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# COMPANY INFORMATION

#### Board of Directors

Arif Habib Samad A. Habib Abdul Qadir Sultan Alamgir A. Sheikh Muhammad Ejaz Saeed Ahmad Darakshan Zohaib Muhammed Siddiq Khokha

Chief Financial Officer & Company Secretary

Muneer Gader

**Audit Committee** Abdul Qadir Sultan Alamgir A. Sheikh Muhammad Ejaz

Owais Ahmed

**HR & Remuneration Committee** 

Saeed Ahmad Arif Habib Muhammad Ejaz Samad A. Habib Chairman
Chief Executive
Director
Director

Director Director

Director Director Director

Chairman

Member

Member

Secretary

Chairman

Member

Member

Member

Chartered Accountants
EY Ford Rhodes
Chartered Accountants

Allied Bank Limited

Reanda Haroon Zakaria & Co.,

Bankers

Auditors

Al-Baraka Pakistan Limited Askari Bank Limited Bank Al-Falah Limited Banklslami Pakistan Limited Habib Bank Limited MCB Bank Limited National Bank of Pakistan Sindh Bank Limited

Summit Bank Limited United Bank Limited The Bank of Punjab Meezan Bank Limited

Dubai Isamic Bank Pakistan Limited

Registered Office

Arif Habib Center, 23, M.T.Khan Road, Karachi Pakistan - 74000, Tel : 32460717-19 Fax: 32466824

Fax: 32466824 Website: www.jcl.com.pk

Site Office:

Road, Karachi -75890
Tel : 92-21- 36770141-42,
UAN: IIII

Share Registrar

CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B' S.M.C.H.S Sharah-e-Faisal, Karachi.



# DIRECTORS' REVIEW REPORT

# **Directors' Review Report**

#### Dear Shareholders,

On behalf of the board of directors, we are pleased to present the Condensed Interim Unconsolidated & Consolidated Financial Information for the three month period ended September 30, 2020 along with operational performance of the Company for the same period.

Business sentiments in the first quarter of the financial year have been relatively positive as overall economic activity has resumed and businesses are upbeat for the remainder of the financial year. The construction package announced by the GoP is expected to provide the required impetus to economic activities due to tax incentives, regulators facilitation and long term mortgage financing facilities

#### **Financial Performance**

During the period under review (on an unconsolidated basis) Company recorded sale of PKR 261 million as compared to PKR 436 million in the corresponding period last year. Cost of sale for the period was PKR 59 million as compared to PKR 62 million in the corresponding period last year. The profit after tax for the period is PKR 42 million as compared to PKR 185 million, which translates into an earnings per share of Re. 0.13 as compared to Re 0.59 in the corresponding period. The financial results over the period reflect sluggish demand due to monsoon rains and COVID 19.

On a consolidated basis revenues of the Company for the period ended 30 September 2020 is PKR 278 million and the profit after tax for the period is PKR 35 million, which translates into EPS of Re. 0.11

Following is the comparative summary of (unconsolidated) financial results:

Particulars	September 30, 2020 (Un-Audited)	September 30, 2019 (Un-Audited)
	(Rupees in thous	sands)
Net sales	261,407	436,000
Cost of sales	(59,937)	(62,470)
Gross Profit	201,470	373,530
Profit before Taxation	52,650	261,759
Taxation	(10,255)	(76,046)
Profit after taxation	42,395	185,713
EPS - Basic (in rupees)	O.13	0.59
EPS - Diluted (in rupees)	0.13	0.59

#### **Operational Performance**

With respect to development work, progress on value enhancing projects including club house (Naya Nazimabad Gymkhana), Medical Centre and Jama Mosque continued satisfactorily. Further, development work on Block M is also ongoing. The planning work on storm water drainage in the vicinity of Naya Nazimabad is in the planning stage and we expect to commence the work soon with the help of the Government.

#### **Future Outlook**

Going forward, demand for constructed properties are expected to improve mainly due to aggressive offer of Mortgage Financing by Banks, particularly in the segment of lower-middle class where mortgage financing are being offered at markup rate between 5 to 7 percent. Your company's operations are likely to benefit from this development. Efforts being made by the Management to launch new phases, which are expected to be in the market in the last part of the current financial year.

#### Acknowledgement

On behalf of the Board of Directors, We thank our customers and shareholders for their continued support to transform the dream into reality. We would like to thank our Banks and Financial institutions who, over the years, have been critical in enabling the Company to deliver this project. We would also like to thank Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange for their support to the project and also appreciate all the employees of the Company for the hard work put in by them.

