

JAVEDAN

CORPORATION LIMITED



Quarterly Report
March 31, 2019



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Company Information

Board of Directors

Arif Habib	Chairman
Samad A. Habib	Chief Executive
Abdul Qadir	Director
Alamgir A. Sheikh	Director
Darakshan Zohaib	Director
Faisal Bilwany	Director
Muhammad Kashif Habib	Director
Muhammad Ejaz	Director
Muhammed Siddiq Khokhar	Director

Chief Financial Officer & Company Secretary

Muneer Gader

Audit Committee

Abdul Qadir	Chairman
Muhammad Kashif Habib	Member
Muhammad Ejaz	Member
Owais Ahmed	Secretary

HR & Remuneration Committee

Arif Habib	Chairman
Samad A. Habib	Member
Muhammad Ejaz	Member



Auditors

Reanda Haroon Zakaria & Co.
Chartered Accountants

EY Ford Rhodes
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
MCB Bank Limited
National Bank of Pakistan
Sindh Bank Limited
Summit Bank Limited
United Bank Limited
The Bank of Punjab
Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan 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 Shahr-e-Faisal,
Karachi.

Site Office:

Naya Nazimabad, Manghopir Road, Karachi -75890
Tel : 92-21-32061997-98, 32061903-04, 36770141-42, Fax: 92-21-36770144
Website: www.nayanazimabad.com

Directors' Report to the Shareholders

Dear Shareholders,

On behalf of the board of directors of Javedan Corporation Limited (the Company) we are pleased to present the Director's Report of the Company together with the Condensed Interim Financial Statement of the Company for the nine month period and quarter ended 31 March 2019.

Financial Results

During the period under review, the Company has recorded a sale of PKR 1,354.81 million (PKR 530.76 million for the third quarter) as compared to PKR 1,597.00 million in the corresponding period of last year. The profit after tax (PAT) for the period was recorded at PKR 443.33 million (PKR 319.97 million for the third quarter) as compared to PKR 445.48 million in the corresponding period last year. The PAT for the period translated into an EPS of PKR 1.54 basic and diluted (PKR 1.11 for the third quarter basic and diluted). The major impetus in sale during the quarter was derived from launch of Block K & L by the Company which also marginalized the low profitability in first six months of the financial year which occurred due to very low margins on record of sale of bungalow of Block B (which were sold earlier but recorded in the first half of the financial year in accordance with the revenue recognition policy).

Following is the comparative summary of financial results:

Particulars	Nine Months Ended		Quarter Ended	
	Mar 31, 2019 (Un-Audited)	Mar 31, 2018 (Un-Audited)	Mar 31, 2019 (Un-Audited)	Mar 31, 2018 (Un-Audited)
	(Rupees in thousands)		(Rupees in thousands)	
Net Sales	1,354,805	1,597,000	530,763	247,609
Cost Of Sales	(550,684)	(581,834)	(41,794)	(128,036)
Gross Profit	804,121	1,015,166	488,969	119,573
Profit Before Taxation	491,991	764,077	334,522	26,557
Taxation	(48,664)	(318,600)	(14,553)	(16,245)
Profit After Taxation	443,327	445,477	319,969	10,312
EPS - Basic (in rupees)	1.54	2.15	1.11	0.05
EPS - Diluted (in rupees)	1.54	2.04	1.11	0.05

Development Performance

The infrastructure development work of Phase 1 including Block A, B, C & D is completed therefore the Company has turned its focus on infrastructure development of Block M&N and completion of other ongoing projects. During the quarter an agreement has been entered into with K-Electric and principal approval by SSGC has been granted for provision of utility services directly by K-Electric and Sui Southern Gas Company Limited (SSGC) to residents of Naya Nazimabad. With respect to agreement with K-Electric independent meters will start to be provided to residents in a month or two whereas provision of gas by SSGC shall commence in first quarter of next financial year. Further with respect to progress on other ongoing projects we are pleased to apprise you that work on Naya Nazimabad Gymkhana is ongoing as per agreed timeline and completion is targeted for 2020. Further as Holy month of Ramzan is nearing the Masjid in Block C and portion of Jama Masjid will be made operational before commencement of the Holy Month. Moreover the work on school and clinic is progressing at a rapid pace and management is targeting to make school operational in time for next school year and clinic will be made operational in first half of next financial year. All these facilities and amenities will further facilitate and improve the life style of Naya Nazimabad community and management shall continue to strive all its efforts and resources in facilitation of its residents.

Future Outlook

With completion of Phase 1 and launch of Block K&L in the current quarter the management has initiated the planning work for the launch of mix-used development which shall include FL-site as well as Commercial site and management is targeting to launch FL-site in the first quarter of next financial year. Further the FL-site and Commercial site shall be a driving force for the Company in the short to medium term. Further Naya Nazimabad Gymkhana Club which is under construction as mentioned aforesaid will also bolster the appeal of Naya Nazimabad for the masses of Karachi to become part of Naya Nazimabad family.

