342)
		(157,928)	(3,437)
Other operating income	26	**5,895**	1,768
Loss from operations		**(152,033)**	(1,669)
Finance costs	27	**(16,735)**	(73,356)
(Loss) before taxation		**(168,768)**	(75,025)
Taxation	28	**26,781**	92,624
(Loss) / profit after taxation		**(141,987)**	17,599
Earning per share - Basic and diluted (in rupees)	29	**(1.242)**	0.173

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

Asim Ghani
Chairman

Shunaid Qureshi
Chief Executive

CASH FLOW STATEMENT

For the year ended June 30, 2007

	Note	2007	2006
		(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from/ (used in) operations	31	132,477	(92,041)
Gratuity - net		2,535	(14,419)
Income tax paid		(1,830)	(4,125)
Income tax refunded		1,960	-
Finance costs paid		(17,908)	(54,394)
		(15,243)	(72,938)
Net cash from/ (used in) operating activities		117,234	(164,979)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(876,578)	(1,753,207)
Addition to intangible asset		-	(625)
Long term deposit		588	(15,052)
Sale proceeds on disposal of assets		11,200	-
Net cash used in investing activities		(864,790)	(1,768,884)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term finance		246,164	1,371,629
Repayment of long term finance		(145,000)	-
Repayment of loan to related parties		(7,059)	(42,498)
Proceed from finance lease obligation		-	5,755
Repayment of finance lease obligation		(1,901)	(3,288)
Proceeds of right share subscription		362,877	-
Dividend paid		(10)	-
Issue of right shares		-	761,198
Net cash from financing activities		455,071	2,092,796
Net (decrease) / increase in cash and cash equivalents		(292,485)	158,933
Cash and cash equivalents at the beginning of year		77,537	(81,396)
Cash and cash equivalents at the end of the year	32	(214,948)	77,537

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

Asim Ghani
Chairman

Shunaid Qureshi
Chief Executive

STATEMENT OF CHANGES IN EQUITY
For the year ended June 30, 2007

	SHARE CAPITAL	REVENUE RESERVE -GENERAL	ACCUMULATED LOSS	TOTAL
	(Rs. in thousand)			
Balance as at July 01, 2005	380,927	80,000	(80,176)	380,751
Issue of Right shares	761,854	-	-	761,854
Profit for the year	-	-	17,599	17,599
Balance as at June 30, 2006	1,142,781	80,000	(62,577)	1,160,204
Loss for the year	-	-	(141,987)	(141,987)
Balance as at June 30, 2007	**1,142,781**	**80,000**	**(204,564)**	**1,018,217**

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

Asim Ghani
Chairman

Shunaid Qureshi
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2007

1 STATUS AND NATURE OF BUSINESS

Al-Abbas Cement Industries Limited was established as Private Limited Company on 1st December, 1981 and was converted into Public Limited Company on 9th July 1987 and is listed on Karachi and Lahore Stock Exchanges. The Company's principal activity is manufacturing and marketing of cement. The registered office of the company is situated at Pardesi House, Survey no. 2/1, R.Y. 16, Old Queens Road, Karachi and its undertaking is situated at Deh Kalo Kohar, Nooriabad Industrial Estate, District Dadu (Sindh).

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 (the Ordinance). Approved accounting standards comprise of such International Accounting Standards (IAS) as notified under the provisions of the Ordinance and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Ordinance or directives issued by the SECP differ with the requirements of these Standards, the requirements of the Ordinance, 1984 or the said directives take precedence.

2.2 Cost convention

These financial statements have been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for financial assets and liabilities which are carried at their fair values and certain employee benefits are based on actuarial valuation and stock in trade which are valued at net realizable value, if it is less than the cost.

2.3 Property, plant and equipment

(a) Operating fixed assets

(i) Owned

These are stated at cost less accumulated depreciation except for free hold land, which is stated at cost.

Depreciation is charged, on a systematic basis over the useful life of the assets, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the company, at the rates specified in Note 3.1. Depreciation on additions is charged from the quarter in which the asset is put to use and on disposals up to the quarter of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains or losses on disposals, if any, are included in income currently.

(ii) Assets subject to finance lease

The company accounts for property, plant and equipment held under finance leases by recording the asset and the related liability. These amounts are determined on the basis of discounted value of minimum lease payments or fair value whichever is lower. Financial charges are allocated to the accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged, on a systematic basis over the useful life of the assets, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the company, at the rates specified in Note 3.1. Depreciation on additions is charged from the quarter in which the asset is put to use and on disposals up to the quarter of disposal.

