



## Condensed Interim Financial Report

For Six Months - 2nd Quarter Ended December 31, 2014





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## Corporate Information

### Board of Directors

Arif Habib  
Chairman

Samad A. Habib  
Chief Executive

Abdul Qadir  
Director

Hassan Ayub Adhi  
Director

Kashif A. Habib  
Director

Muhammad Ejaz  
Director

Muhammad Iqbal  
Director

Muhammed Siddiq Khokhar  
Director

Syed Ali Zulqarnain  
Director

### Chief Financial Officer

Syed Muhammad Talha

### Company Secretary

Haroon Usman

### Audit Committee

Abdul Qadir  
Chairman

Kashif A. Habib  
Member

Muhammad Ejaz  
Member

Yasir Ghouri  
Secretary

### HR & Remuneration Committee

Arif Habib  
Chairman

Samad A. Habib  
Member

Muhammad Ejaz  
Member

### Auditors

Haroon Zakaria & Co.  
Chartered Accountants

Yousuf Adil Saleem & Co. (Deloitte)  
Chartered Accountants

### Bankers

Allied Bank Limited  
Al-Baraka Pakistan Limited  
Askari Bank Limited  
Bank Al-Falah Limited  
BankIslami Pakistan Limited  
Faysal Bank Limited  
Habib Bank Limited

KASB Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Sindh Bank Limited  
Summit Bank Limited  
United Bank Limited

### Registered Office

Arif Habib Center,  
23, M.T.Khan Road,  
Karachi Pakistan - 74000,  
Tel : 32460717-19  
Fax: 32466824  
Website: [www.jcl.com.pk](http://www.jcl.com.pk)

### Share Registrar

Central Depository Company of  
Pakistan Limited, CDC House, 99-B,  
Block 'B' S.M.C.H.S Shahrah-e-  
Faisal, Karachi.

### Site Office

Naya Nazimabad, Manghopir Road, Karachi -75890  
Tel : 92-21-32061997-98, 32061903-04  
Fax: 92-21-36770144  
Website: [www.nayanazimabad.com](http://www.nayanazimabad.com)

## Directors' Report to the Members

Dear Shareholders,

On behalf of the Board of Directors of Javedan Corporation Limited (JCL), I am pleased to present the Half Yearly report together with the reviewed interim financial information for the period ended December 31, 2014.

### Overview

During the Period under review, the Company recorded sale of Rs. 151.528 million as compared to sale of Rs.1,117.78 million in the corresponding period of last year. During this period, all booked sales were related to some available residential plots of already launched Blocks. The reason for decrease in sale during this period is due to the fact that the Company is focusing on development work rather than selling units and adopting the strategy for holding units till such time where development work is near completion so that premium price may be obtained from these units. Profit after Tax (PAT) for the period is Rs.271.056 million as against PAT of Rs.863.314 million in the corresponding period of last year translating into basic Earnings per share of Rs.3.45 as compared to Rs.11.15.

During the period, the Company had paid 50 % of the total outstanding exposure of Rs.920.35 million to National Bank of Pakistan with the help of lead Sponsor. Further, the Company is current with all banking obligations.

In order to enhance financial capacity and to expedite the development work, the Company announced 100 % right shares and received Rs. 583.263 million by January 28, 2015 against 100% right shares subscription. This shows the confidence of the sponsors and shareholders in the project.

Following is the summary of comparative reviewed financial results:

Particulars	Dec 31, 2014 (Un-Audited)	Dec 31, 2013 (Un-Audited)
	(Rupees in thousands)	
Net Sales	151,528	1,177,780
Cost of sales	(55,169)	(352,683)
Gross Profit	96,359	825,098
Profit before taxation	141,301	630,527
Provision for taxation	129,755	232,787
Profit after taxation	271,056	863,314
EPS - Basic (in rupees)	3.45	11.15
EPS - Diluted (in rupees)	2.10	8.68

## Javedan Corporation Limited

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Company's efforts are now focused on internal and external development. The emphasis is being placed on quality assurance and cost effectiveness. Leveling, demarcation of plots, bungalows construction and road development is in full swing. Further, demarcation for commercial and flat sites is in progress. The management has already started awarding main development work contracts. Construction and development activities are satisfactory at site. A visit to the site will reveal actual details of these developments.