The external development in the surrounding of Naya Nazimabad project will also significantly contribute to the project in terms of facilitation of residents. The on-going external development projects include Green Line BRTS which is expected to commence soon will provide easy connectivity of Naya Nazimabad to and from down town and other major centers of Karachi. The reconstruction of Manghopir Road by the Federal Government will also improve connectivity and mobility to and from the project and laying of 66" diameter MS Pipe line across the Manghopir road will improve water availability in the vicinity and in future K4 water transmission line is also expected to pass through the same route. In addition thereto, the Company is also initiating to construct flyover in order to bypass Nusrat Bhutto Colony and it will be land mark development and for the purpose designing and related matters has been completed and process of obtaining NOC's from concerned government authorities/agencies has been initiated and the management expect the ground breaking of flyover in the first half of next financial year.

All of this external development and progress on internal development will lead to increased value of the project by manifold in coming months and years which will lead to impressive returns for the shareholders of the Company and the General Public as being an investors and residents of Naya Nazimabad.

Acknowledgement

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



Samad A. Habib
Chief Executive



Arif Habib
Chairman

Karachi.
Dated: 24 April 2019

یہ تمام اندرونی اور بیرونی ترقی آنے والے ماہ و سال میں ہمارے پروجیکٹ کی قدر و قیمت میں کئی گنا اضافہ کرے گی جو نہ صرف کمپنی کے شیئرز ہولڈروں بلکہ یہاں سرمایہ کرنے والوں اور ”نیا ناظم آباد“ کے رہائشیوں کے منافعوں میں قابل قدر اضافے کرے گی۔

تشکر

کمپنی کی انتظامیہ تمام مالیاتی اداروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، اپنے گاہکوں اور اپنے اسٹاف کے کے اراکین کے سپاس گزار ہیں کہ انہوں نے کمپنی کو اپنے اعتماد، بھروسے اور تعاون سے نوازا ہے۔ ہم بورڈ آف ریونیو، LDA، سندھ بلڈنگ کنٹرول اتھارٹی، انوائزمنٹل پروٹیکشن ایجنسی اور سب سے بڑھ کر وزیر اعلیٰ سندھ اور ان کی حکومت کی جانب سے ہمارے پروجیکٹ کی سرپرستی اور اعانت کرنے پر تہہ دل سے مشکور ہیں۔

اللہ تعالیٰ ہماری جدوجہد کو مزید کامیابیاں عطا فرمائے۔۔۔۔۔ آمین!



عارف حبیب
چیئرمین



صدر اعظم حبیب
چیف ایگزیکٹو

کراچی

اپریل 24، 2019

ترقیاتی کارکردگی

بلاک اے، بی سی اور ڈی سمیت فیئر 1 میں انفراسٹرکچر کی تیاری کا کام تکمیل تک پہنچ چکا ہے چنانچہ کمپنی نے اپنی توجہ بلاک 'ایم' اور 'این' کے انفراسٹرکچر کی ترقی اور دیگر جاری پروجیکٹس مکمل کرنے پر مرکوز کر دی ہے۔ کے الیکٹرک اور سوئی سدرن گیس کمپنی لمیٹڈ (SSGC) کی جانب سے "نینا ناظم آباد" کے باسیوں کو یوٹیلیٹی سروسز براہ راست فراہم کئے جانے کے ضمن میں رواں ماہی کے دوران کے الیکٹرک کے ساتھ ایک معاہدہ ہو چکا ہے اور سوئی SSGC سے اصولی منظوری حاصل کی جا چکی ہے۔ کے الیکٹرک سے کئے گئے معاہدے کی رو سے "نینا ناظم آباد" کے مکینوں کو بجلی کے جداگانہ میٹروں کی فراہمی ایک یا دو ماہ میں شروع کر دی جائیگی جبکہ SSGC کی جانب سے قدرتی گیس کی فراہمی آئندہ مالی سال کی پہلی ماہی میں شروع کر دی جائیگی۔ جہاں تک دیگر جاری پروجیکٹس کا تعلق ہے تو ہمیں یہ اطلاع دیتے ہوئے انتہائی خوشی ہو رہی ہے کہ "نینا ناظم آباد جیم خانہ" پر مقرر کردہ شیڈول کے مطابق کام جاری ہے اور اندازہ ہے کہ سال 2020ء تک یہ مکمل ہو جائے گا۔ چونکہ رمضان المبارک کا باہر تہ مہینہ قریب آ رہا ہے اسی مناسبت سے بلاک 'سی' کی مسجد اور جامع مسجد کا ایک حصہ رمضان المبارک شروع ہونے سے پہلے ہی نمازیوں کیلئے کھول دیئے جائیگی۔ مزید یہ کہ اسکول اور کلینک پر بھی کام تیزی سے جاری ہے اور انتظامیہ کا ہدف ہے کہ اگلے تعلیمی سال کی شروعات سے قبل اسکول کام شروع کر دے اور کلینک آئندہ مالی سال کی پہلی ششماہی میں چالو کر دی جائے۔ یہ تمام سہولیات "نینا ناظم آباد" میں رہنے والوں کا طرز زندگی مزید بہتر بنائیں گی اور انتظامیہ "نینا ناظم آباد" کے باسیوں کو ہر قسم کی سہولیات کی فراہمی میں کوئی دقیقہ فرو گذاشت نہیں کرے گی۔