(b) Capital work-in-progress

Capital work in progress represents expenditures on fixed assets in the course of construction and installation. Transfers are made to relevant category of property, plant and equipment as and when assets are available for use. Capital work in progress is stated at cost.

(c) Intangible assets

Intangible asset is stated at cost less accumulated amortization and any impairment loss. Cost in relation to intangible asset presently held by the company includes cost of computer software and other expenses incidental to the purchase of computer software. Intangible asset is amortized from the year when this asset is available for use on the straight line method whereby the cost of an intangible asset is written off over the period which reflects the pattern in which the economic benefits associated with the asset are likely to be consumed by the company. Costs associated with maintaining computer software products are recognised as an expense as incurred.

(d) Impairment

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognized in the profit and loss account.

2.4 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at moving average cost. Items in transit are valued at cost comprising invoice value plus other directly attributable charges incurred thereon.

2.5 Stock in trade

Stock of raw and packing materials, work in process and finished goods are valued at the lower of cost and net realizable value. Cost in relation to work in process and finished goods includes prime cost and appropriate proportion of production overheads. Stocks of raw and packing material are valued at moving average cost.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.6 Trade debts

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the amount is no longer probable. Bad debts are written off when identified.

2.7 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 any outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

2.8 Cash and cash equivalents

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

2.9 Taxation

(a) Current

The company falls under the presumptive tax regime under Section 115 (4) and 169 of the Income Tax Ordinance, 2001 , to the extent of direct export sales. Provision for tax on other income and local sales is based on taxable income at the rates applicable for the current tax year, after considering the rebates and tax credits available, if any. The tax charge as calculated above is compared with turnover tax under Section 113 of the Income Tax Ordinance, 2001 and whichever is higher is provided in the financial statements.

(b) Deferred

Deferred tax is provided by using the liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognized only to the extent that it is probable that future profit will be available against which the assets can be utilized.

2.10 Staff retirement benefits

The company operates an unfunded gratuity scheme covering all employees according to the terms of employment, payable on the cessation of employment, subject to a minimum qualifying period of service. The actuarial valuation in this regard was carried out as at June 30, 2007, by using the Projected credit unit method. Actuarial gains and losses are recognized in the period in which it occur.

Compensated absences

The company accounts for liability in respect of unavailed compensated absences for all its permanent employees, in the period of absence. Provision for liabilities towards compensated absences is made on the basis of last drawn gross salary.

2.11 Foreign currency transactions

Transactions in foreign currencies are translated in to reporting currency at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling on the balance sheet date. Non-monetary assets and liabilities are translated using the exchange rates that existed when the values were determined. Exchange rate differences on foreign currency translations are included in profit and loss account.

2.12 Financial instruments

(a) Recognition

All the financial assets and financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognizing of the financial assets and the financial liabilities is taken to profit and loss account.

(b) Offsetting

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the asset and settle the liability simultaneously.

2.13 Borrowing costs

Borrowing cost incurred up to the date of commencement of commercial production is capitalized. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

2.14 Revenue recognition

Sales are recorded on dispatch of goods to customers. Return on deposits are recognized on accrual basis.

2.15 Transactions with related parties

Transactions in relation to sales, purchases and 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 associated companies, which are based on the advices received.

2.16 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 the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

(d) Staff retirement benefits

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

2.17 Accounting standards not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning on or after July 1, 2007 and are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures in the certain cases:

- IAS 1 - Presentation of Financial Statements - Amendments relating to Capital Disclosures;
- IAS 23 - Borrowing Cost (Revised);
- IAS 41 - Agriculture;
- IFRS 2 - Share-based Payments;
- IFRS 3 - Business Combinations;
- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations;
- IFRS 6 - Exploration for and Evaluation of Mineral Resources;
- IFRIC 8 - Scope of IFRS 2 Share-based Payments;
- IFRIC 9 - Reassessment of Embedded Derivatives;
- IFRIC 10 - Interim Financial Reporting and Impairment;
- IFRIC 11 - Group and Treasury Share Transactions;
- IFRIC 12 - Service Concession Arrangements; and
- IFRIC 13 - Customer Loyalty Programmes.

2.18 Dividend

Dividend is recognized as a liability in the period in which it is declared.