### Future Outlook

Naya Nazimabad, after ensuring safety and security by making it a gated community through boundary wall is now focusing on developing state of the art necessary amenities. To ensure complete spiritual, mental & physical health; a fully equipped hospital, vocational center, gymkhana and Grand Jama Mosque with Islamic Centre spread over seven acres of ideally placed land on main Boulevard road is in the final stages of design. Further, the ground breaking ceremony will be expected within this financial year.

The company is now implementing its plans to improve access to the housing scheme. In addition to its own resources, the company is also drawing upon government support and has obtained PC1s approvals for the access roads from North Nazimabad, North Karachi and Manghopir. Planning is underway for the launch of Phase 2 with revised pricing structure. This will not only add value to the project and contribute to the society but will also guarantee higher returns to the shareholders.

### Acknowledgement

The management of the Company would like to thank all the financial institutions, Securities and Exchange Commission of Pakistan, Karachi Stock Exchange, customers, individuals and staff members who have been associated with the Company and its project for their support and cooperation. We would also like to thank Board of Revenue, Lyari Development Authority, Sindh Building Control Authority, Environmental Protection Agency and, above all, the Government of Sindh for its support to the project. May Allah bless us all in our efforts. A'meen!

Thanking you all

For and on behalf of the Board



Samad A. Habib  
Chief Executive Officer

Karachi  
February 27, 2015

**Deloitte.**

M. YOUSUF ADIL SALEEM & CO.  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8  
KCHSU, Sharea Faisal  
Karachi



HAROON ZAKARIA & CO.  
Chartered Accountants  
210 & 211 - Progressive Plaza  
Beaumont Road  
Karachi

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

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of Javedan Corporation Limited ("the Company") as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof [here-in-after referred to as "condensed interim financial information"] for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2014 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2014.

### **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 condensed interim financial information as of and for the half year ended December 31, 2014 are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### **Emphasis of Matters**

We draw attention to note 6 to the condensed interim financial information related to recoverability of deferred tax asset which depends on future profitability of the Company. To assess the future profits, management has prepared projections which involve assumptions regarding future business and economic conditions and, therefore, any significant change in such assumptions or actual outcome that is different from assumptions may have an effect on the reliability of the deferred tax asset in future. In this respect, our opinion is not qualified.



**M. YOUSUF ADIL SALEEM & CO.**  
Chartered Accountants

Engagement Partner:  
Nadeem Yousuf Adil

Karachi  
Dated: February 28, 2015



**HAROON ZAKARIA & CO.**  
Chartered Accountants

Engagement Partner:  
Muhammad Iqbal

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2014

		(Unaudited) December 31, 2014	(Audited) June 30, 2014
<b>ASSETS</b>	Note	(Rupees in '000)	
<b>Non-current assets</b>			
Property and equipment	5	1,088,676	1,089,173
Intangible asset		4,300	5,353
Deferred taxation	6	985,937	985,937
Long term trade debts		428,946	1,894,467
Long term security deposits		3,440	3,440
		<u>2,511,299</u>	<u>3,978,370</u>
<b>Current assets</b>			
Development properties	7	8,211,681	8,009,305
Trade debts - Considered good		1,974,067	337,699
Advances		37,155	21,501
Trade deposits, short term prepayments and other receivables	8	504,674	536,476
Cash and bank balances		225,090	7,489
		<u>10,952,667</u>	<u>8,912,470</u>
		<u>13,463,966</u>	<u>12,890,840</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorised</b>			
Ordinary shares	9	1,200,000	1,200,000
Preference shares	9	1,200,000	1,200,000
<b>Issued, subscribed and paid up capital</b>			
Ordinary shares	9	583,263	583,253
Preference shares	9	1,120,213	1,120,253
Advance against subscription of right issue	9.1	579,926	-
Reserves		(867,670)	(1,176,318)
		<u>1,415,732</u>	<u>527,188</u>
<b>Surplus on revaluation of land</b>	10	<u>6,338,485</u>	<u>6,376,047</u>
<b>Non-current liabilities</b>			
Long term finance - Secured	11	1,086,371	1,431,364
Liabilities against assets subject to finance lease		1,307	1,614
Deferred liabilities		2,575	2,719
		<u>1,090,253</u>	<u>1,435,697</u>
<b>Current liabilities</b>			
Trade and other payables	12	171,301	317,070
Mark-up accrued		245,619	280,226
Advance from customers	13	725,284	785,245
Short term borrowings	14	2,078,460	1,167,938
Current maturity of :			
Long term finance	11	1,398,206	2,000,841
Liabilities against assets subject to finance lease		626	588
		<u>4,619,496</u>	<u>4,551,908</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>13,463,966</u>	<u>12,890,840</u>
<b>Contingencies and commitments</b>	15		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial information.