Abdus Samad Habib Chief Executive

Dated: 26 October 2020

Arif Habib
Chairman

CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL INFORMATION
FOR THE PERIOD ENDED
SEPTEMBER 30, 2020

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

STATEMENT OF THANKING ALTOSIS	1011		
AS AT SEPTEMBER 30, 2020		Unaudited September 30, 2020	Audited June 30, 2020
ASSETS	Note	(Rupees	in 000)
Non-Current Assets			
Property, plant and equipment	5	6,021,735	5,937,792
Intangible assets		5,175	5,463
Investment properties		568,352	567,663
Long term deposits		9,906	9,906
Long-term Investment		10,000	10,000
Current Assets		6,615,167	6,530,824
Development properties	6	18,472,320	18,359,931
Trade debts	-	435,592	494,189
Loans and advances		641,569	599,519
Short Term Investment		37,750	37,750
Trade deposits, prepayments and other receivables	7	117,824	72,851
Cash and bank balances		216,076 19,921,130	59,908 19,624,147
Total Assets		26,536,297	26,154,971
EQUITY AND LIABILITIES		20,000,207	20,134,371
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
390,000,000 (2020: 390,000,000) ordinary shares of Rs.10/- each		3,900,000	3,900,000
shares of Ns.10/ each		3,300,000	3,300,000
Issued, subscribed and paid-up capital		3,173,834	3,173,834
Capital reserves		3,393,056	3,393,056
Revenue reserves		2,467,455	2,411,901
Other component of equity - Revaluation surplus on land		8,531,462	8,544,621
		17,565,807	17,523,412
Non-Current Liabilities			
Long-term financing	8	3,537,037	3,589,433
Deferred Grant		2,477	1,288
Deferred tax Liabilty - net	9	13,537	19,566
Deferred liability - gratuity		39,057	36,265
		3,592,109	3,646,552
Current Liabilities			
Trade and other payables	10	279,251	325,921
Preference shares		510	510
Accrued mark-up		223,133	177,110
Contract liabilities		3,260,687	2,976,548
Short-term borrowings	11	938,514	899,406
Current maturity of non-current liabilities Taxation - net		549,716 121,990	479,568 121,379
Unpaid preference dividend		138	121,379
Unclaimed dividend		4,441	4,441
		5,378,381	4,985,006
TOTAL EQUITY AND LIABILITIES		26,536,297	26,154,971
CONTINGENCIES AND COMMITMENTS	12		







# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Three month	period ended
	September 30, 2020	Septermber 30, 2019
Note	(Rupee	s in 000)
Revenue from contract with customers - net 13	261,407	436,000
Cost of sales 14	(59,937)	(62,470)
Gross profit	201,470	373,530
Expenses		
Marketing and selling expenses	2,059	11,542
Administrative expenses	137,057	108,558
Finance cost	28,045	10,026
Other income	(167,161) 18,341	(130,126) 18,355
Profit before taxation	52,650	261,759
	•	
Taxation 15	(10,255)	(76,046)
Profit after taxation	42,395	185,713
Earnings per share		Restated
Basic 16	0.13	0.59
Diluted 16	0.13	0.59







# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Three month	period ended
	September 30, 2020	Septermber 30, 2019
	(Rupees	s in 000)
Profit after taxation	42,395	185,713
Other comprehensive income for the period	-	-
Total comprehensive income for the period	42,395	185,713







# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		CAPITAL F	RESERVES	REVENUE	RESERVES		
	Issued, Subscribed and Paid-up Capital	Share premium	Tax holiday reserve	General	Un- appropriated profit	Revaluation surplus on lands	Total Equity
			(R	upees in 00	0)		
Balance as at June 30, 2019	2,885,304	3,381,090	11,966	63,500	2,266,940	8,675,613	17,284,413
Profit for the year Other comprehensive income/(loss), net of tax	-	-	-	-	185,713		185,713
Total comprehensive income, net of tax	-	-	-	-	185,713	-	185,713
Revaluation surplus on land realised on account of sale of development properties	-	-	-	-	34,493	(34,493)	-
Balance as at September 30, 2019	2,885,304	3,381,090	11,966	63,500	2,487,145	8,641,120	17,470,126
Balance as at June 30, 2020	3,173,834	3,381,090	11,966	63,500	2,348,401	8,544,621	17,523,412
Profit for the period	-	-	-	-	42,395	-	42,395
Other comprehensive income/(loss), net of tax Total comprehensive income, net of tax		-	-	-	42,395	-	42,395
Revaluation surplus on land realised on account of sale of development properties	-	-	-	-	13,159	(13,159)	-
Balance as at September 30, 2020	3,173,834	3,381,090	11,966	63,500	2,403,955	8,531,462	17,565,807







# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	l ended

September 30, September 30, 2020 -----(Rupees in 000)-----

#### **CASH FLOWS FROM OPERATING ACTIVITIES**

Profit before taxation 52,650 261,759

#### Adjustments:

Depreciation	5.331	4.788
Amortization	288	
Gratuity expense	2,875	3,725
Finance cost	28,045	10,026
Interest income	(1,380)	(949)
	35,159	17,591
Operating profits before working capital changes	87,809	279,350

