



Consolidated Interim Financial Report

For Three Months - 1st Quarter Ended September 30, 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

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

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 1st Quarterly report together with un-audited interim financial information for the period ended September 30, 2014.

Overview

During the Period under review, the Company recorded sale of Rs.191.66 million as compared to sale of Rs.77.45 million in the corresponding period of last year. Profit after Tax (PAT) for the period is Rs.51.77 million as against PAT of Rs.34.01 million in corresponding period of last year. During the period, the Company had re-paid Rs.920.35 million of 50 % of the total outstanding exposure to National Bank of Pakistan with the help of lead Sponsor. As approved by the Board of Directors in their meeting held on October 09, 2014, the Company has already initiated the process for issuing 100% Right Shares at par value of Rs. 10/- to ensure availability of additional capital to improve its operations and to expedite the development work.

Following is the summary of comparative un-audited financial results:

Particulars	Sep 30, 2014 (Un-Audited)	Sep 30, 2013 (Un-Audited)
	(Rupees in thousands)	
Net Sales	191,669	77,459
Cost of sales	(65,343)	(33,953)
Gross Profit	126,326	43,506
Profit / (loss) before taxation	53,695	(65,206)
Provision for taxation	(1,917)	99,224
Profit after taxation	51,778	34,028
EPS - Basic (in rupees)	0.76	0.59
EPS - Diluted (in rupees)	0.52	0.44



Javedan Corporation Limited

The Planning and Infrastructure designing work is complete and the management has already started awarding main development work contracts. Construction and development activities are satisfactory at site. The Banglows' construction in Block-B is in full swing to ensure timely delivery of built up units. Further, demarcation for commercial and flats sites is in progress.

Future Outlook


As promised, the management has already made Naya Nazimabad a gated community by completing the boundary wall around the project and now focuses on improving access to Naya Nazimabad. The Company has successfully sought PC1 approvals from the Sindh Government for the construction of three wide Roads linked to Naya Nazimabad i.e. 4000 Road from North Karachi, 2000 Road from Nagan Chowranghi and Major Anwer Shamim Road from Sakhi Hasan. The construction work on 4000 road shall commence soon. Planning is for the launch of Phase 2 with revised pricing structure. Plans for new product offerings are in place and shall be launched in the near future. This will not only add value to the project and the society but will also guarantee higher returns in future 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 Government of Sindh for their support to the project. May Allah bless us in our efforts. A'meen!

Thanking you all

For and on behalf of the Board



Samad A. Habib
Chief Executive Officer

Karachi
October 28, 2014

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2014

		(Un-audited) September 30, 2014	(Audited) June 30, 2014
ASSETS	Note	(Rupees in '000)	
Non-Current Assets			
Property and equipment	6	1,089,990	1,089,173
Intangible assets		4,826	5,353
Deferred taxation		985,937	985,937
Trade debts - long term		1,841,132	1,894,467
Long term security deposits		3,440	3,440
		3,925,325	3,978,370
Current Assets			
Development Properties	7	8,058,346	8,009,305
Trade debt		461,666	337,699
Advances	8	27,299	21,501
Deposits, prepayments and other receivables	9	525,785	536,476
Cash and bank balances		2,036	7,489
		9,075,132	8,912,470
Total Assets		13,000,457	12,890,840
EQUITY AND LIABILITIES			
Authorized Share Capital			
Ordinary share Capital		1,200,000	1,200,000
Preference share Capital		1,200,000	1,200,000
Issued, subscribed and paid-up Share capital			
Ordinary share Capital		583,253	583,253
Preference share Capital		1,120,253	1,120,253
Reserves			
		(1,053,040)	(1,176,318)
		650,466	527,188
Surplus on Revaluation of Free and lease hold Land		6,297,336	6,376,047
Non-Current Liabilities			
Long term finances	10	1,328,425	1,431,364
Liabilities against assets subject to finance lease		1,452	1,614
Deferred Liability		7,016	2,719
		1,336,893	1,435,697
Current Liabilities			
Trade and other payables	11	319,311	317,070
Mark-up accrued		260,089	280,226
Advance from customers		715,304	785,245
Short term borrowings	12	1,982,900	1,167,938
Current maturity of :			
Long term finance		1,437,547	2,000,841
Liabilities against assets subject to finance lease		611	588
		4,715,762	4,551,908
Contingencies and Commitments			
	13	-	-
Total Equity and Liabilities		13,000,457	12,890,840

