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COMPANY INFORMATION

BOARD OF DIRECTORS:

Arif Habib	Chairman
Aves Cochinwala	Chief Executive
Ajaz Ahmed	Director
Aqueel Karim Dhedi	Director
Iqbal Usman	Director
Kashif Habib	Director
Mohammed Ejaz	Director
Muhammed Ayub	Director
Rafiq Tumbi	Director
Shunaid Qureshi	Director

COMPANY SECRETARY

Khursheed Anwer

CHIEF FINANCIAL OFFICER

Zuhair Abbas

AUDIT COMMITTEE

Iqbal Usman	Chairman
Kashif Habib	Member
Rafiq Tumbi	Member
S.M. Talha	Secretary

AUDITORS

Haroon Zakaria & Company Chartered Accountant

COST AUDITORS

Siddiqi & Company Cost & Management Accountants

BANKERS

Allied Bank Limited
Askari Bank Limited
Arif Habib Bank Limited
Bank Al-Falah Limited
Bank Islami Pakistan Limited
Habib Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
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

DIRECTORS' REVIEW REPORT

The Directors of Javedan Cement Limited present herewith the un-audited financial statements of the Company for the quarter ended September 30, 2009.

PRODUCTION AND SALES

The comparative figures of production and sales for the quarter ended September 30, 2009 are given as under :-

	For the Quarter ended	
	September 30, 2009 (Unaudited)	September 30, 2008 (Unaudited)
	In M. Tons	
Clinker Production/ Procured	66,845	87,931
Cement Production	55,011	139,573
Cement Sales		
Local	47,211	115,731
Export	2,448	15,750

During the quarter under review, the production / procurement of clinker was 66,845 M.T as against 87,931 M.T. of corresponding period of last year, which result decrease of 21,086 M.T. of clinker production.

OPERATIONAL RESULT

During the quarter under review, the Company has earned gross profit of Rs. 24.823 million as against Rs. 99.604 million in the same period of last year and net loss of Rs. 131.282 million as against net loss of Rs. 53.077 million in the corresponding period of last year. The main reason for reduction in gross profit was reduced retention prices and increased input cost.

FUTURE PROSPECTS

The cement consumption is mainly driven by infrastructure and real estate development. Due to recent stagflation and the credit crunch, cement consumption has gone down as there have been drastic cut downs in the public sector development budgets. Demand of cement in domestic market has reduced by 14% over prior year.

On the export front, in spite of the world recession, Pakistan Cement Industry has managed to increase its total exports by 55% over prior year, of course at the cost of lower FOB prices.

Moreover, prices both domestic and export remained under pressure because of short demand and market forces. The ever rising interest rate, increased input cost due to inflation, shortage of electricity, worsening law and order situation in the country and severe liquidity crunch made it very difficult for the industry to generate handsome profit. However, the situation will be clear by the end of this year. It is, however, expected that sales will pick-up as the summer starts.



RIGHT ISSUE

The Board of Directors of the Company in a meeting held on September 25, 2009 approved increase in paid up share capital of the Company from Rs. 290,640,860 (Rupees Two Hundred Ninety Million Six Hundred Forty Thousand Eight Hundred and Sixty Only) divided into ordinary shares of 29,064,086 of Rs. 10/- each to Rs. 581,281,720 (Rupees Five Hundred Eighty One Million Two Hundred Eighty One Thousand Seven Hundred and Twenty Only) divided into ordinary shares of 58,128,172 shares of Rs. 10/- each by way of further issue as right share at par value of Rs. 10/- per share in the ratio of one share for every one share held that is 100% right.

The main purpose of this issue is to increase the Company's existing equity and to utilize the additional fund in the new Housing Project of the Company. Your approval for sale of un-utilized land through Housing Scheme has already taken approval from you in an extraordinary general meeting held on March 25, 2009. The Company has already got the map approved by the Lyari Development Authority.

ACKNOWLEDGMENT

The Board of Directors of the Company would like to thank all the financial institutions having business relationship with us, our dealers and customers for their continued support, cooperation and trust they have reposed in us. We would also like to share my deepest appreciation for our employees for their dedication, loyalty and hard work.