#### Working capital changes

#### (Increase) / decrease in current assets

Trade debts	58,596	(63,458)
Development properties	(15,491)	(131,221)
Advances	(42,050)	(52,151)
Deposits, prepayments and other receivables	(44,972)	(13,333)
	(43,917)	(260,164)
Increase / (decrease) in current liabilities		

Trade and other payables	(46,670)	(261,435)
Deferred Grant	926	-
Contract Liabilities	284,139	920,998
	238,394	659,563
Net cash generated from operations	282,286	678,749
Income tax paid	(15,673)	(12,222)
Et a sur a s	(00 107)	(F 4 C7C)

Finance cost paid	(98,107)	(54,636)
Gratuity paid	(83)	(833)
Net cash generated from Operating activities	168,423	611,057

#### CASH FLOWS FROM INVESTING ACTIVITIES

Payment made for purchase of property, plant and equipment and CWIP	(70,069)	(228,658)
Payment made for purchase of investment property	(689)	-
Interest received	1,380	949
Payment made for Long Term Security Deposit		(513)
Net cash used in investing activities	(69,378)	(228,222)







# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Three month period ende	
	September 30, S 2020	Septermber 30, 2019
CASH FLOWS FROM FINANCING ACTIVITIES	(Rupees	in 000)
Receipt / (Repayment) of long-term finance Proceeds/ (Repayment) of short term borrowings-net	18,015 39,108	(89,307) (86,684)
Net cash generated / (used in) from financing activities	57,123	(175,991)
Net increase in cash and cash equivalent	156,168	206,844
Cash and cash equivalents at beginning of the period	59,908	56,751
Cash and cash equivalents at end of the period	216,076	263,595







# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

#### 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 Act, 2017) and is listed on Pakistan Stock Exchange Limited. 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 the management has developed business diversification strategy for utilizing the Company's land for developing a housing scheme, "Naya Nazimabad", that includes bungalows, open plots, flat sites and commercial sites. The Company's layout plan of the project was approved by Lyari Development Authority vide letter number LDA/PP/2010/255 on March 02, 2011 and revised master plan approved vide letter No CTP/LDA/112 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 and revised NOC # SBCA/DD(D-II)/985 & 991/ADV-584/2013. The Company is also the member of Association of Builders and Developers of Pakistan (ABAD).
- 1.3 These Condensed interim financial Statements are the separate financial statements of the Company, in which investment in subsidiary has been accounted for at cost less accumulated impairment lossess, if any

#### 2. STATEMENT OF COMPLIANCE

These condensed interim financial information of the Company for the three months period ended September 30, 2020 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act. 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 3. BASIS OF PREPARATION

3.1 The preparation of these condensed interim financial information require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2020. The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2020.

3.2. These condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupees, otherwise stated.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual unconsolidated financial statements for the year ended June 30, 2020, except for the adoption of the new/amended standards, interpretations and improvements to accounting standards, which became effective for the current period:

The adoption of above standards, interpretations and improvement to standards did not have any material effect or either not relevant or did not have any material effect on the condensed interim financial information.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		(Unaudited) September 30, 2020	(Audited) June 30, 2020
5. PROPERTY, PLANT AND EQUIPMENT	Note	(Rupees	in 000)
Opening Net Book Value Add: Additions/Transfers during the period/year Less: Disposals during the period/year Less: Depreciation during the period/year Closing Net Book Value Add: Capital work-in-progress	5.1 5.2 5.3	4,772,375 5,140 - (5,331) 4,772,184 1,249,551 6,021,735	4,773,088 20,775 (167) (21,322) 4,772,375 1,165,417 5,937,792
5.1 Additions to operating fixed assets, during the period / year wer	e as follows		
Free-hold land Buildings on other land Furniture and fixtures Office equipment Vehicles -owned Amenities Computer equipment		67 3,231 - 1,700 141 5,140	2,126 1,347 958 11,278 130 - 4,936
5.2 The following assets were disposed off during the period / ye	ear:		
Office equipment Computer equipment			28 139 167
5.3 Capital work-in-progess			
Opening Additions during the period / year Closing		1,165,417 84,134 1,249,551	570,521 594,896 1,165,417
6. DEVELOPMENT PROPERTIES			
Land for development Add: Acquired during the period / year  Development expenditure		14,980,418 - 14,980,418	14,962,418 18,000 14,980,418
- Opening balance Add: Incurred during the period / year		9,915,362 107,380 10,022,742	8,658,619 1,256,743 9,915,362
Borrowing costs - Opening balance Add: Capitalized during the period		2,316,625 96,896 2,413,521 27,416,681	1,848,597 468,028 2,316,625 27,212,405
Transferred to: - property, plant and equipment - investment properties - cost of sales to date - development charges incurred and apportioned to date		(68,545) (40,291) (5,387,560) (3,447,965) 18,472,320	(68,545) (40,291) (5,566,323) (3,177,314) 18,359,931

Shariah Compliant SBP-Refinance Scheme

Sukuk certificates

Current maturity of long-term financing

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

(Unaudited)