مستقبل کا منظر نامہ

رواں ماہی میں فیئر 1 کی تکمیل اور بلاک "کے" اور "ایل" کو پیش کئے جانے کے پیش نظر انتظامیہ نے مختلف النوع ترقیاتی کاموں کی پلاننگ کا کام شروع کر دیا ہے جس میں FL سائٹ کے ساتھ ساتھ کمرشل سائٹ بھی شامل ہیں اور آئندہ مالی سال کی پہلی ماہی میں FL سائٹ پیش کرنا انتظامیہ نے اپنا ہدف مقرر کیا ہے۔ مزید یہ کہ FL سائٹ اور کمرشل سائٹ کمپنی کیلئے قلیل سے اوسط مدت میں کمپنی کیلئے قوت مہیمز کا کام دیں گے۔ پھر نینا ناظم آباد جیم خانہ، جسکی تعمیر کا کام تیزی سے جاری ہے، کراچی والوں کیلئے ایک ایسی کشش ثابت ہو گا جو انہیں نینا ناظم آباد کی جانب کھینچ لے آئے گا۔

نینا ناظم آباد پروجیکٹ کے قرب و جوار میں ہونے والی بیرونی ترقی بھی یہاں کے مکینوں کو حاصل سہولیات کے ضمن میں اس پروجیکٹ کی قدر سازی میں اہم کردار ادا کرے گی۔ قرب و جوار میں جاری ترقیاتی پروجیکٹس میں گرین لائن بی آر ٹی ایس شامل ہے جسکی شروعات جلد ہی متوقع ہے اور جو نینا ناظم آباد آنے اور یہاں سے اندرون شہر اور کراچی کے دیگر اہم علاقوں سے جوڑ دے گا۔ وفاقی حکومت کی جانب سے منگھو پیر روڈ کی تعمیر بھی اس پروجیکٹ تک آنے جانے میں ایک قابل قدر سہولت ثابت ہوگی اور منگھو پیر روڈ کے ساتھ 66 انچ قطر کی ایم ایس پائپ لائن کا چھپا یا جانا اس علاقے میں پانی کی دستیابی کی صورت حال بہتر بنانے کی جبکہ توقع ہے کہ مستقبل میں تعمیر کی جانے والی K4 واٹر ٹرانسمیشن لائن بھی اسی راستے سے گزاری جائے گی۔ اس کے علاوہ کمپنی نصرت بھٹو کالونی کو بائی پاس کرنے کے لئے ایک فلاحی اوور کی تعمیر شروع کر رہی ہے جو علاقے کی ترقی میں ایک اہم سنگ میل ثابت ہو گا۔ اس سلسلے میں فلاحی اوور کی ڈیزائننگ اور دیگر منسلک معاملات تکمیل پا چکے ہیں اور متعلقہ سرکاری محکموں / ایجنسیوں سے ضروری NOCs حاصل کرنے کی کارروائی شروع کر دی گئی ہے۔ انتظامیہ توقع کر رہی ہے کہ فلاحی اوور کا سنگ بنیاد اگلے مالی سال کی پہلی ششماہی کے دوران رکھے دیا جائے گا۔

ڈائریکٹرز رپورٹ

قابل احترام شیئرز ہولڈرز،

جاوید ایل کارپوریشن لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے ہم کمپنی کی نو ماہی عبوری مالیاتی معلومات کے خلاصے اور 31 مارچ 2019ء کو اختتام پذیر ہونے والی سہ ماہی کیلئے ڈائریکٹرز رپورٹ پیش کرتے ہوئے دلی مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