	Note	2007	2006
		(Rupees in thousand)	
3 PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets	3.1	**2,261,860**	1,363,697
Capital work-in-progress	3.2	**1,604,975**	1,834,147
		3,866,835	3,197,844

3.1 Tangible fixed assets

Description	2007 COST As at July 01, 2006	Additions/ (deletions)	As at June 30, 2007	Rate %	ACCUMULATED DEPRECIATION As at July 01, 2006	Deletion	For the year	As at June 30, 2007	Written down value As at June 30, 2007
	(Rupees in thousand)								
OWNED ASSETS									
Land - freehold	3,025	-	3,025	-	-	-	-	-	3,025
Building on freehold land	281,763	229,085	510,848	5%	98,138	-	11,707	109,845	401,003
Non factory building on free hold land	-	20,938	20,938	10%	-	-	1,066	1,066	19,872
Plant and machinery	1,798,865	721,988	2,510,285	4%	654,724	(3,199)	52,196	703,721	1,806,564
		(10,568)							
Vehicles	10,494	1,812	12,306	20%	5,194	-	1,210	6,404	5,902
Office equipments	6,802	495	7,297	10%	2,974	-	402	3,376	3,921
Furniture and fixture	7,357	564	7,921	10%	1,331	-	625	1,956	5,965
Factory and laboratory equipment	12,616	868	13,484	10%	1,338	-	1,153	2,491	10,993
Quarry equipment	9,447	-	9,447	15%	7,865	-	224	8,089	1,358
LEASED ASSETS									
Vehicles	5,755	(999)	4,756	20%	863	(271)	907	1,499	3,257
2007	**2,136,124**	**975,750**	**3,100,307**		**772,427**	**-**	**69,490**	**838,447**	**2,261,860**
		(11,567)				**(3,470)**			

Description	2006 COST As at July 01, 2005	Additions	As at June 30, 2006	Rate %	ACCUMULATED DEPRECIATION As at July 01, 2005	Deletion	For the year	As at June 30, 2006	Written down value As at June 30, 2006
	(Rupees in thousand)								
OWNED ASSETS									
Land - freehold	3,025	-	3,025	-	-	-	-	-	3,025
Building on freehold land	281,763	-	281,763	5%	88,474	-	9,664	98,138	183,625
Plant and machinery	1,792,848	6,017	1,798,865	4%	589,438	17,669	47,617	654,724	1,144,141
Vehicles	6,834	3,660	10,494	20%	4,125	-	1,069	5,194	5,300
Office equipments	4,749	2,053	6,802	10%	2,641	-	332	2,973	3,829
Furniture and fixture	1,958	5,399	7,357	10%	955	-	376	1,331	6,026
Factory and laboratory equipment	1,142	11,474	12,616	10%	408	-	930	1,338	11,278
Quarry equipment	9,447	-	9,447	15%	-	7,586	279	7,865	1,582
LEASED ASSETS									
Vehicles	-	5,755	5,755	20%	-	-	863	863	4,892
2006	2,101,766	34,358	2,136,124		686,041	25,255	61,131	772,427	1,363,697

		2007	2006
		(Rupees in thousand)	

3.1.1 Allocation of depreciation

The charge of depreciation for the year has been allocated as under:

		2007	2006
Cost of goods sold	22	**65,034**	59,202
Distribution cost	23	**1,114**	482
Administrative cost	24	**3,342**	1,447
		69,490	61,131

3.1.2 The following operating assets were disposed off the year:

Particulars	Mode of disposal	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (loss)	Particulars of purchasers
		(Rupees in thousand)					
Vehicle AJH-741 (Lancer)	Insurance claim	999	271	728	800	72	EFU Insurance Company Limited
Transformer	Negotiation	10,568	3,199	7,369	10,400	3,031	M/s Best way
		11,567	**3,470**	**8,097**	**11,200**	**3,103**	

3.2 Capital work-in-progress

	Cost at July 01, 2006	Capital expenditure incurred during the year	Transferred to tangible assets	Cost at June 30, 2007
	------------------ (Rupees in thousand) ------------------			
Civil work	120,116	166,123	159,590	126,649
Plant and machinery	1,672,786	308,592	634,614	1,346,764
Borrowing costs	41,245	243,758	153,441	131,562
	1,834,147	718,473	947,645	**1,604,975**

4 INTANGIBLE ASSET

		COST		ACCUMULATED AMORTIZATION			
		As at June 30, 2006 and June 30, 2007	Rate %	As at July 01, 2006	For the year	As at June 30, 2007	Book value as at June 30, 2007
		(Rupees in thousand)					
Computer Software	**2007**	**625**	**33.33%**	**208**	**208**	**416**	**209**
	2006	625		-	208	208	417