(Audited)

1,053,750

2,979,932

4,066,756

(477,323)

3,589,433

(Audited)

33,074

1,053,750

2,980,504

4,084,771

3,537,037

(Unaudited)

8.1

(547,734)

50,517

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

7. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

/.	TRADE DEPOSITS, PREPATMENTS AND OTHER RECEIVABLES		September 30, 2020	June 30, 2020
	Deposits	Note	(Rupees	in 000)
	Guarantee margin With contractors Security deposit with Sindh Building Control Authority Others Provision for impairment		225 2,680 3,345 12,406 18,656 (2,905)	225 2,680 3,345 12,406 18,655 (2,905)
	Prepayments Prepaid rent, insurance and expenses		6,104	3,158
	Other receivables - Considered good Sales tax refundable Excise duty refundable Others  Provision for impairment	7.1	4,703 574 95,395 100,672 (4,703) 117,824	4,703 574 53,368 58,645 (4,703) 72,851
7.1	Included herein Rs. 94.687 million (June 30, 2020 52.66 million) company private limited	receiva	ables from NN	maintenance
8.	LONG-TERM FINANCING			
	Conventional Term finance certificates Syndicated loan facility		258,750 795,000	258,750 795,000

8.1 The terms and conditions of Long-term financing arrangements are same as disclosed in note 21 to the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2020.

9	DEFERRED TAX LIABILITIES / (ASSETS) - net		September 30, 2020	June 30, 2020
	Deferred tax on deductible temporary differences	Note	(Rupees i	n 000)
	- provisions		(11,327)	(10,517)
	Deferred tax on taxable temporary differences			
	- accelerated depreciation on property, plant and equipment		3,008	8,227
	- investment properties		18,066	18,066
	- deferred grant		3,790	3,790
			24,864	30,083
			13,537	19,566
10.	TRADE AND OTHER PAYABLES			
	Creditors		80.781	65,606
	Accrued liabilities		59,691	117,518
	Retention money		130,843	127,248
	Withholding tax payable		1,540	9,154
	Other payables:			
	- on cancellation of plots		6,396	6,396
		10.1	279,251	325,921

10.1 Included herein Rs. 3.854 million, Rs.1.998 million and Rs. 2.976 million (June 30, 2020: Rs. 3.847 million, Rs. 0.589 million and Rs.2.976 million) Payable to Power cement limited, Safe Mix Concrete Limited and Arif Habib Dolmen Reit Management Limited respectively.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

(Unaudited)

(Audited)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

			September 30,	June 30,
11.	SHORT TERM BORROWINGS		2020	2020
	N	Note	(Rupees in 000)	
	Running finance under mark-up arrangements		638,514	599,406
	Musharika arrangement		300,000	300,000
		11.1.	938,514	899,406

11.1 The terms and conditions of short term borrowings are same as disclosed in note 28 to the annual audited financial statements of the Company for the year ended 30 June 2020

12. CONTINGENCIES AND COMMITMENTS	
The status and nature of contingencies and commitments are sam unconsolidated financial statements of the Company for the year	
	Three month period ended
	September 30, September 30, 2020 2019
13. REVENUE FROM CONTRACT WITH CUSTOMER - NET	(Rupees in 000)
Plots Bungalows	<b>223,849</b> 440,638 <b>54,758</b> 52,920
	<b>278,607</b> 493,558
Cancellation / forfeitures	(17,200) (57,558) 261,407 436,000
14 COST OF SALES	
Cost of development properties sold: - plots	<b>32,820</b> 31,883
- bungalows	<b>27,117</b> 30,586 <b>59.937</b> 62,470
Development charges: - incurred and apportioned to customers - reimbursable from customers	31,951 114,200 (114,200) (114,200)
	<u>59,937</u> <u>62,470</u>
15. TAXATION	Three month period ended September 30, September 30, 2020 2019
Current Deferred	(Rupees in 000) 16,284 63,866 (6,029) 12,180 10,255 76,046
16. EARNINGS PER SHARE	Restated
Basic Profit after tax (Rupees in '000) Weighted average numbers of ordinary shares Earnings per share - (Rupees)	42,395 317,383,396 0.13 185,713 317,383,396 0.59
<b>Diluted</b> Profit after tax	Restated 42,395 185,728
Weighted average numbers of ordinary shares Earnings per share - (Rupees)	317,383,396 0.13 317,383,396 0.59

