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CORPORATE INFORMATION

BOARD OF DIRECTORS	Arif Habib Aves Cochinwala Aqeel Karim Dhedi Ijaz Ahmed Zaidi Iqbal Usman Kashif A.Habib Muhammad Ayub Muhammad Ejaz Rafiq Tumbi Shunaid Qureshi	Chairman Chief Executive Director Director Director Director Director Director Director
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	Masoud Ali Khan	
AUDIT COMMITTEE	Iqbal Usman Kashif A.Habib Rafiq Tumbi S.M.Talha	Chairman Member Member Secretary
AUDITORS	Haroon Zakaria & Company	Chartered Accountants
COST AUDITORS	Siddiqi & Company	Cost & Management Accountants
BANKERS	Allied Bank Limited Al-Baraka Islamic Bank Arif Habib Bank Limited Askari Bank Limited Bank Al-Falah Limited BankIslami Pakistan Limited Habib Bank Limited KASB Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan NIB Bank Limited Silk Bank Limited United Bank Limited	
REGISTERED OFFICE	2nd Floor, Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi-74000 Tel : 92-21-111-111-224 Fax : 92-21-32470090 Website : www.jcl.com.pk	
SHARE REGISTRAR	Technology Trade (Pvt.) Ltd. Dagia House 241-C, PECHS, Block -2, Off. Shahrah-e-Quaideen, Karachi. Email : junaid.dagia@gmail.com	
FACTORY LOCATION	Manghopir, Karachi-75890 Tel : 92-21-36770141-36770142 Fax : 92-21-36770144	

Vision Statement

- The company wishes to forge ahead, experiment with new ideas and challenge new frontiers. It will endeavor to achieve excellence in all its undertakings and intends to provide customer satisfaction by being efficient and competitive.

Mission Statement

- To become a profitable organization and exceed the expectations of our customers and stakeholders by producing and marketing high quality products at competitive prices through concentration on quality, business values and fair play.
- To develop and promote the best use of human talent in a safe environment, as an equal opportunity employer while using advanced technology for efficient and cost effective operations.

CHAIRMANS' REVIEW AND DIRECTORS' REPORT

The Directors of Javedan Cement Limited are pleased to present herewith the interim condensed financial information for the first quarter ended September 30, 2010.

BUSINESS STRATEGY

The Management has developed business diversification strategy for utilizing the company's land for developing a housing scheme, "Naya Nazimabad", which will include built housing units, open plots, flat sites and commercial sites. Approval of Master Plan has already been obtained from Lyari Development Authority (LDA) for the housing scheme on Company's land & the process has also been initiated to seek approval from KBCA. The Company has engaged a team of highly qualified professionals to undertake activities relating to development / construction, marketing / sales of this housing scheme.

PRODUCTION AND SALES

As approved by the Shareholders in the Extra Ordinary General Meeting held on April 24, 2010, the Company ceased its Cement Manufacturing Business, because of non-availability of natural gas since November 2009, small capacity production lines with obsolete plant & machinery and difficulty faced in drilling and blasting for excavation of raw materials due to expanded populated area. As the Company ceased its Cement Manufacturing Business, consequently, no activities carried out for cement production and sales.

FUTURE OUTLOOK

The Company & its management along with the support of its human resources are working towards creating a model city where society's collective consciousness has transcended and is reflected by its physical environs. Naya Nazimabad is the inception of a thought based on social innovation, improving life and providing a haven for a bigger vision and a progressive middle class. The Project is based on a live, work & play concept and will contribute to the society by providing education, healthcare, physical fitness and employment opportunities to its habitants along with a peaceful living.

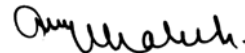
Some of the salient features of the Project include a walled community concept, uninterrupted supply of utilities, ample parking space, extremely wide roads & streets ensuring smooth traffic flow and round the clock security and vigilance using technology based solutions.

Necessary action plans, qualified Professionals & Contractors as well as systems have been put in place to ensure a highly successful launch of this Project. Construction of sales office at project site is in final stage while the work is in progress on model houses. The Management is confident that in addition to contributing to the society, this new business will generate additional income for the Company and its shareholders.

ACKNOWLEDGEMENT

The Company strongly believes that its success is driven by the commitment and dedication of its employees. We acknowledge the contribution of each and every member of the Company in areas of expertise. We would also like to express our thanks to the customers for their trust in our products and look forward to their continued patronage. We also thank our shareholders, banks and financial institutions for their support, guidance and confidence reposed in our enterprise and stand committed to do our best to ensure full reward of their investment in the coming years. May Allah bless us in our efforts. A'meen!