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


Chief Executive


Director

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**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE QUARTER AND THREE MONTHS ENDED SEPTEMBER 30, 2014**

	Quarter Ended	
	September 30, 2014	September 30, 2013
Note	(Rupees in '000)	
Sales	191,669	77,459
Cost of sales	(65,343)	(33,953)
Gross Profit	126,326	43,506
Expenses		
Administrative expenses	14 (33,079)	(27,598)
Marketing and selling expenses	(6,349)	(522)
Finance cost	(66,485)	(81,356)
	(105,913)	(109,476)
Other income	15 33,282	764
Profit/(Loss) before taxation	53,695	(65,206)
Taxation	16 (9,128)	99,224
Profit after taxation	44,567	34,018
Earnings per share		
Basic	17 0.76	0.59
Diluted	17 0.52	0.44

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


Chief Executive


Director

Quarterly report 2014

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)
FOR THE QUARTER AND THREE MONTHS ENDED SEPTEMBER 30, 2014**

	Quarter Ended	
	September 30, 2014	September 30, 2013
	(Rupees in '000)	
Profit after taxation	44,567	34,018
Other comprehensive income	-	-
Total comprehensive income for the period	<u>44,567</u>	<u>34,018</u>

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


Chief Executive



Director

Quarterly report 2014

**CONDENSED INTERIM
CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE QUARTER AND THREE MONTHS ENDED SEPTEMBER 30, 2014**

	Quarter Ended	
	September 30, 2014	September 30, 2013
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	53,695	(65,206)
Adjustments:		
Depreciation	2,160	2,110
Amortization	527	527
Finance cost	66,485	81,356
Interest income	(70)	(170)
Cash flow from operating activities before working capital changes	122,796	18,617
Working capital changes (Increase) / decrease in current assets		
Development properties	19,973	(30,795)
Trade debts	(123,967)	(42,953)
Advances	(5,798)	(4,148)
Deposits, prepayments and other receivables	10,691	(666)
Increase / (decrease) in current liabilities		
Advance from customers	(69,941)	32,205
Trade and other payables	(6,241)	1,652
	<u>(175,283)</u>	<u>(44,705)</u>
Net cash used in operations	(52,487)	(26,088)
Income tax paid	(646)	(1,152)
Finance cost paid (including borrowing cost)	(155,637)	(71,433)
Deferred liability	4,297	(805)
Net cash used in operating activities	(204,473)	(99,478)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,977)	(74)
Interest received	70	170
Long term receivable from customers	53,335	64,114
Net cash generated from investing activities	50,428	64,210
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance	(666,230)	(186,755)
Principal repayment of finance lease	(139)	(68)
Proceeds from short term borrowings	814,962	209,964
Net cash generated from financing activities	148,593	23,141
Net decrease in cash and cash equivalent	(5,453)	(12,127)
Cash and cash equivalent at beginning of the period	7,489	15,132
Cash and cash equivalent at end of the period	2,036	3,005

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


Chief Executive


Director

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**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)
FOR THE QUARTER AND THREE MONTHS ENDED SEPTEMBER 30, 2014**

	Ordinary Share capital	Share Premium	Preference Share capital	Revenue Reserves			Total
				Capital reserves	General reserve	Accumulated loss	
← (Rupees in '000) →							
Balance as at June 30, 2013	581,282	-	1,127,713	11,966	63,500	(3,200,918)	(1,416,457)
Profit for the quarter and three months ended September 30, 2013	-	-	-	-	-	34,018	34,018
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	34,018	34,018
Transfer of surplus on revaluation of free and lease hold land	-	-	-	-	-	25,192	25,192
Balance as at September 30, 2013	581,282	-	1,127,713	11,966	63,500	(3,141,708)	(1,357,247)
Balance as at June 30, 2014	583,253	7,942	1,120,253	11,966	63,500	(1,259,726)	527,188
Profit for the quarter and three months ended September 30, 2014	-	-	-	-	-	44,567	44,567
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	44,567	44,567
Transfer of surplus on revaluation of free and lease hold land	-	-	-	-	-	78,711	78,711
Balance as at September 30, 2014	583,253	7,942	1,120,253	11,966	63,500	(1,136,448)	650,466


Chief Executive


Director

Quarterly report 2014

**NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER AND THREE MONTHS ENDED SEPTEMBER 30, 2014**

1 STATUS AND NATURE OF BUSINESS

- 1.1** Javedan Corporation Limited (the Company) was incorporated in Pakistan on June 8, 1961, as a public limited company and is listed on Karachi Stock Exchange. The registered office of the Company is located at Arif Habib Centre, 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 and Sale NOC from Sindh Building and Control Authority.