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

#### 17. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associates and their close family members, key management personnel and post employment benefit plan. The details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Three month p	Three month period ended		
Subsidiary Company	September 30, September 2020			
NN Maintenance Company (Private) Ltd	(Rupees	in 000)		
Expenses incurred on behalf of NNMC by the Company - Net	37,255			
Associated Companies				
Arif Habib Corporation Limited Advance paid against future purchase of apartments Short term borrowing obtained during the period Short term borrowing paid during the period Mark up expense on short term borrowing	<u> </u>	117,868 73,000 83,067 624		
Arif Habib Equity (Private) Limited Advance paid against future purchase of apartments		201,107		
Rotocast Engineering Company (Private) Limited Short term borrowing obtained during the period Short term borrowing paid during the period Mark up expense on short term borrowing	:	525,000 100,000 17,378		
Power Cement Limited Purchase of construction material Paid against the purchase of construction material		4,056 9,787		
Safe Mix Concrete Limited Purchase of construction material Paid against the purchase of construction material	5,409 3,999	8,632 7,036		
Associated person				
Haji Abdul Ghani Advance paid against future purchase of apartments	-	110,000		
Close family member				
Nida Ahsan Payment received against plot	112,500			
Others				
Post employment benefit plan Gratuity fund trust - contribution paid during the period	83	833		

All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The outstanding receivable and payable balances of the related parties are disclosed in their respective notes to these financial statements.

#### 18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 26, 2020 by the Board of Directors of the Company.

#### 19. GENERAL

Figures have been rounded-off to the nearest thousands rupees.







# CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2020

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020		Unaudited September 30, 2020	Audited June 30, 2020
ASSETS	Note	(Rupees	in 000)
Non-Current Assets			
Property, plant and equipment	5	6,022,950	5,939,097
Intangible assets		5,175	5,463
Investment properties		568,352	567,664
Deferred tax Asset - Net	9	3,388	
Long term deposits		9,906 6,609,771	9,905
Current Assets		6,609,771	6,522,129
Development properties	6	18,472,320	18,359,931
Trade debts	_	472,533	520,231
Loans and advances		643,037	600,356
Short Term Investment		37,750	37,750
Trade deposits, prepayments and other receivables	7	34,277	30,816
Cash and bank balances		224,971	60,421
		19,884,888	19,609,506
Total Assets EQUITY AND LIABILITIES		26,494,658	26,131,635
SHARE CAPITAL AND RESERVES			
Share capital Authorised 390,000,000 (2020: 390,000,000) ordinary			
shares of Rs.10/- each		3,900,000	3,900,000
Issued, subscribed and paid-up capital		3,173,834	3,173,834
Capital reserves		3.393.056	3,393,056
Revenue reserves		2,433,332	2,384,354
Other component of equity - Revaluation surplus on land		8,531,462	8,544,621
		17,531,684	17,495,865
Non-Current Liabilities			
Long-term financing	8	3,537,037	3,589,433
Deferred Grant		2,477	1,289
Deferred tax Liabilty - net	9	-	7,722
Deferred liability - gratuity		41,566	39,082
Command Link Water		3,581,081	3,637,526
Current Liabilities Trade and other payables	10	286,936	338,545
Preference shares	10	510	510
Accrued mark-up		223,133	177,110
Contract liabilities		3,260,687	2,976,603
Short-term borrowings	11	938,514	899,406
Current maturity of non-current liabilities		549,716	479,568
Taxation - net		117,818	121,939
Unpaid preference dividend		138	122
Unclaimed dividend		4,441	4,441
TOTAL FOLLITY AND LIABILITIES		5,381,893	4,998,244
TOTAL EQUITY AND LIABILITIES CONTINGENCIES AND COMMITMENTS	12	26,494,658	26,131,635
CONTINUENCES AND COMMITTEENTS	14		







# CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		Three month period ended		
		September 30, 9	Septermber 30, 2019	
	Note	(Rupees		
Revenue from contract with customers - net	13	278,102	436,000	
Cost of sales	14	(89,376)	(62,470)	
Gross profit		188,726	373,530	
Expenses				
Marketing and selling expenses		2,059	11,542	
Administrative expenses		140,917	108,558	
Finance cost		28,047	10,026	
		(171,023)	(130,126)	
Other income		18,583	18,355	
Profit before taxation		36,286	261,759	
Taxation	15	(468)	(76,046)	
Profit after taxation		35,818	185,713	
Earnings per share			Restated	
Basic	16	0.11	0.59	
Diluted	16	0.11	0.59	







# CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

Three month period ended					
September 30, S 2020	Septermber 30 2019				
(Rupees i	in 000)				
35,818	185,713				
_	-				

Other comprehensive income for the period Total comprehensive income for the period

Profit after taxation

35.818







# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		CAPITAL F	RESERVES	REVENUE	RESERVES		
	Issued, Subscribed and Paid-up Capital	Share premium	Tax holiday reserve	General	Un- appropriated profit	Revaluation surplus on lands	Total Equity
			(R	upees in 00	0)		
Balance as at June 30, 2019	2,885,304	3,381,090	11,966	63,500	2,266,940	8,675,613	17,284,413
Profit for the year Other comprehensive income/(loss), net of tax		-	-	-	185,713		185,713
Total comprehensive income, net of tax	-	-	-	-	185,713	-	185,713
Revaluation surplus on land realised on account of sale of development properties	-	-	-	-	34,493	(34,493)	-
Balance as at September 30, 2019	2,885,304	3,381,090	11,966	63,500	2,487,145	8,641,120	17,470,126
Balance as at June 30, 2020	3,173,834	3,381,090	11,966	63,500	2,348,401	8,544,621	17,495,866
Profit for the period	-	-	-	-	35,818	-	35,818
Other comprehensive income/(loss), net of tax Total comprehensive income, net of tax	-	-	-	-	35,818	-	35,818
Revaluation surplus on land realised on account of sale of development properties	-	-	-	-	13,159	(13,159)	-
Balance as at September 30, 2020	3,173,834	3,381,090	11,966	63,500	2,369,832	8,531,462	17,531,684







# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	September 30, Septem

Profit	before	taxation	

30, Septermber 30. 2020 -----(Rupees in 000)-----**36.286** 261.759

Three month period ended

#### Adjustments:

Depreciation
Amortization
Gratuity expense
Finance cost
Interest income

5,331	4,788
288	
3,211	3,725
28,047	10,026
(1,380)	(949)
<b>35,606</b> 17,591	
71 893	279 350

#### Operating profit before working changes

#### Working capital changes

#### (Increase) / decrease in current assets

Trade debts
Development properties
Advances
Deposits, prepayments and other receivables

47,698	(63,458)
(15,491)	(131,221)
(42,681)	(52,151)
(3,461)	(13,333)
(13,936)	(260,164)

#### Increase / (decrease) in current liabilities

(51,608)	(261,435)
925	-
284,084	920,998
233,401	659,563
291,359	678,749
(15.699)	(12.222)

Income tax paid	
Finance cost paid	
Gratuity paid	
Net cash generated from Operating ac	ctivitie

(15.699)	(12.222)
(98,108)	(54,636)
(727)	(833)
176,824	611,057

#### CASH FLOWS FROM INVESTING ACTIVITIES

Payment made for purchase of property, plant and equipment and CWI
Payment made for purchase of investment property
Interest received
Payment made for Long Term Security Deposit
Net cash used in investing activities

(70,089)	(228,658)
(688.25)	-
1,380	949
	(513)
(69,397)	(228,222)







# **CONDENSED INTERIM CONSOLIDATED** STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Three month p	eriod ended
CASH FLOWS FROM FINANCING ACTIVITIES	September 30, S 2020	Septermber 30, 2019
	(Rupees	in 000)
Receipt / (Repayment) of long-term finance Proceeds/ (Repayment) of short term borrowings-net	18,015 39,108	(89,307) (86,684)
Net cash generated / (used in) from financing activities	57,123	(175,991)
Net increase in cash and cash equivalent	164,550	206,844
Cash and cash equivalents at beginning of the period	60,421	56,751
Cash and cash equivalents at end of the period	224.971	263.595







# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

#### 1. STATUS AND NATURE OF BUSINESS

1.1 The group companies comprises of Javedan Corporation Limited (JCL) and its subsidiary NN Maintenance Company (Private) Limited (NNMC) that have been consolidated in these condensed interim consolidated financial information.

#### 1.2 Holding Company

#### Javedan Corporation Limited (the holding company)

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 Act, 2017) and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is located at Arif Habib Centre, 23, M.T. Khan Road, Karachi.

1.3 The Company has ceased its cement business since July 01, 2010 and the 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 Deh, Manghopir Road, Gadap town, Scheme #43, Karachi. The Company's layout plan of the project was approved by Lyari Development Authority vide letter number LDA/PP/2010/255 on March 02, 2011 and revised master plan approved vide letter No CTP/LDA/112 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 and revised NOC # SBCA/DD(D-II)/985 & 991/ADV-584/2013. The Company is also the member of Association of Builders and Developers of Pakistan (ABAD).

#### 1.4 Subsidiary comapany

#### NN Maintenance Company (Private) Limited

The Company was incorporated on November 29, 2019 as a Private Limited Company under Companies Act, 2017. The Company's principle line of business is to provide mainteance management and related services to residents of Naya Nazimabad.

#### 2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial information of the Company for the three months period ended September 30, 2020 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 3. BASIS OF PREPARATION

- 3.1. These condensed interim consolidated financial information are un-audited. These condensed interim consolidated financial information do not include all the information and disclosures required in the annual consolidated financial statements.
- 3.2 The preparation of these condensed interim financial information require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the unconsolidated annual financial statements of the Company as at and for the year ended June 30, 2020. The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated annual financial statements of the Company as at and for the year ended June 30, 2020.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

- 3.3 These condensed consolidated interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupees, otherwise stated.
- 3.4 These condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupees, otherwise stated.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

5. PROPERTY, PLANT AND EQUIPMENT

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial information are the same as those applied in the preparation of the unconsolidated annual financial statements for the year ended June 30, 2020

The adoption of above standards, interpretations and improvement to standards did not have any material effect or either not relevant or did not have any material effect on the condensed interim financial information.