زیر جائزہ مدت کے دوران کمپنی نے 1354.81 ملین روپے (تیسری سہ ماہی کیلئے 530.76 ملین روپے) کی فروخت ریکارڈ کی ہے جو گزشتہ برس اسی مدت کے دوران 1597.00 ملین روپے رہی تھی۔ اس مدت کیلئے منافع بعد از ٹیکس (PAT) 443.32 ملین روپے (تیسری سہ ماہی کیلئے 319.96 ملین روپے) ریکارڈ کیا گیا جو گزشتہ برس اسی مدت کے دوران 445.48 ملین روپے ریکارڈ ہوا تھا۔ اس مدت میں ریکارڈ کیا جانے والا PAT، 1.54 روپے بنیادی اور 1.54 روپے ڈیلیوٹڈ بالترتیب (تیسری سہ ماہی کیلئے 1.11 روپے بنیادی اور ڈیلیوٹڈ دونوں) کی صورت میں ظاہر ہوا۔ فروخت میں بڑھوتی کی بڑی وجہ کمپنی کی جانب سے بلاک K اور بلاک L کا پیش کیا جانا تھا جو رواں سال کی پہلی ششماہی کے دوران حاصل ہونے والی انتہائی کم شرح منافع کو اعتماد پر لانے کا سبب بنی۔ واضح رہے کہ شرح منافع میں کمی کی وجہ بلاک B کے بنگلوں کی فروخت پر ریکارڈ میں کم شرح کا حاصل ہونا تھا (یہ بنگلے پہلے ہی فروخت کئے جا چکے تھے لیکن آمدنی حاصل کرنے کی پالیسی کے مطابق فروخت کی کارروائی رواں مالی سال کی پہلی سہ ماہی میں مکمل ہوئی)۔

ذیل میں مالیاتی نتائج کا تقابلی خلاصہ پیش کیا جا رہا ہے۔

سہ ماہی کے اختتام پر		نومہ کے اختتام پر		تفصیل
31 مارچ 2018	31 مارچ 2019	31 مارچ 2018	31 مارچ 2019	
(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)	
(روپے ہزار میں)		(روپے ہزار میں)		
247,609	530,763	1,597,000	1,354,805	خالص فروخت
(128,036)	(41,794)	(581,834)	(550,684)	اخراجات فروخت
119,573	488,969	1,015,166	804,121	خام منافع
26,557	334,522	764,077	491,991	منافع قبل از ٹیکس
(16,245)	(14,553)	(318,600)	(48,664)	ٹیکس کاری
10,312	319,969	445,477	443,327	منافع بعد از ٹیکس کاری
0.05	1.11	2.15	1.54	EPS - بنیادی (روپے)
0.05	1.11	2.04	1.54	EPS - ڈیلیوٹڈ (روپے)

JAVEDAN CORPORATION LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

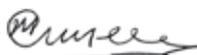
As at March 31, 2019

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	-----Rupees in '000-----	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	2,051,064	1,816,670
Long-term deposits		8,020	7,575
Deferred tax assets - net		10,367	31,704
		2,069,451	1,855,949
CURRENT ASSETS			
Trade debts		1,042,050	1,469,913
Development properties	6	18,906,496	17,190,073
Loans and advances		173,494	200,168
Deposits, prepayments and other receivables		43,189	17,957
Cash and bank balances		34,503	106,428
		20,199,732	18,984,539
		22,269,183	20,840,488
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised			
390,000,000 (2018: 290,000,000) ordinary shares of Rs.10/- each		3,900,000	2,900,000
Issued, subscribed and paid-up capital		2,885,304	2,671,254
Capital reserves		3,393,056	3,392,570
Revenue reserves		2,132,254	1,968,800
Surplus on revaluation of freehold land		5,681,458	5,802,648
		14,092,072	13,835,272
NON-CURRENT LIABILITIES			
Long-term financing	7	3,689,436	866,250
Deferred liability - gratuity		30,179	24,191
		3,719,615	890,441
CURRENT LIABILITIES			
Trade and other payables	8	540,161	2,110,136
Preference shares		510	1,320
Accrued mark-up		214,127	67,172
Advance from customers		1,252,333	676,176
Liability against performance obligation		716,759	494,436
Short-term borrowings		1,398,685	2,365,856
Unclaimed dividend		5,127	4,062
Taxation - net		-	13,630
Current maturity of non-current liabilities		329,794	381,987
		4,457,496	6,114,775
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY AND LIABILITIES		22,269,183	20,840,488

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive



CHIEF FINANCIAL OFFICER



Director

JAVEDAN CORPORATION LIMITED

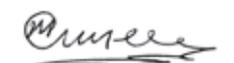
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the Nine Months and Quarter Ended March 31, 2019