2 BASIS OF PREPARATION

- 2.1** These condensed interim financial information of the Company for the 1st quarter ended September 30, 2014 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. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2** These condensed interim financial information are presented in Pakistani Rupees which is also the Company's functional currency and figures presented in these condensed interim financial information have been rounded off to the nearest thousand of Rupees.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, applied in the preparation of this condensed interim financial statements 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

The preparation of the condensed interim financial information in conformity with 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.

5 FINANCIAL RISK MANAGEMENT

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 June 30, 2014.

	Note	September 30, 2014 (Rupees in '000)	June 30, 2014
6 PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	1,089,990	50,537
Transferred from Development Properties		-	1,038,636
		<u>1,089,990</u>	<u>1,089,173</u>
6.1 Operating Fixed Assets			
Opening written down value		1,089,173	55,972
Additions during the period	6.2	2,977	5,383
Disposals during the period - cost		-	(2,480)
Depreciation charge for the period		(2,160)	(9,805)
Depreciation charge on disposal		-	1,467
Closing written down value		<u>1,089,990</u>	<u>50,537</u>
6.2 Additions during the period			
Furniture, fixtures and equipments		387	2,397
Vehicles		1,585	2,986
Other Assets		1,005	-
		<u>2,977</u>	<u>5,383</u>
7 DEVELOPMENT PROPERTIES			
Land			
Opening balance		8,151,483	8,548,907
Addition during the period		-	32,833
		8,151,483	8,581,740
Development expenditure			
Opening balance		1,449,763	1,122,573
Incurred during the period		91,129	327,190
		<u>1,540,892</u>	<u>1,449,763</u>
		9,692,375	10,031,503
Borrowing costs related to land			
Opening balance		789,259	549,049
Charged during the period		69,015	240,210
		<u>858,274</u>	<u>789,259</u>
		10,550,650	10,820,762
Less:			
Transferred to Cost of sales		(1,737,867)	(1,672,524)
Transferred to property and equipment		-	(430,257)
Transferred to receivables from customers to date		(754,437)	(708,677)
		<u>8,058,346</u>	<u>8,009,304</u>

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	Note	September 30, 2014	June 30, 2014
(Rupees in '000)			
8 ADVANCES			
Considered good			
Advances to suppliers		530	1,405
Advances to contractors		22,652	16,775
Advances against services and expenses		4,117	3,321
		<u>27,299</u>	<u>21,501</u>
9 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits			
Guarantee margin		225	225
With contractors		2,680	2,680
Security deposit with KBCA		3,345	3,345
Others		36	36
		<u>6,286</u>	<u>6,286</u>
Prepayments			
Prepaid rent and insurance		656	1,747
Other receivables - considered good			
Related parties (Associated undertakings)			
International Builders and Developers (Pvt.) Limited		524	524
Sales tax refundable		4,703	4,703
Excise duty refundable		574	574
Development charges recoverable from customers	9.1	512,359	521,132
Others		684	1,510
		<u>518,320</u>	<u>527,919</u>
		<u>525,785</u>	<u>536,476</u>
9.1 Development charges recoverable from customers			
Opening balance		521,132	-
Transfer from development properties		45,759	708,677
Recovered during the period		(54,533)	(187,545)
		<u>512,359</u>	<u>521,132</u>