4.1 Allocation of amortization

The charge of amortization for the year has been allocated as under:

	Note	2007	2006
		(Rupees in thousand)	
Distribution cost	23	**52**	52
Administrative cost	24	**156**	156
		208	208

5 LONG TERM DEPOSITS

	2007	2006
Security deposits against leased assets	**118**	218
Security deposits others	**21,782**	22,270
	21,900	22,488

6 STORES, SPARES PARTS AND LOOSE TOOLS

	2007	2006
Stores	**122,187**	133,704
Spare parts	**122,401**	125,652
Loose tools	**369**	445
	244,957	259,801

7 STOCK-IN-TRADE

	2007	2006
Raw material	**59,870**	26,458
Packing material	**3,640**	4,093
Work-in-process	**62,811**	94,924
Finished goods	**18,525**	11,462
	144,846	136,937

8 ADVANCES - unsecured (considered good)

	2007	2006
To employees	**587**	315
To contractors and suppliers	**8,499**	18,771
Against letter of credit	**-**	3,056
Income tax net of provision	**1,721**	7,784
Others	**22**	40
	10,829	29,966

		2007	2006
		(Rupees in thousand)	
9	**TAX REFUND DUE FROM GOVERNMENT**		
	Income tax refundable	**4,280**	-
	Sales tax refundable	**12,529**	24,754
	Excise duty receivable	**50**	-
		16,859	24,754
10	**OTHER RECEIVABLES - unsecured (considered good)**		
	Insurance claim receivable	**130,000**	-
	Others	**192**	331
		130,192	331
11	**CASH AND BANK BALANCES**		
	Cash in hand	**92**	14,333
	Cash with banks		
	Current accounts	**2,274**	3,724
	Deposit accounts	**-**	100,000
		2,274	103,724
		2,366	118,057

12 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

		2007	2006
102,098,527	fully paid ordinary shares of Rs. 10 each issued for cash	**1,020,985**	1,020,985
840,000	ordinary shares of Rs. 10 each issued for consideration other than cash	**8,400**	8,400
11,339,588	ordinary shares of Rs. 10 each issued as fully paid bonus shares	**113,396**	113,396
114,278,115		**1,142,781**	1,142,781

13 RESERVE

	2007	2006
Revenue reserves - General	**80,000**	80,000

It represents accumulation made out of profits in past years and is kept in order to meet future exigencies.

	Note	2007	2006
		(Rupees in thousand)	
14 LONG TERM FINANCING			
Term finance I	14.1	**937,376**	921,212
Term finance II	14.2	**225,000**	285,000
Term finance III	14.3	**277,083**	335,417
Term finance IV	14.4	**283,333**	300,000
Term finance V	14.5	**400,000**	180,000
		2,122,792	2,021,629
Less: Current maturity shown under current liability		**(393,444)**	(135,000)
		1,729,348	1,886,629

14.1 The company has obtained Syndicate Term Finance facility against sanction limit of Rs. 938 million from consortium of three banks and a financial institution lead by National Bank Limited. It is secured by way of first ranking parri passu charge against current and future fixed assets of the company. It carries mark up at the rate of six month KIBOR plus 1.5% payable half yearly. It is repayable in 21 equal half yearly instalment commencing from November 2007.

14.2 The company has obtained Term Finance facility against sanction limit of Rs.300 million from Bank Alfalah Limited. It is secured by way of first ranking parri passu charge over fixed assets of the company. It carries mark up at the rate of six month KIBOR plus 1.5% payable quarterly. It is repayable in 20 equal quarterly instalment commencing from April 2006.

14.3 The company has obtained Term Finance facility against sanction limit of Rs. 350 million from Union Bank Limited. It is secured by way of first ranking parri passu charge over fixed assets of the company. It carries mark up at the rate of six month KIBOR plus 1.5% payable quarterly. It is repayable in 24 equal quarterly instalment commencing from April 2006.

14.4 The company has obtained Term Finance facility against sanction limit of Rs. 300 million from United Bank Limited. It is secured by way of first ranking parri passu charge over fixed assets of the company. It carries mark up at the rate of three month KIBOR plus 1.75% payable quarterly. It is repayable in 18 equal quarterly instalment commencing from April 2007.