  
Chief Executive

  
Director

Half Yearly report 2014



**CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT - (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Note	Half Year Ended		Quarter Ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
(Rupees in '000)					
Revenue		151,528	1,177,780	-	1,100,321
Cost of sales		(55,169)	(352,683)	-	(318,730)
<b>Gross profit</b>		<b>96,359</b>	<b>825,098</b>	<b>-</b>	<b>781,592</b>
Marketing and selling expenses		(6,821)	(747)	(472)	(225)
Administrative expenses	16	(66,797)	(78,407)	(33,718)	(50,809)
Other income	17	224,000	52,700	160,751	51,936
<b>Profit from operations</b>		<b>246,741</b>	<b>798,644</b>	<b>126,561</b>	<b>782,494</b>
Finance cost		(105,440)	(168,117)	(38,955)	(86,761)
<b>Profit before taxation</b>		<b>141,301</b>	<b>630,527</b>	<b>87,606</b>	<b>695,733</b>
Taxation	18	129,755	232,787	138,883	133,563
<b>Profit after taxation</b>		<b>271,056</b>	<b>863,314</b>	<b>226,489</b>	<b>829,296</b>
<b>Earnings per share</b>					
<b>Basic</b>	19	<b>3.45</b>	11.15	<b>2.89</b>	10.71
<b>Diluted</b>	19	<b>2.10</b>	8.68	<b>1.75</b>	8.34

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Chief Executive

  
Director

**CONDENSED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

Note	Half Year Ended		Quarter Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Rupees in '000)			
Profit after taxation	271,056	863,314	226,489	829,296
Other comprehensive income for the period	-	-	-	-
Items that will not be reclassified subsequently to profit and loss account	-	-	-	-
Items that will be reclassified subsequently to profit and loss account	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>271,056</b>	<b>863,314</b>	<b>226,489</b>	<b>829,296</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial information.

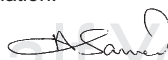
  
Chief Executive

  
Director

**CONDENSED INTERIM  
CASH FLOW STATEMENT - (UN-AUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half Year Ended	
	December 31, 2014	December 31, 2013
	(Rupees in '000)	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	141,301	630,527
<b>Adjustments for non-cash charges and other items</b>		
Depreciation	4,420	4,543
Amortization	1,053	1,053
Finance cost	105,440	168,117
Interest income	(211,138)	(268)
	(100,225)	173,445
<b>Cash generated from operating activities before working capital changes</b>	<b>41,076</b>	<b>803,972</b>
<b>(Increase) / decrease in current assets</b>		
Development properties	(58,043)	138,149
Trade debts	40,193	(802,307)
Advances	(15,654)	(10,581)
Deposits, prepayments and other receivables	31,802	(63)
	(1,702)	(674,802)
<b>Increase / (decrease) in current liabilities</b>		
Advance from customers	(59,961)	69,443
Trade and other payables	(14,942)	13,516
	(74,903)	82,959
<b>Net cash (used in) / generated from operations</b>	<b>(35,529)</b>	<b>212,129</b>
Income tax paid	(1,073)	(2,986)
Finance cost paid	(284,382)	(111,004)
Gratuity paid	(144)	(1,084)
<b>Net cash (used in) / generated from operating activities</b>	<b>(321,128)</b>	<b>97,055</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for fixed capital expenditure	(3,977)	(1,387)
Fixed asset sale proceeds	52	-
Interest received	103	268
<b>Net cash used in investing activities</b>	<b>(3,822)</b>	<b>(1,119)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Subscription received against Right Issue	579,926	-
Repayment of long term finance - net	(947,628)	(475,361)
Net proceeds from short term borrowing	910,522	364,964
Principal repayment of finance lease	(269)	(150)
<b>Net cash generated from / (used in) financing activities</b>	<b>542,551</b>	<b>(110,547)</b>
<b>Net increase / (decrease) in cash and bank balances</b>	<b>217,601</b>	<b>(14,611)</b>
<b>Cash and bank balances at beginning of the period</b>	<b>7,489</b>	<b>15,132</b>
<b>Cash and bank balances at end of the period</b>	<b>225,090</b>	<b>521</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial information.