Unaudited Audited

September 30,

2020

June 30,

2020

			2020	2020
		Note	(Rupees	in 000)
	Opening Net Book Value		4,773,680	4,773,088
	Add: Additions/Transfers during the period/year	5.1	5,160	22,274
	Less: Disposals during the period/year	5.2	3,100	(167)
	Less: Desposals during the period/year  Less: Depreciation during the period/year	5.2	(5,441)	(21,516)
	Closing Net Book Value	F 7	4,773,399	4,773,680
	Add: Capital work-in-progress	5.3	1,249,551	1,165,417
			6,022,950	5,939,097
5.1	Additions to operating fixed assets, during the period / year were	as follow	/s	
	Free-hold land		-	2,126
	Buildings on other land		-	1,347
	Furniture and fixtures		67	1,154
	Office equipment		3,251	12,581
	Vehicles -owned		_	130
	Amenities		1,700	_
	Computer equipment		141	4,936
	the state of the first of the state of the s		5.160	22,274
5.2	2 The following assets were disposed off during the period / year:			
	Office equipment		-	28
	Computer equipment		-	139
				167
5.3	Capital work-in-progess			
	Opening		1,165,417	570,521
	Additions - during the period / year		84,134	594,896
	Closing		1,249,551	1,165,417
	2.229		-,,	
6.	DEVELOPMENT PROPERTIES			
	Land for development		14,980,418	14,962,418
	Add: Acquired during the period / year			18,000
			14,980,418	14,980,418
	Development expenditure			
	- Opening balance		9,915,362	8,658,619
	Add: Incurred during the period / year		107,380	1,256,743
	- · · · · · · ·		10,022,742	9,915,362

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

			Unaudited September 30,	Audited June 30,
			2020	2020
		Note	(Rupees	s in 000)
	Borrowing costs - Opening balance		2,316,625	1,848,597
	Add: Capitalized during the period		96,896	468,028
	Additional control of the policy		2.413.521	2.316.625
			27,416,681	27,212,405
	Transferred to:			
	- property, plant and equipment		(68,545)	(68,545)
	- investment properties - cost of sales to date		(40,291)	(40,291)
	- development charges incurred and apportioned to date		(5,387,560) (3,447,965)	(5,566,323) (3,177,314)
	- development charges incurred and apportioned to date		18,472,320	18,359,931
			10, 172,020	10,000,001
7.	TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
	Deposits			
	Guarantee margin		225	225
	With contractors		2,680	2,680
	Security deposit with Sindh Building Control Authority		3,345	3,345
	Others		12,406	12,406
			18,656	18,656
	Provision for impairment		(2,905)	(2,905)
	Prepayments		15,751	15,751
	Prepaid rent, insurance and expenses		7.157	4,590
	Trepara terri, madranee and expenses		7,107	4,550
	Other receivables - Considered good			
	Sales tax refundable		4,703	4,703
	Excise duty refundable		574	574
	Others		10,795	9,901
	Provision for impairment		16,072 (4,703)	15,178 (4,703)
	Provision for impairment		34,277	30,816
			54,277	30,010
8.	LONG-TERM FINANCING			
	Conventional			
	Term finance certificates		258,750	258,750
	Syndicated loan facility		795,000	795,000
			1,053,750	1,053,750
	Shariah Compliant			
	SBP-Refinance Scheme		50,517	33,074
	Sukuk certificates		2,980,504	2,979,932
			4,084,771	4,066,756
	Current maturity of long-term financing	8.1	(547,734)	(477,323)
		8.1	3,537,037	3,589,433
0 1	The terms and conditions of Long-term financing arrangements a			21 to the

8.1 The terms and conditions of Long-term financing arrangements are same as disclosed in note 21 to the annual audited consolidated financial statements of the Company for the year ended 30 June 2020

#### 9 DEFERRED TAX LIABILITIES / (ASSETS) - net

Deferred	tay on	deductible	temporary	differences

- provisions	(11,327)	(10,517)
- Losses	(16,047)	(11,263)
- Minimum Tax	(883)	(595)