For and on behalf of the Board



Arif Habib
Chairman

Karachi: October 30, 2010


JAVEDAN CEMENT LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2010

	Note	Unaudited September 30, 2010	Audited June 30, 2010
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipments	4	8,655,896	8,641,939
Long term security deposits		2,970	2,970
CURRENT ASSETS			
Stores and spares		21,889	21,869
Stock-in-trade		2,172	6,005
Trade debts - Unsecured (Considered good)		37,189	34,238
Advances - Unsecured		10,561	6,321
Deposits, prepayments and other receivables		568,762	677,212
Interest accrued		273	273
Tax refunds due from Government		24,988	23,928
Cash and bank balances		53,743	81,770
		<u>719,577</u>	<u>851,616</u>
TOTAL ASSETS		<u>9,378,443</u>	<u>9,496,525</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital		581,282	581,282
Reserves		<u>(4,365,660)</u>	<u>(4,194,256)</u>
Shareholders' equity		<u>(3,784,378)</u>	<u>(3,612,974)</u>
Surplus on revaluation of freehold land		7,695,071	7,695,071
Sponsors' loan		1,127,713	1,127,713
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finance		2,348,958	2,725,000
Liabilities against assets subject to finance lease.		5,111	5,768
		<u>2,354,069</u>	<u>2,730,768</u>
CURRENT LIABILITIES			
Trade and other payables		124,521	155,838
Mark-up accrued		304,998	219,738
Current maturity of long term finance		1,553,615	1,177,537
Unclaimed dividend		2,834	2,834
		<u>1,985,968</u>	<u>1,555,947</u>
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		<u>9,378,443</u>	<u>9,496,525</u>

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



Chief Executive



Director

JAVEDAN CEMENT LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	First Quarter Ended	
	SEPTEMBER 30, 2010 (Un-audited)	SEPTEMBER 30, 2009 (Un-audited)
Note	(Rupees in '000)	
Sales - Net	-	203,516
Cost of Goods Sold	-	<u>(178,693)</u>
Gross profit	-	24,823
Operating Expenses		
Distribution Costs	-	(3,893)
Administrative Expenses	6 <u>(28,673)</u> <u>(28,673)</u>	<u>(3,943)</u> <u>(7,836)</u>
Other operating income	5,617	858
(Loss) / profit from operation	<u>(23,056)</u>	<u>17,845</u>
Finance cost	<u>(148,270)</u>	<u>(148,109)</u>
Loss before Taxation	<u>(171,326)</u>	<u>(130,264)</u>
Taxation - Current	(78)	(1,018)
Loss after taxation	<u><u>(171,404)</u></u>	<u><u>(131,282)</u></u>
		Restated
Loss per share - Basic and Diluted	<u><u>(3.04)</u></u>	<u><u>(2.57)</u></u>

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


Chief Executive


Director

JAVEDAN CEMENT LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	First Quarter Ended	
	SEPTEMBER 30, 2010 (Un-audited)	SEPTEMBER 30, 2009 (Un-audited)
	(Rupees in '000)	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(171,326)	(130,264)
Adjustments for non-cash items and other charges		
Depreciation	1,017	3,252
Finance cost	148,270	148,109
Interest income	(871)	(467)
Gain on disposal of fixed assets	(1,781)	-
Cash generated from operating activities before working capital changes	(24,691)	20,630
(Increase) / Decrease in current assets		
Stores and spares	(20)	(4,766)
Stock in trade	3,833	(61,415)
Trade debts	(2,951)	1,491
Loans and advances	(4,240)	(1,988)
Deposits, prepayments and other receivables	108,450	(71,437)
Tax refunds due from Government - net	(1,138)	(3,321)
Increase / (Decrease) in current liabilities		
Trade and other payables	(31,317)	(5,298)
	72,617	(146,734)
Net cash from operation	47,926	(126,104)
Income tax paid	-	(7,739)
Finance cost paid	(63,010)	(62,931)
Net cash used in operating activities	(15,084)	(196,774)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(15,199)	(5,824)
Proceeds from sale of fixed assets	2,006	-
Interest received	871	464
Net cash used in investing activities	(12,322)	(5,360)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from sponsors loan	-	151,437
Repayment of lease liabilities	(621)	-
Net cash from financing activities	(621)	151,437
Net (decrease) in cash and cash equivalent	(28,027)	(50,697)
Cash and cash equivalent at the beginning of the year	81,770	71,298
Cash and cash equivalent at the end of the year	53,743	21,132

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


Chief Executive


Director

JAVEDAN CEMENT LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	Share capital	Capital reserve	Reserve			Total	Total
			Revenue		Total		
			General	Accumulated losses			
(Rupees in '000)							
Balance as at July 1, 2009	290,641	11,966	63,500	(4,140,806)	(4,077,306)	(4,065,340)	(3,774,699)
Loss for the quarter ended September 30, 2009	-	-	-	(131,282)	(131,282)	(131,282)	(131,282)
Balance as at September 30, 2009	<u>290,641</u>	<u>11,966</u>	<u>63,500</u>	<u>(4,272,088)</u>	<u>(4,208,588)</u>	<u>(4,196,622)</u>	<u>(3,905,981)</u>
Balance as at July 01, 2010	581,282	11,966	63,500	(4,269,722)	(4,206,222)	(4,194,256)	(3,612,974)
Net Loss for the quarter ended September 30, 2010	-	-	-	(171,404)	(171,404)	(171,404)	(171,404)
Balance as at September 30, 2010	<u>581,282</u>	<u>11,966</u>	<u>63,500</u>	<u>(4,441,126)</u>	<u>(4,377,626)</u>	<u>(4,365,660)</u>	<u>(3,784,378)</u>