  
Chief Executive

  
Director

**CONDENSED INTERIM  
STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Ordinary share capital	Share Premium	Preference share capital	Capital reserves	Subscription received against Right Issue	Reserve Revenue		Total
						General	Accumulated losses	
(Rupees in '000)								
<b>Balance as at June 30, 2013 - Audited</b>	581,282	-	1,127,713	11,966	-	63,500	(3,200,918)	(1,416,457)
Profit for the period	-	-	-	-	-	-	863,314	863,314
Other comprehensive income for the period	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	863,314	863,314
Transfer of surplus on revaluation of land	-	-	-	-	-	-	614,128	614,128
<b>Balance as at December 31, 2013</b>	<b>581,282</b>	<b>-</b>	<b>1,127,713</b>	<b>11,966</b>	<b>-</b>	<b>63,500</b>	<b>(1,723,476)</b>	<b>60,985</b>
<b>Balance as at July 01, 2014 - Audited</b>	583,253	7,942	1,120,253	11,966	-	63,500	(1,259,726)	527,188
Profit for the period	-	-	-	-	-	-	271,056	271,056
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	271,056	271,056
Subscription received against Right Issue	-	-	-	-	579,926	-	-	579,926
Transfer of surplus on revaluation of land	-	-	-	-	-	-	37,562	37,562
<b>Transaction with the owners:</b>								
Conversion of preference shares into ordinary shares	10	45	(40)	-	-	-	-	15
Dividend at 12% on conversion of preference shares into ordinary shares	-	-	-	-	-	-	(15)	(15)
<b>Balance as at December 31, 2014</b>	<b>583,263</b>	<b>7,987</b>	<b>1,120,213</b>	<b>11,966</b>	<b>579,926</b>	<b>63,500</b>	<b>(951,123)</b>	<b>1,415,732</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial information.

  
Chief Executive

  
Director

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**NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

**1. STATUS AND NATURE OF BUSINESS**

- 1.1 Javedan Corporation Limited (the Company) was incorporated in Pakistan on June 08, 1961, as a public limited company under the repealed Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on the Karachi Stock Exchange. The registered office of the Company is located at Arif Habib Center, 23, M.T Khan Road, Karachi.
- 1.2 The Company has ceased its cement business since July 01, 2010 and management has developed business diversification strategy for utilizing the Company's land for developing a housing scheme, "Naya Nazimabad", which will include bungalows, open plots, flat sites and commercial sites. The housing project is located at Manghopir, Karachi. The Company's layout plan of the project is approved by Lyari Development Authority vide letter number LDA/PP/2010/255 on March 02, 2011 and has obtained No Objection Certificate from Sindh Building Control Authority having NOC # SBCA/D.D(D-II)/985/ADV-503/2011 on November 12, 2011.

**2. BASIS OF PREPARATION**

- 2.1 This condensed interim financial information of the Company for the half year ended December 31, 2014 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.
- 2.2 The figures of condensed interim profit and loss account for the quarter ended December 31, 2014 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2014. This condensed interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2014.
- 2.3 These condensed interim financial information are presented in Pakistani Rupees which is also the Company's functional currency.
- 2.4 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2014, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been extracted from the unaudited condensed interim financial information for the half year ended December 31, 2013.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in the preparation of this condensed interim financial informant are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2014.

**4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT**

- 4.1 The preparation of the condensed interim financial information in conformity with the approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2014.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2014.