	Note	Nine Months Ended		Quarter ended	
		March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
-----Rupees in '000-----					
Sales - net		1,354,805	1,597,000	530,763	247,609
Cost of sales		(550,684)	(581,834)	(41,794)	(128,036)
Gross profit		804,121	1,015,166	488,969	119,573
Marketing and selling expenses		(34,506)	(48,167)	(14,557)	(31,249)
Administrative expenses		(227,650)	(178,997)	(76,899)	(56,114)
Finance costs		(107,196)	(36,580)	(84,528)	(11,013)
Other income		57,222	12,655	21,537	5,360
Profit before taxation		491,991	764,077	334,522	26,557
Taxation	10	(48,664)	(318,600)	(14,553)	(16,245)
Profit for the period		443,327	445,477	319,969	10,312
----- (Rupees) -----					
Earnings per share			(Restated)		(Restated)
Basic	11	<u>1.54</u>	2.15	<u>1.11</u>	0.05
Diluted	11	<u>1.54</u>	2.04	<u>1.11</u>	0.05

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Chief Executive


CHIEF FINANCIAL OFFICER


Director

JAVEDAN CORPORATION LIMITED

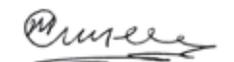
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the Nine Months and Quarter Ended March 31, 2019

	Nine Months Ended		Quarter ended	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
	-----Rupees in '000-----			
Profit after taxation	443,327	445,477	319,969	10,312
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	443,327	445,477	319,969	10,312

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Chief Executive


CHIEF FINANCIAL OFFICER


Director

JAVEDAN CORPORATION LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

For the Nine Months Ended March 31, 2019

	March 31, 2019	March 31, 2018
-----Rupees in '000-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	491,991	764,077
Adjustments for non-cash items:		
Depreciation	9,391	9,016
Provision for gratuity	7,825	5,639
Finance costs	107,196	36,580
Mark-up on saving accounts	(893)	(1,220)
Gain on disposal of property and equipment	(167)	(796)
Operating profit before working capital changes	615,343	813,296
Decrease / (Increase) in current assets		
Trade debts	427,863	807,304
Development properties	(1,331,526)	(7,563,633)
Loans and advances	26,674	(42,093)
Deposits, prepayments and other receivables	(25,571)	5,048
	(902,560)	(6,793,374)
(Decrease) / Increase in current liabilities		
Trade and other payables	(1,569,854)	1,800,864
Advance from customers	576,157	157,369
Liability against performance obligation	222,323	98,387
	(771,373)	2,056,620
Cash flows used in operations	(1,058,591)	(3,923,458)
Payments for:		
Income tax	(40,957)	(16,776)
Finance costs	(345,264)	(86,203)
Gratuity	(1,837)	(1,382)
Dividend	(185,945)	(443,623)
Long-term deposits	(445)	(2,864)
Net cash flows used in operations	(1,633,039)	(4,474,306)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(244,065)	(10,330)
Sale proceeds from disposal of property, plant and equipment	447	1,220
Mark-up on saving accounts received	893	1,220
Net cash flows used in investing activities	(242,727)	(7,890)

JAVEDAN CORPORATION LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

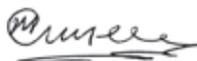
For the Nine Months Ended March 31, 2019

	March 31, 2019	March 31, 2018
	-----Rupees in '000-----	
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of right shares	-	3,103,473
Cost on issuance of bonus shares	(322)	-
Long-term financing - net	2,771,936	(203,875)
Liabilities against assets subject to finance lease - net	(603)	(674)
Short-term borrowings - net	(967,171)	1,836,606
Net cash generated from financing activities	1,803,839	4,735,530
Net (decrease) / increase in cash and cash equivalents	(71,926)	253,334
Cash and cash equivalents at beginning of the year	106,428	25,402
Cash and cash equivalents at end of the period	34,503	278,736

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive



CHIEF FINANCIAL OFFICER



Director

JAVEDAN CORPORATION LIMITED

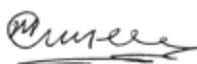
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the Nine Months Ended March 31, 2019