14.5 The company has obtained Term Finance facility against sanction limit of Rs. 400 million from Allied Bank Limited. It is secured by way of first ranking parri passu charge over fixed assets of the company. It carries mark up at the rate of three month KIBOR plus 2.5% payable quarterly. It is repayable in 22 equal quarterly instalment commencing from March 2008.

		2007	2006
		(Rupees in thousand)	

15 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2007	2006
Minimum lease payment		
Not later than one year	**1,502**	2,030
later than one year but not later than five years	**1,365**	3,963
	2,867	5,993
Mark-up		
Not later than one year	**280**	743
later than one year but not later than five years	**99**	861
	379	1,604
Present value of minimum lease payment		
Not later than one year	**1,222**	1,287
later than one year but not later than five years	**1,266**	3,102
	2,488	4,389
Less: Current maturity shown under current liabilities	**(1,222)**	(1,287)
	1,266	3,102

The above leases have been obtained from Faysal Bank Limited. The rate used as discounting factor is ranging from 10.00% to 13.80% (2006: 10.00% to 12.5%). Lease rental are payable in equal monthly instalments in advance. The company can exercise its option to purchase the assets on expiry of lease term. In case of default in payment of rentals, penal interest at the rate of 0.1 % per day is chargeable.

16 DEFERRED LIABILITIES

	Note	2007	2006
Provision for employees gratuity	16.1	**4,981**	2,434
Loan from related parties	16.2	**240,011**	247,070
Deferred taxation	16.3	**-**	28,434
		244,992	277,938

16.1 Provision for employees gratuity

(a) Reconciliation of liability recognised in the balance sheet

	2007	2006
Present value of defined benefit obligations	**2,434**	16,424
Expenses for the year	**3,397**	2,434
	5,831	18,858
Less:		
Payment made during the year	**850**	14,419
Payable to outgoing employees	**-**	2,005
	850	16,424
Liability recognised in the balance sheet	**4,981**	2,434

(b) Expenses recognised in the profit and loss account

	2007	2006
Current service cost	**2,887**	2,434
Interest cost	**224**	-
Net actuarial loss recognised in the year	**286**	-
	3,397	2,434

		2007	2006
		(Rupees in thousand)	
(c) Principle actuarial assumptions			
Discount rate		**12%**	9%
Expected rate of eligible salary increase in future years		**10%**	8%
Average expected remaining working life time of employees		**11 Years**	11 Years

16.2 The charge of the company was taken over by the present management and one of the condition of takeover from the previous sponsors was that the amount payable as stated in note 16.2 was required to be adjusted in respect of any differences in the value of assets and /or unrecorded liabilities. Due to dispute between old sponsors and new sponsors, the final amount of sponsors' loan remains un-determined and un-settled. The company has no direct involvement but its liability is subject to determination of un-recorded liability of the sponsors, which has to be adjusted to finally determine the amount of old sponsors' loan. Pending the outcome of the decision, the amount standing to the credit of previous sponsor has been kept intact under the head "Deferred Liabilities" the present sponsors have committed to bear and pay the amount of interest if decided payable in this context. Thus though the quantum of amount payable cannot be determined with any accuracy yet there will be no adverse impact on the financial statement of the company in this behalf. The effect of the same will be incorporated once the matter is settled between the present and previous sponsors. Meantime previous sponsors have filed application to the winding up of company with Honorable Sindh High Court which is pending for hearing. However, legal counsel of company is in the opinion that current financial position of the company is not such which justify filing of such application. Furthermore, non settlement of account is due to un-resolved issues between old and new sponsors. Therefore, it is expected that no adverse order shall be issued against the company in such application.

16.3 Credit / (debit) balances arising in respect of timing differences relating to:

		2007	2006
Accelerated tax depreciation rates		**-**	255,289
Gratuity		**-**	(852)
Unabsorbed tax losses		**-**	(226,003)
		-	28,434

17 TRADE AND OTHER PAYABLES

	Note	2007	2006
Trade creditors	17.1	**307,813**	157,820
Accrued Liabilities		**85,903**	77,957
Advances from customers		**5,071**	9,681
Unclaimed dividend		**128**	138
Gratuity payable to outgoing employees		**1,993**	2,005
Withholding tax payable		**365**	1,986
Deposits and retentions		**35,048**	25,894
Others		**146**	63
		436,467	275,544

17.1 It includes amount due to related parties amounting to Rs. 24.684 million (2006: Rs. Nil)

		2007	2006
		(Rupees in thousand)	