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	Note	December 31, 2014	December 31, 2013
<b>5. PROPERTY AND EQUIPMENT</b>			
During the period following additions and disposals were made:			
<b>5.1 Additions during the period</b>			
Furniture, fixtures and equipment		1,635	90
Vehicles		2,342	-
Computer equipment		-	1,297
		<u>3,977</u>	<u>1,387</u>
<b>5.2 Disposals during the period:</b>			
Vehicles		15	-
Computer equipment		38	-
		<u>53</u>	<u>-</u>
<b>6. DEFERRED TAXATION</b>			
<b>Deferred tax liabilities arising in respect of:</b>			
Accelerated tax depreciation		-	(2,013)
Assets subject to finance lease		(1,573)	(1,680)
		<u>(1,573)</u>	<u>(3,693)</u>
<b>Less: Deferred tax assets arising in respect of:</b>			
Liabilities against assets subject to finance lease		676	749
Trade Debts		17,074	122,817
Operating Fixed Assets		272	-
Goodwill		260,894	304,128
Employee gratuity fund		901	924
Minimum tax impact		32,293	39,686
Alternate Corporate Tax		-	123,880
Assessed tax losses		1,044,293	943,193
		<u>1,356,403</u>	<u>1,535,377</u>
		<u>1,354,830</u>	<u>1,531,684</u>
Less: Deferred tax asset not recognised	6.1	(368,893)	(545,747)
		<u>985,937</u>	<u>985,937</u>

6.1 Deferred tax asset as at December 31, 2014 to the extent of Rs. 368.893 million (June 30, 2014: 545.747 million) has not been recognised as the Company is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

6.2 The Company has also prepared future profitability projections to assess recoverability of the deferred tax assets which has been recognized. These projections contain assumptions related to future sale of the land and estimates of associated cost of sale and also other expenditures.

	(Unaudited) December 31, 2014	(Audited) June 30, 2014
<b>7. DEVELOPMENT PROPERTIES</b>		
	(Rupees in '000)	
<b>Land</b>		
- Opening balance	8,151,483	8,548,907
Add: Acquired during the period / year	-	32,833
	<b>8,151,483</b>	<b>8,581,740</b>
<b>Development expenditure</b>		
- Opening balance	1,449,763	1,122,573
Add: Incurred during the period / year	196,748	327,190
	<b>1,646,511</b>	<b>1,449,763</b>
<b>Borrowing costs</b>		
- Opening balance	789,259	549,049
Add: Capitalized during the period / year	144,335	240,210
	<b>933,594</b>	<b>789,259</b>
<b>Less:</b>	<b>10,731,588</b>	<b>10,820,762</b>
Transferred to cost of sales to date	(1,727,693)	(1,672,524)
Transferred to property and equipment	-	(430,257)
Transferred to receivables from customers to date	(792,214)	(708,677)
	<b>8,211,681</b>	<b>8,009,304</b>
<b>8. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES</b>		
<b>Deposits</b>		
Guarantee margin	225	225
With contractors	2,680	2,680
Security deposit with Karachi Building Control Authority (KBCA)	3,345	3,345
Others	36	36
	<b>6,286</b>	<b>6,286</b>
<b>Prepayments</b>		
Prepaid rent and insurance	2,168	1,747
<b>Other receivables - Considered good</b>		
International Builders and Developers (Private) Limited - related party	524	524
Sales tax refundable	4,703	4,703
Development charges recoverable from customer	489,704	521,132
Excise duty refundable	574	574
Others	715	1,510
	<b>504,674</b>	<b>536,476</b>

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**9. SHARE CAPITAL**

**Authorised capital**

December 31, 2014	June 30, 2014		(Unaudited) December 31, 2014	(Audited) June 30, 2014
(Number of Shares)			(Rupees in '000)	
<u>120,000,000</u>	<u>120,000,000</u>	Ordinary shares of Rs.10 each	<u>1,200,000</u>	<u>1,200,000</u>
		12% Redeemable, cumulative and convertible preference shares of Rs.10 each	<u>1,200,000</u>	<u>1,200,000</u>