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

Unaudited

Note -----(Rupees in 000)------

16,695

436,000

278,102

September 30, June 30, 2020

Audited

2020

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Note	(Rupees	in 000)
Deferred tax on taxable temporary differences			
- accelerated depreciation on property, plant and equipment		3,012	8,240
- investment properties		18,066	18,066
- deferred grant		3,790	3,790
		24,868	30,096
		(3,388)	7,722
IO. TRADE AND OTHER PAYABLES			
Creditors		80,781	65,606
Accrued liabilities		67.067	128.778
Retention money		130,843	127,248
Withholding tax payable		1.848	10,517
Other pavables:		1,040	10,517
- on cancellation of plots		6,396	6,396
- on cancellation of plots	10.1	286,936	338,545
	10.1	200,930	330,343
Habib Dolmen Reit Management Limited respectively.			
		Unaudited	Audited
1. SHORT TERM BORROWINGS		September 30,	June 30,
I. SHORT TERM BORROWINGS		2020	2020
D	Note	(Rupees	
Running finance under mark-up arrangements		638,514	599,406
Musharika arrangement		300,000	300,000
	11.1.	938,514	899,406
11.1. The terms and conditions of short term borrowings are same a consolidated financial statements of the Company for the year			nnual audited
2. CONTINGENCIES AND COMMITMENTS			
The status and nature of contingencies and commitments are s consolidated financial statements of the Company for the yea			nnual audited
		Three month p	eriod ended
		September 30, S 2020	Septermber 30, 2019
3. REVENUE FROM CONTRACT WITH CUSTOMER - NET		(Rupees	in 000)
Plots		223,849	440,638
Bungalows		54,758	52,920
Dullgalows			
Cancellation / forfeitures		278,607 (17,200)	493,558 (57,558)

## 14 C

Service income - net

COST OF SALES		
Cost of development properties sold:		
- plots	32,820	31,883
- bungalows	27,117	30,586
	59,937	62,470
Development charges:		
- incurred and apportioned to customers	31,951	114,200
- reimbursable from customers	(31,951)	(114,200)
	-	-
Cost of services	29,439	-
	89,376	62,470

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		rinco monthi ponou onucu	
		September 30, 2020	Septermber 30, 2019
15.	TAXATION	(Rupees	in 000)
	Current	11,577	63,866
	Deferred	(11,110)	12,180
		468	76,046
16.	EARNINGS PER SHARE Basic		Restated
	Profit after tax (Rupees in '000)	35,818	185,713
	Weighted average numbers of ordinary shares	317,383,396	317,383,396
	Earnings per share - (Rupees)	0.11	0.59
	Diluted		Restated
	Profit after tax	35,818	185,728
	Weighted average numbers of ordinary shares	317,383,396	317,383,396
	Earnings per share - (Rupees)	0.11	0.59

#### 17. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associates and their close family members, key management personnel and post employment benefit plan. The details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Associated Companies	September 30, S 2020	Three month period ended September 30, September 30, 2019 2019 CRUPE IN CRU	
Arif Habib Corporation Limited Advance paid against future purchase of apartments Short term borrowing obtained during the period Short term borrowing paid during the period Mark up expense on short term borrowing	- -	117,868 73,000 83,067 624	
Arif Habib Equity (Private) Limited Advance paid against future purchase of apartments		201,107	
Rotocast Engineering Company (Private) Limited Short term borrowing obtained during the period Short term borrowing paid during the period Mark up expense on short term borrowing	- - -	525,000 100,000 17,378	
Power Cement Limited Purchase of construction material Paid against the purchase of construction material		4,056 9,787	
Safe Mix Concrete Limited Purchase of construction material Paid against the purchase of construction material	5,409 3,999	8,632 7,036	

Three month period ended

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Three month period ended		
Associated person	September 30, Se 2020	ptermber 30, 2019	
Haji Abdul Ghani	(Rupees in	000)	
Advance paid against future purchase of apartments		110,000	
Close family member			
Nida Ahsan			
Payment received against plot	112,500	-	
Others			
Post employment benefit plan			
Gratuity fund trust - contribution paid during the period	83	833	
Other Key Management personnel			
Salaries & Other benefits		4,075	

All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The outstanding receivable and payable balances of the related parties are disclosed in their respective notes to these financial statements.

#### 18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 26, 2020 by the Board of Directors of the Company.

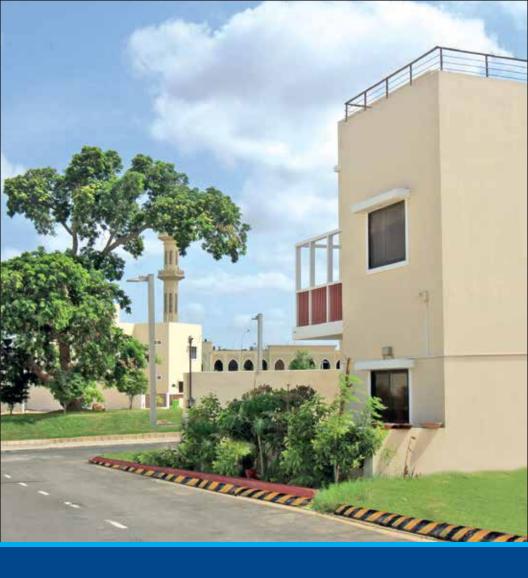
#### 19. GENERAL

Figures have been rounded-off to the nearest thousands rupees.









## **SITE OFFICE:**

Naya Nazimabad Manghopir Road Karachi — 75890

## **REGISTERED OFFICE**

Arif Habib Center 23, M T Khan Road Karachi – 74000 PAKISTAN



Call US: UAN: 111-511-611 Tel: +92 21 36770141-42



Email
US:
Email: info@jcl.com.pk
Website: www.jcl.com.pk