18 MARK-UP ACCRUED

		2007	2006
On long term financing		**32,419**	38,488
On short term borrowings		**5,399**	503
		37,818	38,991

19 SHORT TERM BORROWINGS

From banking companies

		2007	2006
Secured - running finances	19.1	**202,031**	31,029
Unsecured - book overdraft		**15,283**	9,491
		217,314	40,520

19.1 The company has arranged short-term running finance facilities from various banks on mark-up basis to the extent of Rs. 200 million (2006: Rs.150 million). It carry mark up at the rate ranging between one month KIBOR plus 1.25% to 6 months KIBOR plus 1.5 % (2006: one month KIBOR plus 1.25% to 6 months KIBOR plus 1.5 %) per annum. These finances were obtained to meet the working capital requirements of the company. The facilities are renewable and expired latest by January, 2008. The arrangements are secured by first charge ranking pari passu against current assets of the company.

20 CONTINGENCIES AND COMMITMENTS

Contingencies

Central Excise and Land Custom has passed an order for the recovery of excise duty, sales tax and penalty of Rs. 91.046 million (2006: 91.046 million). The company has however disputed the same both on grounds of lack of jurisdiction as well as on the merits, the matter is subjudice. The stay order was granted by the Honourable High Court of Sindh against the said order.

Commitments

Commitment against open letter of credit amounting to Rs. 21.250 (2006: Rs. 759 million).

21 TURNOVER - NET

Gross sales

	2007	2006
Local	**285,488**	1,172,889
Export	**-**	86,096
	285,488	1,258,985
Less:		
Sales tax	**(37,237)**	(153,005)
Central excise duty	**(41,339)**	(187,930)
Commission	**(500)**	(4,539)
	(79,076)	(345,474)
	206,412	913,511

	Note	2007	2006
		(Rupees in thousand)	
22 COST OF SALES			
Salaries, wages and other benefits including retirement benefits	22.1	**85,389**	71,409
Raw and packing material consumed		**66,555**	132,927
Stores, spares parts and loose tools consumed		**23,653**	64,236
Fuel and power		**43,147**	587,639
Rent, rates and taxes		**150**	100
Insurance		**4,831**	4,190
Repair and maintenance		**6,419**	19,471
Vehicle running expenses		**353**	4,619
Depreciation	3.1.1	**65,034**	59,202
Other production overheads		**15,051**	8,766
		310,582	952,559
Work in process			
Opening		**94,924**	30,157
Closing		**(62,811)**	(94,924)
		32,113	(64,767)
		342,695	887,792
Finished goods			
Opening		**11,462**	15,276
Closing		**(18,525)**	(11,462)
		(7,063)	3,814
		335,632	891,606

22.1 The salaries, wages and other benefits includes an amount of Rs. 2.771 (2006: Rs. 1.985) million in respect of retirement benefits.

	Note	2007	2006
23 DISTRIBUTION COST			
Salaries, wages and other benefits		**29**	-
Export expenses		**14**	238
Travelling and conveyance		**172**	71
Vehicle running expenses		**256**	92
Advertisement		**27**	33
Postage, telephone and telegram		**143**	9
Entertainment		**29**	-
Depreciation	3.1.1	**1,114**	482
Amortization of intangible asset	4	**52**	52
Others		**89**	-
		1,925	977

		Note	2007	2006
			(Rupees in thousand)	
24	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	24.1	**11,350**	4,748
	Travelling and conveyance		**418**	222
	Vehicle running expenses		**600**	313
	Printing and stationery		**491**	438
	Utilities		**834**	630
	Repair and maintenance		**158**	526
	Legal and professional charges		**3,388**	710
	Auditor's remuneration	24.2	**493**	336
	Rent, rates and taxes		**845**	650
	Newspaper and periodicals		**6**	11
	Advertisement		**295**	1,756
	Postage, telephone and telegram		**674**	427
	Entertainment		**474**	169
	Fees and subscription		**2,459**	4,341
	Depreciation	3.1.1	**3,342**	1,447
	Amortization of intangible asset	4	**156**	156
	Miscellaneous		**800**	790
			26,783	17,670

24.1 The salaries, wages and other benefits includes an amount of Rs. 0.626 (2006: Rs. 0.449) million in respect of retirement benefits.