**Issued, subscribed and paid up ordinary share capital**

December 31, 2014	June 30, 2014		(Unaudited) December 31, 2014	(Audited) June 30, 2014
(Number of Shares)			(Rupees in '000)	
8,600,000	8,600,000	Issued for cash	86,000	86,000
47,200,000	47,200,000	Issued under the financial restructuring arrangement	472,000	472,000
200,000	200,000	Issued as fully paid bonus shares	2,000	2,000
(54,268,643)	(54,268,643)	Shares cancelled due to merger	(542,686)	(542,686)
27,332,729	27,332,729	Shares issued in lieu of merger	273,327	273,327
29,064,086	29,064,086	Right shares issued	290,641	290,641
198,156	197,151	Shares issued on conversion from preference shares	1,981	1,971
<u>58,326,328</u>	<u>58,325,323</u>		<u>583,263</u>	<u>583,253</u>

**Issued subscribed and paid up preference shares capital**

December 31, 2014	June 30, 2014		(Unaudited) December 31, 2014	(Audited) June 30, 2014
(Number of Shares)			(Rupees in '000)	
112,771,300	112,771,300	12% Redeemable, cumulative and convertible preference shares of Rs.10 each	1,127,713	1,127,713
(750,000)	(746,000)	Shares cancelled on conversion into ordinary shares	(7,500)	(7,460)
<u>112,021,300</u>	<u>112,025,300</u>		<u>1,120,213</u>	<u>1,120,253</u>



**9.1** This amount represents the advance received in respect of subscription against right issue. During the period, the Company has issued 58,325,323 right shares at par value of Rs. 10 per share, out of which 57,992,639 shares were subscribed by the period end.

		(Unaudited) December 31, 2014	(Audited) June 30, 2014
<b>10. SURPLUS ON REVALUATION OF LAND</b>			
		(Rupees in '000)	
Property and equipment		1,006,846	1,006,846
Development properties		5,331,639	5,369,201
		<u>6,338,485</u>	<u>6,376,047</u>
<b>11. LONG TERM FINANCE - Secured</b>			
<b>Allied Bank Limited</b>			
- Medium term finance facility		400,000	600,000
- Debt asset swap arrangement		361,266	361,266
		<u>761,266</u>	<u>961,266</u>
<b>National Bank of Pakistan Limited</b>			
- Restructured Loan	11.1	905,887	1,225,000
- Term Finance Certificates Zero Rated		-	615,700
		<u>905,887</u>	<u>1,840,700</u>
<b>Faysal Bank Limited</b>			
- Term Finance Certificates		300,000	400,000
- Debt asset swap arrangement		63,868	74,260
		<u>363,868</u>	<u>474,260</u>
<b>Term loans</b>			
- Bank Islami Pakistan Limited	11.2	200,000	-
<b>Related parties</b>			
- Arif Habib Corporation Limited	11.3	93,600	-
<b>Long term accrued mark-up on debt asset swap arrangement</b>			
- Allied Bank Limited		130,293	130,293
- Faysal Bank Limited		29,663	25,686
		<u>159,956</u>	<u>155,979</u>
Current maturity of long term finance shown under current liabilities		(1,398,206)	(2,000,841)
	11.4	<u>1,086,371</u>	<u>1,431,364</u>

- 11.1** During the period, the Company has restructured the previously issued Privately Placed Term Finance Certificate (TFCs) amounting to Rs. 1,225 million. According to revised agreement, total amount of facility was reduced to Rs. 920.350 million and accordingly the Company has made repayment of the differential amount of facility amounting to Rs. 304.650 million. The remaining amount of facility is to be paid in 4 semi annual installments of Rs. 14.462 million @ KIBOR+2.5 % commencing from October 31, 2014 and then 10 semi annually installments of Rs. 86.250 as per revised agreement.
- 11.2** During the period, the Company has obtained loan facility from Bank Islami Pakistan Limited (BIPL) amounting to Rs. 200 million at a markup rate of 3 months KIBOR + 2.5% per annum (subject to floor and cap of 11% and 20% respectively). Facility amount is payable in eight equal quarterly installments and is secured against exclusive charge on the Company's land of 27.09 acres located at Manghopir, Karachi.
- 11.3** This amount represents finance availed during the period from Arif Habib Corporation Limited, against the total facility allowed of Rs. 600 million at a markup rate of six months KIBOR + 3% per annum .
- 11.4** The terms of all other facilities are same as disclosed in annual audited financial statements for the year ended June 30, 2014 except as specified in notes 11.1, 11.2 and 11.3.