	September 30, 2014	June 30, 2014
10 LONG TERM FINANCES	(Rupees in '000)	
Allied Bank Limited		
- Medium term finance facility	600,000	600,000
- ABL debt asset swap arrangement	<u>361,266</u>	<u>361,266</u>
	961,266	961,266
National Bank of Pakistan Limited		
Restructured Loan	<u>920,350</u>	<u>1,225,000</u>
Term Finance Certificates - Zero Rated	<u>-</u>	<u>615,700</u>
	920,350	1,840,700
Faysal Bank Limited		
-Term Finance Certificates	<u>300,000</u>	<u>400,000</u>
- FBL debt asset swap arrangement	<u>74,260</u>	<u>74,260</u>
	374,260	474,260
	2,255,876	3,276,226
Term loans - Secured		
- Bank Islami Pakistan Limited	200,000	-
Related parties		
Arif Habib Corporation Limited	137,000	-
Long term accrued markup		
- ABL debt asset swap arrangement	<u>144,596</u>	<u>130,293</u>
- FBL debt asset swap arrangement	<u>28,500</u>	<u>25,686</u>
	173,096	155,979
Current portion shown under current liabilities	<u>(1,437,547)</u>	<u>(2,000,841)</u>
	<u>1,328,425</u>	<u>1,431,364</u>
11 TRADE AND OTHER PAYABLES		
Creditors	4,723	4,729
Accrued liabilities	142,446	149,123
Retention money payable	11,657	10,685
Power Cement Limited - Related Party	1,327	5,841
Withholding tax payable	5,980	1,996
Dividend payable	2,834	2,834
Income tax payable	<u>150,344</u>	<u>141,862</u>
	<u>319,311</u>	<u>317,070</u>
12 SHORT TERM BORROWINGS		
Summit Bank Limited	135,000	134,906
Sindh Bank Limited	399,700	404,832
Related parties		
Loan from sponsor	<u>1,448,200</u>	<u>628,200</u>
	<u>1,982,900</u>	<u>1,167,938</u>

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	September 30, 2014	June 30, 2014
13 CONTINGENCIES AND COMMITMENTS	(Rupees in '000)	
13.1 Contingencies		
There were no changes in contingencies since the last audited financial statements as at June 30, 2014.		
13.2 Commitments		
Dividend on preference shares	375,575	345,955
Land for development and civil works	10,121	20,496
Guarantee in favour of SBCA	6,960	6,960
	<u>392,656</u>	<u>373,410</u>
	September 30, 2014	September 30, 2013
14 ADMINISTRATIVE EXPENSES	(Rupees in '000)	
Salaries / wages and other benefits	14,755	10,543
Printing and stationery	279	275
Travelling and conveyance	118	149
Communication	706	511
Legal and professional charges	162	260
Rent, rate and taxes	793	1,044
Utilities	6,065	4,980
Repair and maintenance	741	859
Depreciation	2,160	2,110
Amortization	527	527
Fees and subscription	1,266	185
Vehicle running expenses	2,333	1,946
Entertainment	366	321
Donation	722	1,825
Insurance	748	706
Purchase service transportation	514	515
General expenses	825	842
	<u>33,079</u>	<u>27,598</u>
15 OTHER INCOME		
Income from cancellation of bookings	2,568	(825)
Profit on deposits	70	170
Discount income	26,748	-
Cricket Ground Income	2,987	1,180
Miscellaneous	909	240
	<u>33,282</u>	<u>765</u>
16 TAXATION		
Current tax		
For the period	(9,128)	(776)
Deferred tax	-	100,000
	<u>(9,128)</u>	<u>99,224</u>

	September 30, 2014	September 30, 2013
Note	(Rupees in '000)	
17 EARNINGS PER SHARE		
- Basic		
Profit after taxation	44,567	34,018
Weighted average ordinary shares	58,325,323	58,128,172
Earning per share - Rupees	0.76	0.59
- Diluted		
Profit after taxation	44,567	34,018
Weighted average ordinary shares	85,014,936	77,823,234
Earning per share - Rupees	0.52	0.44

18 TRANSACTION WITH RELATED PARTIES**Associates**

Loan received	187,000	269,000
Loan repaid	50,000	100,000
Purchase of cement	2,151	333
Mark-up expense	3,229	22,466

Key management personnel


Loan received from sponsor	920,000	100,000
Mark-up expense	39,223	589

19 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information was authorized for issue on October 28, 2014 by the Board of Directors of the Company.

20 GENERAL

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


Chief Executive


Director

Quarterly report 2014

JAVEDAN CORPORATION LIMITED

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

www.jcl.com.pk

CORPORATE