24.2 Auditor's remuneration

	2007	2006
Statutory Audit fees - M. Sikandar & Co.	**175**	175
Cost audit fees - Hyder & Co.	**70**	120
Out of pocket expenses	**18**	31
Other professional charges	**230**	10
	493	336

		2007	2006
25	**OTHER OPERATING EXPENSES**		
	Security deposit against finance lease written off	**-**	6,695
26	**OTHER OPERATING INCOME**		
	Return from other financial assets		
	Profit on deposit	**237**	-
	Income from non financial assets		
	Gain on disposal of property, plant and equipment	**3,103**	-
	Sale of scrap	**2,499**	1,768
	Miscellaneous	**56**	-
		5,895	1,768
27	**FINANCE COST**		
	Mark-up on long term financing	**-**	67,749
	Mark-up on short term borrowings	**15,696**	3,052
	Financial cost on lease financing	**393**	278
	Bank charges and commission	**646**	2,277
		16,735	73,356

	2007	2006
	(Rupees in thousand)	

28 TAXATION

	2007	2006
Current		
For the year	**1,061**	4,598
For prior years	**592**	-
	1,653	4,598
Deferred	**(28,434)**	(97,222)
	(26,781)	(92,624)

Since the Company is liable to pay minimum tax, therefore, no numerical tax reconciliation is given.

29 EARNING PER SHARE - BASIC

	2007	2006
(Loss)/profit after taxation	**(141,987)**	17,599
Weighted average number of ordinary shares	**114,278,115**	101,581,000
Earning per share - basic and diluted	**(1.242)**	0.173

30 FINANCIAL ASSETS AND LIABILITIES

Following is the statement of financial assets and liabilities of the company.

	2007						
	Interest Bearing			Non Interest Bearing			
	Within one year	More than one year	Sub total	Within one year	More than one year	Sub total	Total
	(Rupees in thousand)						
Financial assets							
Deposit	-	-	-	-	21,900	21,900	21,900
Trade debts	-	-	-	948	-	948	948
Advances	-	-	-	609	-	609	609
Other receivables	-	-	-	130,192	-	130,192	130,192
Cash and bank balances	-	-	-	2,366	-	2,366	2,366
	-	-	-	134,115	21,900	156,015	156,015
Financial liabilities							
Financing	393,444	1,729,348	2,122,792	-	-	-	2,122,792
Liabilities against assets subject to finance lease	-	1,266	1,266	-	-	-	1,266
Trade and other payables	-	-	-	429,038	-	429,038	429,038
Interest and mark-up accrued	-	-	-	37,818	-	37,818	37,818
	393,444	1,730,614	2,124,058	466,856	-	466,856	2,590,914
Total yield/ mark up rate risk sensitivity gap	**(393,444)**	**(1,730,614)**	**(2,124,058)**	**(332,741)**	**21,900**	**(310,841)**	**(2,434,899)**

	2006						
	Interest Bearing			Non Interest Bearing			
	Within one year	More than one year	Sub total	Within one year	More than one year	Sub total	Total
	(Rupees in thousand)						
Financial assets							
Deposit	-	-	-	-	22,488	22,488	22,488
Trade debts	-	-	-	24,745	-	24,745	24,745
Advances	-	-	-	355	-	355	355
Other receivables	-	-	-	331	-	331	331
Cash and bank balances	100,000	-	100,000	18,057	-	18,057	118,057
	100,000	-	100,000	43,488	22,488	65,976	165,976
Financial liabilities							
Financing	135,000	1,886,629	2,021,629	-	-	-	2,021,629
Liabilities against assets subject to finance lease	-	3,102	3,102	-	-	-	3,102
Trade and other payables	-	-	-	261,872	-	261,872	261,872
Interest and mark-up accrued	-	-	-	38,991	-	38,991	38,991
	135,000	1,889,731	2,024,731	300,863	-	300,863	2,325,594
Total yield/ mark up rate risk sensitivity gap	**(35,000)**	**(1,889,731)**	**(1,924,731)**	**(257,375)**	**22,488**	**(234,887)**	**(2,159,618)**

The effective rate of interest disclosed in relevant notes to the financial statements.

30.1 Interest / mark-up rate risk exposure

Yield/ mark-up rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market yield / mark-up rates. The financing obtained from the financial institutions are subject to interest / mark-up based on KIBOR, however, the management does not expect any significant increase in KIBOR rates and therefore the company is not exposed to significant yield / mark-up rate risk.

30.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter parties failed to perform as contracted. To manage exposure of credit risk, the company applies credit limits to its customers and ensures that sale of products are made to customers with appropriate credit history.