	Issued, subscribed and paid-up capital	Capital reserves		Revenue Reserves		Surplus on revaluation of freehold land	Total Equity
		Share premium	Tax holiday reserve	General	Un- appropriated profit		
Rupees in '000							
Balance as at July 01, 2017	1,570,510	670,346	11,966	63,500	1,313,023	6,148,628	9,777,973
Profit for the period	-	-	-	-	445,477	-	445,477
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	445,477	-	445,477
Issuance of Right Shares	890,420	2,226,047	-	-	-	-	3,116,467
Cost of Issuance of Right shares	-	-	-	-	(12,990)	-	(12,990)
Surplus on revaluation of freehold land realised on account of sale of development properties	-	-	-	-	214,337	(214,337)	-
Reversal of dividend payable on preference shares converted into ordinary shares	-	-	-	-	303,559	-	303,559
Conversion of preference shares into ordinary shares	210,326	484,213	-	-	(244,356)	-	450,183
Dividend @ 12% on preference shares convertible into ordinary shares	-	-	-	-	(121)	-	(121)
Final dividend @ 2.5 percent on ordinary shares for the year ended June 30, 2017	-	-	-	-	(446,084)	-	(446,084)
Balance as at March 31, 2018	<u>2,671,256</u>	<u>3,380,606</u>	<u>11,966</u>	<u>63,500</u>	<u>1,572,845</u>	<u>5,934,291</u>	<u>13,634,464</u>
Balance as at July 01, 2018	<u>2,671,254</u>	<u>3,380,604</u>	<u>11,966</u>	<u>63,500</u>	<u>1,905,300</u>	<u>5,802,648</u>	<u>13,835,272</u>
Profit for the period	-	-	-	-	443,327	-	443,327
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	443,327	-	443,327
Surplus on revaluation of freehold land realised on account of sale of development properties	-	-	-	-	74,467	(74,467)	-
Issuance of 8% bonus shares for the year ended June 30, 2018	213,726	-	-	-	(213,726)	-	-
Cost on issuance of bonus shares	-	-	-	-	(322)	-	(322)
Final dividend @ 7% on ordinary shares for the year ended June 30, 2018	-	-	-	-	(187,010)	-	(187,010)
Conversion of preference shares into ordinary shares	322	483	-	-	-	-	805
Balance as at March 31, 2019	<u>2,885,303</u>	<u>3,381,087</u>	<u>11,966</u>	<u>63,500</u>	<u>2,022,036</u>	<u>5,728,181</u>	<u>14,092,073</u>



Chief Executive



CHIEF FINANCIAL OFFICER



Director

JAVEDAN CORPORATION LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)

For The Nine Months Ended March 31, 2019

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, MT 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", 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/DD(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** During the period, the Company has increased its authorised ordinary share capital from 290,000,000 to 390,000,000

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the nine months period ended March 31, 2019 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 statements, in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates.

During the preparation of these condensed interim financial statement, changes in the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty are same as those applied to the annual audited financial statements of the Company for the year ended June 30, 2018.

JAVEDAN CORPORATION LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)

For The Nine Months Ended March 31, 2019

3.2 These condensed interim financial statements 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 statements are the same as those applied in the preparation of the annual financial statements (unconsolidated) for the year ended June 30, 2018, except for the adoption of the new and amended standards, interpretations and improvements to IFRSs by the Company, which became effective for the current period:

The adoption of said standards, interpretations and improvement to standards did not have any material effect on the condensed interim financial statements, except for IFRS 9 'Financial Instruments' and IFRS 15 'Revenue From Contracts With Customer' as discussed below.

a) IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after January 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. However, the Securities and Exchange Commission of Pakistan vide S.R.O 229 (1) / 2019 dated February 14, 2019 has modified the effective date for application of IFRS 9 to 'Reporting period / year ending on or after June 30, 2019'.

b) IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It has replaced IAS 18 'Revenue Recognition', IAS 11 'Construction Contracts' and related interpretations for annual periods beginning on or after January 01, 2018. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised when a customer obtains control of the goods or services and the determination of timing of the transfer of control – at a point in time or over time requires judgement. Further, revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer.

The Company enters into contracts with customers to sell open plots of land and constructed bungalows and has concluded that the first-time application of IFRS 15 by the Company does not have any significant effect with regard to the amount of revenue recognised and when it is recognised. Accordingly, opening reserves as at July 01, 2018 does not required to be restated. Since, the Company has adopted the new standard on the required effective date using a modified retrospective method, therefore the information presented for previous year / period has not been restated i.e. it is presented, as previously reported, under IAS 18 and related interpretations and additional disclosure requirements in IFRS 15 have not been applied to comparative information.

JAVEDAN CORPORATION LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)

For The Nine Months Ended March 31, 2019

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
	Note	-----Rupees in '000-----	
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	1,562,546	1,566,351
Capital work-in-progress	5.4	<u>488,518</u>	<u>250,319</u>
		<u>2,051,064</u>	<u>1,816,670</u>
5.1 Operating fixed assets			
Opening book value		1,566,351	1,565,176
Additions during the period / year	5.2	<u>5,866</u>	<u>14,479</u>
		1,572,217	1,579,655
Disposals during the period / year at book value	5.3	<u>(280)</u>	<u>(816)</u>
Depreciation charge for the period / year		<u>(9,391)</u>	<u>(12,488)</u>
		<u>1,562,546</u>	<u>1,566,351</u>
5.2 Additions during the period / year			
Furniture and fixtures		1,193	859
Office equipment		1,296	11,754
Computer equipment		2,545	850
Vehicles - owned		<u>833</u>	<u>1,016</u>
		<u>5,866</u>	<u>14,479</u>
5.3 Disposals during the period / year at book value			
Office equipment		23	24
Vehicles - owned		<u>257</u>	<u>792</u>
		<u>280</u>	<u>816</u>
5.4 Capital work-in-progress			
Opening		250,319	61,983
Additions made during the period	5.4.1	<u>238,199</u>	<u>188,336</u>
Closing balance		<u>488,518</u>	<u>250,319</u>
5.4.1	Represents expenditures incurred / advances made in respect of club house and jama masjid.		