	(Unaudited) December 31, 2014	(Audited) June 30, 2014
<b>12. TRADE AND OTHER PAYABLES</b>	(Rupees in '000)	
Creditors	10,246	4,729
Accrued liabilities	131,538	149,123
Retention money payable	10,922	10,685
Power Cement Limited - related party	2,205	5,841
Withholding tax payable	2,521	1,996
Unclaimed dividend	2,834	2,834
Income tax payable	11,034	141,862
	<u>171,301</u>	<u>317,070</u>

**13. ADVANCE FROM CUSTOMERS**

This represents amount received from customers in respect of booking of plots and bungalows as per the payment plan on which sales has not been recognised since it does not meet the recognition criteria. It includes amount received from related parties amounting to Rs. 143.241 million (June 30, 2014: Rs. 143.241 million) .

		(Unaudited) December 31, 2014	(Audited) June 30, 2014
<b>14. SHORT TERM BORROWINGS</b>	(Rupees in '000)		
From banking companies - secured			
Summit Bank Limited	14.1	135,000	134,906
Sindh Bank Limited	14.2	412,260	404,832
Related parties - unsecured			
Loan from sponsors	14.3		
- Interest bearing		1,031,200	628,200
- Non-interest bearing		500,000	-
		<u>2,078,460</u>	<u>1,167,938</u>

- 14.1** This represents short-term running finance and term finance obtained from Summit Bank amounting to Rs. 85 million and Rs. 50 million respectively. Both facilities carry mark-up at the rate of 3 months KIBOR + 4% and are secured by mortgage over 35.55 acres inclusive of margin and personal guarantee of Mr. Arif Habib.
- 14.2** The facility carries markup rate of 13.5% per annum payable in quarterly installments and is secured by token mortgage of Rs. 0.1 million and remaining as equitable mortgage of land measuring 97,520 sq. yards for 796 plots owned by the Company in "Naya Nazimabad". Beside this the facility is also secured by personal guarantee of all sponsoring directors of the Company. This facility was expired on December 31, 2014 but extended till January 31, 2014 through an agreement dated December 31, 2014.
- 14.3** This amount include loan provided by Mr. Arif Habib at a markup of rate of 3 months KIBOR + 3% and non interest bearing loan provided by Mr. Haji Ghani Usman and Mr. Shunaid Qureshi. The amount is payable on demand.

## 15. CONTINGENCIES AND COMMITMENTS

### 15.1 Contingencies

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

	(Unaudited) December 31, 2014	(Audited) June 30, 2014
<b>15.2 Commitments</b>	(Rupees in '000)	
Dividend on preference shares	409,669	345,955
Land for development and civil works	28,155	20,496
Guarantee in favour of Sindh Building Control Authority (SBCA)	6,960	6,960
	<u>444,784</u>	<u>373,410</u>

	Note	(Unaudited)			
		Half year ended		Quarter Ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>16. ADMINISTRATIVE EXPENSES</b>		(Rupees in '000)			
Salaries, wages and other benefits		27,564	38,470	12,809	27,927
Fees and subscription		2,480	906	1,214	721
Depreciation		4,420	4,543	2,260	2,433
Amortization		1,053	1,053	526	526
Vehicle running expenses		4,810	5,053	2,477	2,592
Legal and professional charges		256	340	94	80
Repair and maintenance		1,386	1,419	645	560
Rent, rate and taxes		1,639	1,934	846	890
Utilities		12,634	12,192	6,569	7,212
Donation	16.1	984	2,156	262	331
Communication		1,835	1,432	1,129	921
Travelling and conveyance		498	529	380	380
Insurance		2,436	1,656	1,688	950
Printing and stationery		1,441	985	1,162	710
Auditors' remuneration		300	400	300	150
Entertainment		845	577	479	256
Meeting and convention		117	173	117	173
General expenses		2,099	4,589	1,274	3,747
		<u>66,797</u>	<u>78,407</u>	<u>34,231</u>	<u>50,559</u>

- 16.1** None of the directors or their spouses have any interest in the donees' funds.