For and on behalf of the Board

Aves Cochinwala
Chief Executive

Karachi: October 29, 2009

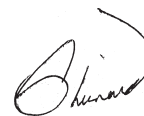
**CONDENSED INTERIM
BALANCE SHEET (UN-AUDITED)**

AS AT SEPTEMBER 30, 2009

		September 30, 2009 (Unaudited)	June 30, 2009 (Audited)
	Note	(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipments	4	5,393,048	5,390,476
Long term security deposits		2,246	2,246
CURRENT ASSETS			
Stores and spares		146,440	141,674
Stock-in-trade		237,684	176,269
Trade debts- Unsecured (considered good)		8,452	9,943
Advances - Unsecured		10,325	8,337
Deposits, prepayments and other receivable		97,840	26,403
Interest accrued		318	315
Tax refunds due from Government		43,769	33,727
Cash and bank balances		21,132	71,829
		<u>565,960</u>	<u>468,497</u>
TOTAL ASSETS		<u>5,961,254</u>	<u>5,861,219</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		290,641	290,641
Reserves		<u>(4,196,622)</u>	<u>(4,065,340)</u>
Shareholders' fund		<u>(3,905,981)</u>	<u>(3,774,699)</u>
Surplus on revaluation of fixed assets		4,505,983	4,505,983
Sponsors loan		1,103,728	952,291
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finance	5	3,290,625	3,530,000
CURRENT LIABILITIES			
Short term borrowings		64,045	64,045
Trade and other payables		214,979	220,277
Mark-up accrued		328,500	243,322
Current maturity of long term loans		359,375	120,000
		<u>966,899</u>	<u>647,644</u>
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		<u>5,961,254</u>	<u>5,861,219</u>

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


Chief Executive


Director



**CONDENSED INTERIM PROFIT AND LOSS
ACCOUNT STATEMENTS - (UN-AUDITED)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	Note	First Quarter Ended	
		September 30, 2009 (Unaudited)	September 30, 2008 (Unaudited)
		(Rupees in '000)	
Sales - Net		203,516	609,110
Cost of goods sold	7	<u>178,693</u>	<u>509,506</u>
Gross profit		24,823	99,604
Operating Expenses			
Distribution costs		<u>(3,893)</u>	<u>(12,638)</u>
Administrative expenses		<u>(3,943)</u>	<u>(6,607)</u>
		<u>(7,836)</u>	<u>(19,245)</u>
Other operating income		<u>858</u>	2,926
Profit / (Loss) from operation		17,845	83,285
Finance cost		<u>(148,109)</u>	<u>(135,541)</u>
Profit / (Loss) before taxation		(130,264)	(52,256)
Taxation		<u>(1,018)</u>	(821)
Loss after taxation		<u><u>(131,282)</u></u>	<u><u>(53,077)</u></u>
Loss per share - Basic		<u><u>(4.52)</u></u>	<u><u>(1.83)</u></u>

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

Chief Executive**Director**

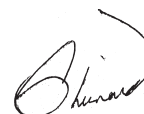
**CONDENSED INTERIM
CASH FLOW STATEMENT - (UN-AUDITED)**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	First Quarter Ended	
	September 30, 2009 (Unaudited) (Rupees in '000)	September 30, 2008 (Unaudited)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(130,264)	(52,256)
Adjustments for non-cash items and other charges		
Depreciation	3,252	3,682
Financial charges	148,109	135,541
Interest income	(467)	(2,531)
Cash from operating activities before working capital changes	20,630	84,436
(Increase)/ Decrease in current assets		
Stores and spares	(4,766)	5,314
Stock in trade	(61,415)	62,633
Trade debts	1,491	(38,023)
Loans and advances	(1,988)	(26,963)
Deposits and prepayments	(71,437)	(196)
Tax due from government - other than income tax	(3,321)	12,962
Increase/ (Decrease) in trade and other payables	(5,298)	(68,030)
	(146,734)	(52,303)
Net cash (used in)/ from operation	(126,104)	32,133
Income tax paid	(7,739)	-
Financial charges paid	(62,931)	(45,119)
Net cash used in operating activities	(196,774)	(12,986)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(5,824)	(7,313)
Interest received	464	852
Net cash used in investing activities	(5,360)	(6,461)
CASH FLOW FROM FINANCING ACTIVITY		
Sponsors loan received and net cash from financing activity	151,437	(5,000)
Net decrease in cash and cash equivalent	(50,697)	(24,447)
Cash and cash equivalent at beginning of period	71,829	71,298
Cash and cash equivalent at end of period	21,132	46,851