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


Chief Executive


Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

1 STATUS AND NATURE OF BUSINESS

- 1.1** Javedan Cement Limited (the Company) was incorporated in Pakistan on June 08, 1961, as a public limited company under the repealed Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Karachi Stock Exchange. The Company has ceased its cement business from July 01, 2010 and intends to dispose off the free hold land by developing the housing scheme. Registered office of the Company is located at 2nd Floor, Pardesi House, Survey No. 2/1, R. Y. 16, Old Queens Road, Karachi.
- 1.2** During the period, the Company has incurred loss after taxation of Rs.171.404 million (September 30, 2009: Rs.131.282 million) and its accumulated losses stand at Rs.4,441.126 million (September 30, 2009: Rs.4,272.088 million) eroding shareholders equity to negative Rs.3,784.378 million (September 30, 2009: Rs.3,905.981million) and as at that date, its current liabilities exceed its current assets by Rs.1,266.391 million (June 30, 2010: Rs.704.331 million).
- 1.3** The Company has strong financial support from its sponsors and its plan of launching the real estate / housing project including sale of a portion of land to REIT scheme or bulk buyer will attract adequate cash inflows to meet company's liabilities including bank loans. The Company has sold its entire plant and machinery with stores and spares for Rs.670 million, the proceeds of which will also be utilized towards repayment of company's liabilities. Considering these mitigating factors, these financial information have been prepared on going concern basis.

2 BASIS OF PREPARATION

These condensed interim financial information are un-audited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange of Pakistan and have been prepared in accordance with the requirements of the International Accounting Standard -34 "Interim Financial Reporting" as applicable in Pakistan.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulation of Karachi Stock Exchange and section-245 of the Companies Ordinance, 1984.

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

- 3.1** The accounting policies and methods of computation alongwith estimates which have been used in the preparation of this financial condensed interim financial information are the same as those applied in the preparation of the annual financial statements for the preceding year ended June 30, 2010.

JAVEDAN CEMENT LIMITED

4. PROPERTY, PLANT AND EQUIPMENTS

The additions and disposals were made during the period are given below:

	SEPTEMBER 30, 2010 (Un-audited)	JUNE 30, 2010 (Audited)
	(Rupees in '000)	
4.1 Addition / Revaluation during the period		
Office Equipments	-	165
Freehold land (Revaluation)	-	4,505,983
Vehicles	-	44
	<u>-</u>	<u>4,506,192</u>
4.2 Disposal during the period - Cost		
Motor Vehicles	525	597
Quarry & Transport Equipment	7,927	-
	<u>8,452</u>	<u>597</u>
4.3 Capital Work-in-progress		
Civil and Land Development		
Opening	227,818	70,416
Additions	15,193	75,824
Closing	<u>243,011</u>	<u>146,240</u>

5 CONTINGENCY

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

	SEPTEMBER 30, 2010 (Un-audited)	SEPTEMBER 30, 2009 (Un-audited)
	(Rupees in '000)	
6 ADMINISTRATIVE EXPENSES	Note	
Salaries / Wages and other Benefits	6.1	11,461
Printing & Stationery		1,969
Travelling & Conveyance		89
Communication		90
Legal & Professional charges		118
Rent, Rate & Taxes		72
Utilities		690
Repair & Maintenance		114
Depreciation		7,880
Fee & Subscription		727
Vehicle Running Expenses		350
Entertainment		1,017
Donation		512
Insurance		379
Purchase Services- Transportation of Emp.		479
Others		65
		311
		2,918
		228
		979
		500
		694
		-
		594
		-
		<u>28,673</u>
		<u>3,943</u>

6.1 This includes an amount of Rs.3,601 (2009: Rs.nil) thousands in respect of employees retirement benefits.

JAVEDAN CEMENT LIMITED

SEPTEMBER 30, 2010 SEPTEMBER 30, 2009
(Un-audited) (Un-audited)
(Rupees in '000)

7 TRANSACTION WITH RELATED PARTIES

Purchase of Clinker	-	23,528
Sale of Cement	-	30,051
Sale of raw & packing material	5,406	-
Sale of stores & spares	131	13,268
Common sharing expenses incurred	130	600
Sponsors loan received	-	151,437

8 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on October 30, 2010 by the Board of Directors of the Company.

9 GENERAL

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


Chief Executive


Director