	(Unaudited) December 31, 2014	(Unaudited) December 31, 2013
	(Rupees in '000)	
<b>17 OTHER INCOME</b>		
<b>Financial assets</b>		
Income from cancellation of bookings	7,991	-
Profit on deposits	103	268
Discount income	211,036	50,421
Miscellaneous	4,880	2,011
	<u>224,010</u>	<u>52,700</u>
<b>Non-financial assets</b>		
Sale of scrap	(10)	-
	<u>224,000</u>	<u>52,700</u>

	Note	(Unaudited)			
		Half year ended		Quarter Ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		(Rupees in '000)			
<b>18. TAXATION</b>					
Current		(1,518)	11,069	(1,518)	10,293
Prior	18.1	131,273	(91)	131,273	(91)
		<u>129,755</u>	10,978	<u>129,755</u>	10,202
Deferred		-	(243,765)	-	(143,765)
		<u>129,755</u>	<u>(232,787)</u>	<u>129,755</u>	<u>(133,563)</u>

**18.1** Alternate Corporate tax (ACT) was applicable on the Company at the rate of 17% of accounting income after certain adjustments as mentioned in Section 113 C of Income tax Ordinance 2001 through finance act 2014. Accordingly, the Company had made a provision for ACT for the year ended June 30, 2014. However, during the period, the Company has obtained a stay order from the honourable high court of sindh and therefore, the provision booked has been reversed during the period. However, the company will have to pay this amount if the Honourable High Court of Sindh withdraws its stay order after the completion of proceedings of the case.

**18.2** For the assessment year 2012, the Assistant Commissioner Inland Revenue has raised a demand of Rs. 1,003 million as per order passed under section 122(1). The management has filed an appeal against the assessment and is confident that the case will be decided in the favor of the Company, therefore no provision has been made in this condensed interim financial information.

For the assessment year 2008, the Commissioner Appeal has annulled the assessment order passed by the Additional Commissioner Inland Revenue in which additional tax liability of Rs. 39.791 million was demanded.

For the assessment years 2009 and 2010, the Commissioner Appeal has remanded back the assessment orders passed by Additional Commissioner Inland Revenue directing for reconsideration of major issues involved in additional tax demand of Rs. 80.257 million and Rs. 194.035 million respectively.

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19. EARNINGS PER SHARE	Note	(Unaudited)			
		Half year ended		Quarter Ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
(Rupees in '000)					
<b>Basic</b>					
		271,056	863,314	226,489	829,296
		78,500,341	77,412,193	78,500,341	77,412,193
		3.45	11.15	2.89	10.71
<b>Diluted</b>					
		271,056	863,314	226,489	829,296
		129,357,695	99,462,285	129,357,695	99,462,285
		2.10	8.68	1.75	8.34

## 20. BALANCES / TRANSACTIONS WITH RELATED PARTIES

The related party comprise of associated undertakings, key management personnel and post employment benefit plan. The Company carries out transactions with various related parties as per agreements. Details of balances and transactions with related parties during the period, other than those which have been disclosed elsewhere in this condensed interim financial information, are as follows:

	(Unaudited) December 31, 2014	(Audited) June 30, 2014
<b>Balances with Related Parties</b>		
<b>Mark-up Accrued</b>		
(Rupees in '000)		
Associates	9	-
Key Management Personnel	115,239	34,714
<b>Receivables Against Sale of Plots</b>		
Associates	1,380,691	1,221,882
Key Management Personnel	10,437	900
<b>Transactions with Related Parties</b>		
<b>Associates</b>		
Sales of commercial plots	-	1,044,048
Amount received against sale of commercial plots	-	250,000
Loan received	387,000	269,000
Loan repaid	293,400	450,000
Purchase of cement	6,143	5,058
Mark-up expense	10,655	52,472
<b>Key management personnel</b>		
Loan received from sponsors	1,460,000	255,000
Loan repaid	557,000	-
Mark-up expense	80,526	7,977

## 21. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 27, 2015 by the Board of Directors of the Company.

## 22. GENERAL

Figures have been rounded-off to the nearest thousands of rupees and comparative figures have been reclassified where necessary.

  
Chief Executive

  
Director

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## JAVEDAN CORPORATION LIMITED

Arif Habib Center, 23 - M.T. Khan Road, Karachi, Pakistan - 74000

[www.jcl.com.pk](http://www.jcl.com.pk)

CORPORATE