JAVEDAN CORPORATION LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)

For The Nine Months Ended March 31, 2019

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
6. DEVELOPMENT PROPERTIES	Note	-----Rupees in '000-----	
Land			
Land for development		14,493,421	8,151,484
Add: Acquired during the period / year	6.1	312,306	6,341,937
		14,805,727	14,493,421
Development expenditure incurred			
Opening balance		7,268,396	4,649,679
Add: Incurred during the period / year		1,803,724	2,618,717
		9,072,120	7,268,396
Borrowing costs related to development properties			
Opening balance		1,387,153	1,226,698
Add: Capitalised during the period / year		384,897	160,455
		1,772,050	1,387,153
Transferred to cost of sales to date		25,649,897	23,148,970
Transferred to development charges incurred and apportioned to date		(4,635,421)	(4,084,737)
		(2,107,979)	(1,874,160)
		18,906,496	17,190,073

6.1 Included herein commercial plots at Naya Nazimabad acquired during the period from related parties having an aggregated cost of Rs. 292.712 million.

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
7. LONG TERM FINANCING - secured	Note	-----Rupees in '000-----	
Debt asset swap arrangement		64,167	106,042
Term finance certificates		431,250	517,500
Sukuk certificates	7.1	2,976,936	-
Diminishing musharika		50,000	125,000
Syndicated loan facility		496,875	498,750
		4,019,228	1,247,292
Current maturity of long-term financing		(329,792)	(381,042)
	7.2	3,689,436	866,250

JAVEDAN CORPORATION LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)

For The Nine Months Ended March 31, 2019

- 7.1** During the period, the Company has issued privately placed sukuk certificates aggregating to Rs.2.993 million having face value of Rs.100,000/- each to eligible institutions / investors (i.e. the certificate holders or beneficiaries) for a period of 08 years (inclusive of 2 years grace period) to make payment of commercial land purchased and repayment of financing obtained for said purpose during the year ended June 30, 2018. These carry markup at the rate of 6 months KIBOR plus 1.75 percent per annum and are redeemable in 12 equal installments starting from March 17, 2021 till September 17, 2026. The Company is liable to pay annual trustee fee of Rs.0.75 million to Pak Brunei Investment Company Limited (the trustee) under the trust deed dated September 14, 2018. The facility is secured against 49 plots located at Tapo Manghopir, Taluka Gadap Town, District Karachi for the aggregated value of Rs.5,250.91 million and other assets (i.e. stand-by letter of credits, collection account and sponsors support agreements). The Company has incurred transaction cost of Rs.47.624 million to issue said certificates.
- 7.2** There are no major changes in the terms and conditions of long-term financing arrangements as disclosed in note 18 to the annual audited financial statements of the Company for the year ended 30 June 2018 other than those disclosed in note 7.1 to these condensed interim financial statements.

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
8. TRADE AND OTHER PAYABLES	Note	-----Rupees in '000-----	
Creditors		17,880	66,236
Accrued liabilities		135,864	103,326
Retention money		97,110	79,770
Withholding tax payable		14,649	15,662
Other payables			
- on cancellation of plots		8,812	8,812
- on repurchase of land	8.1	265,816	1,836,173
- dividend on preference shares		31	157
		<u>540,161</u>	<u>2,110,136</u>

- 8.1.** Included herein other payables on account of repurchase of land amounting to Rs.265.82 million (June 30, 2018: Rs.1,836.17 million).

9. CONTINGENCIES AND COMMITMENTS

- 9.1.** The status and nature of contingencies are same as that disclosed in an annual audited financial statements of the company for the year ended June 30, 2018.

JAVEDAN CORPORATION LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)