30.3 Fair value of financial instruments

The carrying value of all the financial instruments reflected in relevant notes to the financial statements approximates their fair value.

30.4 Liquidity Risk

This risk shows an enterprise's inability in raising funds to meet its commitments. The company plans effectively for fund management policies to ensure availability of required funds.

30.5 Market Risk

Market refers to fluctuation in value of financial instruments as a result of changes in market prices. The company manages market risk through binding contracts.

30.6 Currency risk

Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not materially exposed to foreign currency risk on foreign currency assets and liabilities.

30.7 Risk management policies

Risk management is carried out by the management under polices 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.

	2007	2006
	(Rupees in thousand)	
31 CASH GENERATED FROM OPERATING ACTIVITIES		
CASH GENERATED FROM OPERATIONS		
(Loss) before taxation	**(168,768)**	(75,025)
Adjustment for:		
Depreciation	**69,490**	61,131
Amortisation of intangible assets	**208**	208
Financial costs	**16,735**	73,356
Gain on disposal of property, plant and equipment	**(3,103)**	-
Provision for Gratuity	**-**	2,434
	83,330	137,129
Operating profit before working capital changes	**(85,438)**	62,104
Changes in working capital :		
(Increase)/ decrease in current assets		
Stores, spares parts and loose tools	**14,844**	(38,302)
Stock-in-trade	**(7,909)**	(64,039)
Trade debts	**23,797**	(8,141)
Advances	**13,074**	12,820
Short term prepayments	**850**	(2,864)
Refund due from government - other than income tax	**12,175**	(24,754)
Other receivables	**139**	(331)
	56,970	(125,611)
Increase/ (decrease) in current liabilities		
Trade and other payables	**160,945**	(28,534)
Cash generated from/ (used in) operations	**132,477**	(92,041)
32 CASH AND CASH EQUIVALENTS		
Cash and bank balances	**2,366**	118,057
Short term borrowings	**(217,314)**	(40,520)
	(214,948)	77,537

		2007	2006
		(Rupees in thousand)	
33	**CAPACITY (Clinker)**		
	Installed capacity (M.Tons)	**450,000**	450,000
	Actual production (M.Tons)	**25,034**	252,027

Reason for shortfall:
The plant and machinery was shut down to complete the expansion, modernisation, balancing and replacement of work. However in the month of May 2007 line 1 started trial and subsequently commercial production whereas, line 2 will start trial run in the month of December 2007.

34 TRANSACTIONS WITH RELATED PARTIES

	2007	2006
Sale of cement	**823**	465
Purchase of clinker	**31,292**	13,816
Sale of refractory C-60 A	**192**	-
Sale of monitoring and safety equipment	**5,175**	-
Purchase of coke dust	**786**	89
Sale of grinding media	**6,204**	-

The above transactions are at arm's length basis on commercial terms and conditions.

35 REMUNERATION OF DIRECTORS AND EXECUTIVES

	Executive	
	2007	2006
Managerial remuneration	**3,923**	1,988
Housing allowance	**1,595**	894
Utilities	**355**	198
	5,873	3,080
Number of persons	**6**	3

36 RECLASSIFICATION

The following reclassification were made for better presentation of transactions in the financial statements of the company.

From	To	Rupees in thousand
Cost of sales	Sales	
Central excise duty	Central excise duty	187,930
Distribution costs	Sales	
Commission	Commission	4,539

37 AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors on October 02, 2007.

Asim Ghani
Chairman

Shunaid Qureshi
Chief Executive

AL-ABBAS
GROUP

AL-ABBAS CEMENT INDUSTRIES LTD.

FORM OF PROXY

The Secretary,
The Al-Abbas Cement Industries Limited
Pardesi House, Survey No. 2/1,
R.Y. 16,
Old Queens Road,
Karachi

Please quote:
No. of shares held ____________________
Folio No. ____________________________

I/We ____

of ____

Member(s) of the **Al-Abbas Cement Industries Limited**, hereby appoint ___________________

__________________________________ of _____________________________________

or failing him ____

of ____

as proxy in my/our behalf at the Annual General Meeting of the Company to be held at Beach Luxury Hotel, Karachi on Friday, October 26, 2007 at 8.00 p.m. and at any adjournment thereof.

As witness my hand this ____________________________________ day of ___________2007

Signed by ____

in the presence of ______________________

Signature

Rupees five 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, not later than 48 hours before the time of holding the meeting.

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