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


Chief Executive



Director

**CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY - (UN-AUDITED)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	Share Capital	Reserve				Total	Total
		General			Sub Total		
		Capital Reserve	General Reserve	Accumulated Losses			
← (Rupees in '000) →							
Balance as at July 1, 2008	290,641	11,966	63,500	(3,712,784)	(3,649,284)	(3,637,318)	(3,346,677)
Loss for the quarter ended September 30, 2008	-	-	-	(53,077)	(53,077)	(53,077)	(53,077)
Balance as at September 30, 2008	<u>290,641</u>	<u>11,966</u>	<u>63,500</u>	<u>(3,765,861)</u>	<u>(3,702,361)</u>	<u>(3,690,395)</u>	<u>(3,399,754)</u>
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>

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


Chief Executive


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

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. Its principal activity is to manufacture and sell ordinary portland cement, blast furnace slag cement and sulphate resisting cement. 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. (131.282) million (September 30, 2008: Rs. 53.077 million) and its accumulated losses stand at Rs. 4,272.088 million (June 30, 2009: Rs. 4,140.806 million) eroding shareholders equity to negative Rs. 3,905.981 million (June 30, 2009: Rs. 3,774.699 million) and as at that date, its current liabilities exceeds its current assets by Rs. 400.939 million (June 30, 2009: Rs. 179.147 million). This may cast doubt about the Company's ability to continue as a going concern and the Company may not be able to realize its assets and discharge the liabilities at the stated amounts.

However, the Management has completed process of negotiation with its lenders to reprofile its long term and medium term loan. Further, the Company is exploring the market for Housing project on its unutilized land and has got approval of maps from LDA. The revenue from housing project will be used to repay its interest bearing debts which will eliminate mark up charges so that Company could generate adequate returns from the operations. Considering these facts these financial statements 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 regulations of Karachi, Karachi Stock Exchanges and section 245 of the Companies Ordinance, 1984.

3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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, 2009.

4 PROPERTY, PLANT AND EQUIPMENTS

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

		September 30, 2009	June 30, 2009
		Additions/ (Disposal) (Unaudited)	Additions/ (Disposal) (Audited)
	Note	(Rupees in '000)	
Freehold land (Revaluation)	4.1	-	4,505,983
Vehicles		-	44
		-	(597)
Furniture, fixtures and equipments		-	165
		-	4,506,192
		-	(597)
Capital work in progress - Land development		75,824	58,476
		75,824	4,564,668
		-	(597)

5 LONG TERM FINANCE

This includes term finance loan of Rs. 150 million sanctioned by KASB. This term finance was rescheduled by KASB. It carries mark up at the rate of 3 months KIBOR plus 2.75%. It is secured by way of first parri passu charge over Company's fixed assets. The loan is repayable in three years including nine months grace with nine equal quarterly installments commencing from October 2010.

6 CONTINGENCY

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

	September 30, 2009 (Unaudited)	September 30, 2008 (Unaudited)
	(Rupees in '000)	
7 COST OF GOODS SOLD		
Raw materials consumed	25,251	53,927
Packing materials consumed	11,225	42,331
Stores and spares consumed	6,545	15,187
Utilities	47,561	85,470
Fuel	112,771	185,352
Salaries, wages and other benefits	12,599	12,599
Repairs and maintenance	8,675	13,893
Depreciation	2,997	3,499
Other expenses	6,630	10,429
	234,254	422,687
Work-in-process		
Opening balance	32,448	100,076
Clinker Purchase	18,035	28,093
Closing balance	(80,469)	(36,929)
	(29,986)	91,240
Cost of goods manufactured	204,268	513,927
Finished Goods		
Opening balance	54,431	35,838
Closing balance	(80,006)	(40,259)
	(25,575)	(4,421)
	178,693	509,506

September 30, September 30,
2009 2008
(Unaudited) (Audited)
(Rupees in '000)

8 TRANSACTION WITH RELATED PARTIES

Purchase of clinker	23,528	38,096
Sales of Cement	30,051	110
Sales of stores and spares	13,268	3,765
Common sharing expenses incurred	600	600
Sponsors loan received	151,437	5,000

9 DATE OF AUTHORIZATION FOR ISSUE


These condensed interim financial information were authorized for issue on October 29, 2009 by the Board of Directors of the Company.

10 GENERAL

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



Chief Executive



Director