For The Nine Months Ended March 31, 2019

	------(Unaudited)-----			
	Nine months Ended		For the Quarter ended	
	March 31, 2019	March 31, 2018 (Restated)	March 31, 2019	March 31, 2018 (Restated)
	-----Rupees in '000-----			
10. TAXATION				
Current	38,578	19,506	11,808	2,182
Prior year	(11,251)	-	-	-
Deferred	21,337	299,094	2,745	14,063
	<u>48,664</u>	<u>318,600</u>	<u>14,553</u>	<u>16,245</u>
11. EARNINGS PER SHARE				
Basic				
Profit after tax (Rupees in '000)	<u>443,327</u>	445,477	<u>319,969</u>	10,272
Weighted average number of ordinary shares (Number)	<u>288,512,879</u>	207,281,468	<u>288,521,695</u>	207,281,468
Earnings per share - (In Rupees)	<u>1.54</u>	2.15	<u>1.11</u>	0.05
Diluted				
Profit after tax (Rupees in '000)	<u>443,327</u>	445,477	<u>319,969</u>	10,311
Weighted average number of ordinary shares in issue (Number)	<u>288,512,879</u>	207,281,468	<u>288,521,695</u>	207,281,468
Adjustment for conversion of convertible preference shares (Number)	<u>35,651</u>	11,021,065	<u>27,654</u>	11,021,065
Weighted average number of ordinary shares for diluted earnings per share (Number)	<u>288,548,530</u>	218,302,533	<u>288,549,349</u>	218,302,533
Earnings per share - (In Rupees)	<u>1.54</u>	2.04	<u>1.11</u>	0.05
12. TRANSACTIONS WITH RELATED PARTIES				

The related parties comprise of associates and their close family members, key management personnel and post employment benefit plan. All transactions with related parties are entered into at agreed terms as approved by the Board of Directors of the Company. The details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

JAVEDAN CORPORATION LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)

For The Nine Months Ended March 31, 2019

	----- (Un-audited) -----	
	March 31, 2019	March 31, 2018
	----- Rupees in '000 -----	
Associates		
Arif Habib Corporation Limited		
Repurchase of commercial land	16,031	2,167,587
Paid against the repurchase of commercial land	-	2,167,587
Advance paid against subscription of right issue	-	233,337
Short-term borrowing obtained during the period	742,000	1,250,000
Short-term borrowing repaid during the period	1,710,100	-
Mark-up expense on short term borrowing	67,240	18,027
Mark-up paid during the period	81,040	18,027
Dividend paid	15,021	33,334
	<u>16,031</u>	<u>33,334</u>
Arif Habib Equity (Private) Limited		
Repurchase of commercial land	249,785	2,356,161
Paid against the repurchase of commercial land	1,556,161	800,000
Advance paid against subscription of right issue	-	894,013
Advance paid against future purchase of commercial apartments	360,100	-
Dividend paid	45,595	127,716
	<u>249,785</u>	<u>127,716</u>
Arif Habib Dolmen REIT Management Limited		
Services received	-	2,977
	<u>-</u>	<u>2,977</u>
Power Cement Limited		
Purchase of construction material	31,180	85,415
Paid against the purchase of construction material	56,430	80,882
	<u>31,180</u>	<u>80,882</u>
Safe Mix Concrete Limited		
Purchase of construction material	40,513	41,633
Paid against the purchase of construction material	39,347	42,038
	<u>40,513</u>	<u>42,038</u>
Haji Abdul Ghani - Associated person		
Repurchase of commercial land	26,896	582,070
Advance paid against future purchase of commercial apartments	11,000	420,073
Adjustment of amount payable as an advance for future purchase of commercial apartments	188,892	-
Sale of plots and bungalows	-	17,186
Receipt against sale of plots and bungalows	-	16,900
Advance received against subscription of right issue	-	363,786
Dividend paid	21,912	51,969
	<u>21,912</u>	<u>51,969</u>

JAVEDAN CORPORATION LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)

For The Nine Months Ended March 31, 2019

	----- (Un-audited) -----	
	March 31, 2019	March 31, 2018
	----- Rupees in '000 -----	
Key management personnel		
Arif Habib		
Repurchase of commercial land	-	407,824
Paid against the repurchase of commercial land	-	407,824
Advance received against subscription of right issue	-	179,443
Sale of Bungalows	10,606	-
Dividend paid	<u>9,152</u>	<u>25,635</u>
Kashif Habib		
Advance received against subscription of right issue	-	47,910
Dividend paid	<u>2,443</u>	<u>6,844</u>
Abdul Samad		
Advance received against subscription of right issue	<u>-</u>	<u>611</u>
Close family member		
Nida Ahsan		
Sale of plots and bungalows	54,514	71,559
Receipt against sale of plots and bungalows	<u>-</u>	<u>71,559</u>
Post employment benefit plan		
Gratuity fund trust - contribution paid during the period	<u>1,837</u>	<u>1,382</u>

JAVEDAN CORPORATION LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)

For The Nine Months Ended March 31, 2019

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements were authorised for issue on April 24, 2019 by the Board of Directors of the Company.

14. GENERAL

14.1 Corresponding figure for condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been restated in line with the change in accounting policy of the Company as disclosed in note 5.10 to the annual audited financial statements of the Company for the year ended June 30, 2018.

14.2 Figures have been rounded-off to the nearest thousands rupees, unless otherwise stated.



Chief Executive



CHIEF FINANCIAL OFFICER



Director